

City of Ironwood
213 S. Marquette St.
Ironwood, MI 49938



Phone: (906) 932-5050
Fax: (906) 932-5745
www.cityofironwood.org

AGENDA
REGULAR IRONWOOD CITY COMMISSION MEETING
MONDAY, JULY 10, 2017
Public Hearings – 5:20 P.M. & 5:25 P.M.
Regular Meeting - 5:30 P.M.

LOCATION: COMMISSION CHAMBER MEMORIAL BUILDING

5:20 P.M.

1. Call Public Hearing to Order.
2. Recording of the Roll.
3. Open Public Hearing.
4. Public Hearing: To hear comment on the proposed Community Development Block Grant (CDBG) Revolving Loan Fund (RLF) application for Jacquart Fabric Products through Northern Initiatives as reviewed and approved by the Regional Fund Approval Committee.
5. Close Public Hearing.

5:25 P.M.

1. Call Public Hearing to Order.
2. Open Public Hearing.
4. Public Hearing: To hear comments and receive a final report on the completion of the Burton Industries Community Development Block Grant (CDBG) through the Northern Initiatives Revolving Loan Fund (RLF) grant program.
5. Close Public Hearing.



This Institution is an Equal Opportunity Provider, Employer and Housing Employer/Lender



5:30 P.M.

A. Regular Meeting Called to Order.
Pledge of Allegiance.

B. Recording of the Roll.

C. Approval of the Consent Agenda.*

All items with an asterisk () are considered to be routine by the City Commission and will be enacted by one motion. There will be no separate discussion of those items unless a Commission member or citizen so requests, in which event the item will be removed from the General Order of Business and considered in its normal sequence on the agenda.*

*1) Approval of Minutes – Regular City Commission Meeting Minutes of June 26th.

*2) Review and Place on File:

- a. Downtown Ironwood Development Authority Meeting Minutes of May 25th.
- b. Pat O'Donnell Civic Center Meeting Minutes of June 5th.

D. Approval of the Agenda

E. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit).

F. Citizens wishing to address the Commission on Items not on the Agenda (Three Minute Limit)

OLD BUSINESS

G. Discuss and Consider adopting Resolution #017-019 approving the Community Development Block Grant (CDBG) Revolving Loan Fund (RLF) application for Jacquart Fabric Products through Northern Initiatives as reviewed and approved by the Regional Fund Approval Committee.

NEW BUSINESS

H. Discuss and Consider waiving all Vendor Fees for the 2017 Ironwood Festival.

I. Discuss and Consider granting a request for a “Special Event Water Rate” for the 2017 Gogebic County Fair to be held August 24-27, 2017.

J. Discuss and Consider Resolution #017-020, a Resolution for Adopting MERS of Michigan Defined Benefit Plan – New General Division (Post 7/1/2017).

K. Mayor's Appointment.

L. Manager's Report.

M. Other Matters.

N. Consider Closed Session to discuss City Manager's Review.

O. Return to Open Session.

P. Consider action on City Manager's Contract.

Q. Adjournment.



MEMO

To: Mayor Burchell and City Commission

From: Tom Bergman, Community Development Director

Date: July 5th 2017

Meeting Date: July 10th 2017

Re: Resolution for Revolving Loan Fund for Jacquart Fabric Products

Background/Request

Jacquart Fabric products has been working with Northern Initiatives to acquire a Revolving Loan Fund for working capital at their Ironwood Facility. The request is for \$59,945. This request has been approved by the Regional Funds Approval Committee. All other review processes have been completed, and all that is required is a public hearing and a resolution approval by the City Commission. The public hearing is being held before the regular meeting. A public hearing is also being held for the close out of a loan for Burton Industries. No additional action is required for that. Please read the attached resolution and public hearing notices and let me know if you have any questions.

RESOLUTION # 017-019

APPLICATION FOR FUNDING THROUGH THE CITY OF IRONWOOD

**STATE OF MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN FUND
(RLF) PROGRAM. FOR JACQUART FABRIC PRODUCTS, INC.**

WHEREAS, Jacquart Fabric Products, Inc. has made an application through Northern Initiatives, Inc. for The City of Ironwood CDBG Revolving Loan Funds in the amount of \$59,945 to aid in financing working capital within The City of Ironwood, and

WHEREAS, the project location meets zoning requirement is consistent with the City of Ironwood's Comprehensive Plan, the project will employ at least 51% low to moderate income persons, and

WHEREAS, The City of Ironwood participates in the Regional RLF Model, has executed a Sub Recipient Agreement with Northern Initiatives and has designated The City Community Development Director and Ironwood Economic Development Corporation Chair as its representatives on its Regional Funds Approval Committee, and

WHEREAS, the Regional Fund Approval Committee has reviewed and approved said application submitted by The City of Ironwood. on 5/4/2017, and

WHEREAS, no project costs (CDBG and non-CDBG) will be incurred prior to the formal loan award, completion of the environmental review procedures and formal, written authorization to incur costs has been provided by your CDBG Project Manager, and

WHEREAS, The City of Ironwood has advertised in The Daily Globe newspaper and has held a public informational hearing in regard to the CDBG Revolving Loan Fund application on July, 10th, 2017.

THEREFORE BE IT FURTHER RESOLVED that The City of Ironwood acknowledges that it has held a public informational meeting on July, 10th, 2017 in regard to the CDBG Revolving Loan Fund Application by Jacquard Fabric Products, Inc. in the amount of \$59,945 for working capital for its business within the City of Ironwood, that the project will employ at least 51% low to moderate income persons and the project meets zoning requirements and is consistent with the City of Ironwood's Comprehensive Plan and authorizes the City's Mayor to sign the part 2 Application and all attachments. The City also authorizes the Mayor Annette Burchell to sign the Grant Agreement including all amendments. Additionally the Mayor is authorized to sign all grant payment requests.

The following aye votes were recorded: _____

The following nay votes were recorded: _____

Annette Burchell, Mayor

I, Karen Gullan, City of Ironwood Clerk, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by City of Ironwood Board of City of Ironwood, Gogebic County, Michigan, at the regular meeting held on July, 10th, 2017.

Karen Gullan, City of Ironwood Clerk

**CITY OF IRONWOOD
NOTICE OF PUBLIC HEARING FOR MICHIGAN COMMUNITY
DEVELOPMENT BLOCK GRANT (CDBG) FUNDING FOR
JACQUART FABRIC PRODUCTS, INC.**

City of Ironwood will conduct a public hearing on July 10th, 2017 at 5:20 pm cst at The Memorial Building, in the City Commission Chambers, located at 213 S. Marquette Street, Ironwood, MI. for the purpose of affording citizens an opportunity to examine and submit comments on the proposed application for a CDBG / Revolving Loan Fund (RLF) Program.

City of Ironwood proposes to use \$59,945.00 CDBG/RLF funds to assist Jacquart Fabric Products, Inc. with Working Capital needs that will result in the hiring of 2 new employees and benefit at least 51% low to moderate income persons. No persons will be displaced as a result of the proposed activities.

Further information, CDBG/RLF application is available for review. To inspect the documents, please contact Tom Bergman to setup an appointment. Comments may be submitted in writing through July 10th, 2017 or made in person at the public hearing.

Citizen views and comments on the proposed application are welcome.

City of Ironwood
Annette Burchell
213 S. Marquette St.
Ironwood, MI. 49938

City of Ironwood

Annette Burchell, City Mayor

Publish July 1st 2017

**CITY OF IRONWOOD
NOTICE OF CLOSEOUT PUBLIC HEARING
FOR MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FUNDING FOR BURTON INDUSTRIES**

The City of Ironwood will conduct a closeout public hearing on July 10th 2017 at 5:25pm cst in the City Commission Chambers of the Memorial Building at 213 S. Marquette Street, Ironwood, MI for the purpose of affording citizens an opportunity to submit comments and receive a final report on the completion of the Burton Industries CDBG grant.

The CDBG grant provided funding to assist in providing working capital. The CDBG project benefitted at least 51% low to moderate income persons; No persons were displaced as a result of the project.

Interested parties are invited to comment on the project in person at the public hearing or in writing through July 10th 2017 at 4pm and addressed to Thomas Bergman, City of Ironwood, 213 S. Marquette Street, Ironwood, MI 49938.

Citizen views and comments on the CDBG project are welcome.

City of Ironwood
Thomas Bergman Community Development Director
906-932-5050 ext. 126

Publish on July 1st, 2017

Proceedings of the Ironwood City Commission

A Regular Meeting of the Ironwood City Commission was held on June 26, 2017 at 5:30 P.M. in the City Commission Chambers, Second Floor of the Municipal Memorial Building in the City of Ironwood.

A. Mayor Burchell called the Regular Meeting to Order at 5:30 p.m.

B. Recording of the Roll.

PRESENT: Commissioner Corcoran, Mildren, Semo, Tauer, and Mayor Burchell.

ABSENT: None.

C. Approval of the Consent Agenda.*

*1) Approval of Minutes – Regular City Commission Meeting of June 12th & Special Meeting Minutes of June 19th.

*2) Review and Place on File:

a. Ironwood Housing Commission Meeting Minutes of June 13th.

b. Civic Center Meeting Minutes of June 5th.

***Motion** was made by Corcoran, seconded by Mildren to approve the consent agenda as presented. Unanimously passed by roll call vote.*

D. Approval of the Agenda

***Motion** was made by Corcoran, seconded by Mildren and carried to approve the agenda as presented.*

E. Review and Place on File:

1. Revenue & Expenditure Report.

2. Cash Summary Report.

***Motion** was made by Corcoran, seconded by Semo to receive and place on file the Revenue & Expenditures Report for the month ending May 31, 2017 and the Cash Summary Report dated May 2017. Unanimously passed by roll call vote.*

F. Approval of Monthly Check Register Report.

***Motion** was made by Semo, seconded by Tauer to approve the Monthly Check Register Report for May 2017. Unanimously passed by roll call vote.*

- G. Citizens wishing to address the Commission on Items on the Agenda. (Three Minute Limit).

There were none.

- H. Citizens wishing to address the Commission on Items not on the Agenda (Three Minute Limit)

Paul Grbavcich, 1221 E. Leonard Street addressed the City Commission regarding the leasing of the lawn mowers to the volunteer organizations who will be cutting the grass on the Miners' Memorial Trail and the Iron Belle Trail. Mr. Grbavcich questioned the organizations liability insurance policy. Further comments were received.

- I. PRESENTATION: Tom Bergman, Community Development Director.
(RE: First Friday of every month shopping day in downtown).

Community Development Director Tom Bergman addressed the City Commission regarding the First Friday of every month being evening shopping in the downtown from 6:30 p.m. until 9:00 p.m. Mr. Bergman also noted there would be theatre tours, cartoons for the kids, and many businesses participating. Community Development Director Bergman stated hopefully next year there will be a full music series during the Friday shopping night in the downtown. Further discussion of this matter took place.

NEW BUSINESS

- J. Discuss and Consider Resolution #017-022 Recognizing Wisconsin Michigan Destroyers AAA and Ironwood Fighting Yoopers as a non-profit organization operating in the community for obtaining Charitable Gaming Licenses.

Scott Kellett, founder and coach of the Wisconsin Michigan Destroyers AAA and Ironwood Fighting Yoopers was present along with Luke Penrose to address any questions the City Commission may have.

***Motion** was made by Semo, seconded by Corcoran to adopt Resolution #017-022 Recognizing Wisconsin Michigan Destroyers AAA and Ironwood Fighting Yoopers as a non-profit organization operating in the community for obtaining Charitable Gaming Licenses. Unanimously passed by roll call vote.*

- K. Discuss and Consider Resolution #017-011 approving the final costs of the Assessor's Plat of Aurora Lands.

***Motion** was made by Corcoran, seconded by Mildren to adopt Resolution #017-011 approving the final costs of the Assessor's Plat of Aurora Lands. Unanimously passed by roll call vote.*

- L. Discuss and Consider approving bids to Snow Country Contracting, Inc. for the demolition and removal of 213 Greenbush Street in the amount of \$9,308.00 and 330 King Street in the amount of \$12,990.00.

Motion was made by Mildren, seconded by Tauer to award the bids to Snow Country Contracting, Inc. for the demolition and removal of 213 Greenbush Street in the amount of \$9,308.00 and 330 King Street in the amount of \$12,990.00. Unanimously passed by roll call vote.

- M. Discuss and Consider approving the extension of the Gas Plant Tolling Agreement.

Motion was made by Mildren, seconded by Tauer to approve the extension of the Gas Plant Tolling Agreement. Unanimously passed by roll call vote.

- N. Discuss and Consider awarding bid to Mukavitz Heating, Inc. in the amount of \$9,175.00 for the repair of the heating system at the Public Safety Building.

Motion was made by Mildren, seconded by Tauer to award the bid to Mukavitz Heating, Inc. in the amount of \$9,175.00 for the repair of the heating system at the Public Safety Building. Unanimously passed by roll call vote.

- O. Consider approval of Rural Development Pay Package in the amount of \$19,300.89 for the City of Ironwood – Phase 3 Utility Project Water Portion and authorize Mayor to sign all applicable documents.

Motion was made by Semo, seconded by Corcoran to approve the Rural Development Pay Package in the amount of \$19,300.89 for the City of Ironwood – Phase 3 Utility Project Water Portion and authorize Mayor to sign all applicable documents. Unanimously passed by roll call vote.

- P. Consider approval of Rural Development Pay Package in the amount of \$65,348.89 for the City of Ironwood – Phase 3 Utility Project Sewer Portion and authorize Mayor to sign all applicable documents.

Motion was made by Semo, seconded by Corcoran to approve the Rural Development Pay Package in the amount of \$65,348.89 for the City of Ironwood – Phase 3 Utility Project Sewer Portion and authorize Mayor to sign all applicable documents. Unanimously passed by roll call vote.

- Q. Discuss and Consider Resolution #017-021 amending the General Appropriations Act for Fiscal Year 2016-2017.

Motion was made by Semo, seconded by Tauer to adopt Resolution #017-021 amending the General Appropriations Act for Fiscal Year 2016-2017. Unanimously passed by roll call vote.

R. Mayor's Appointments.

Mayor Burchell reappointed Marian True to the Park and Recreation Committee (term expiring June 30, 2020), reappointed Yvonne Novascone to the Downtown Development Authority (DIDA) (term expiring July 1, 2021), and Eleanor Bolich to the unexpired term of Bruce Schwartz on the DIDA (term expiring June 30, 2019).

***Motion** was made by Semo, seconded by Mildren and carried to approve the Mayor's appointment of the reappointment of Marian True to the Park and Recreation Committee (term expiring June 30, 2020), reappointment of Yvonne Novascone to the DIDA (term expiring July 1, 2021), and Eleanor Bolich to the unexpired term on the DIDA (term expiring June 30, 2019).*

S. Manager's Report.

City Manager Scott B. Erickson verbally gave the manager's report noting the following items:

- *He highlighted several events being held during the July 4th holiday.
- *Loan closing with USDA Rural Development, for the Phase 4 water and sewer project, has been scheduled for July 11th.
- *Fahrner Asphalt Sealers has completed the street pavement striping contract for the City.
- *Angelo Luppino has completed the local street paving previously approved.
- *The blighted residential house demolitions continue to move forward.
- *Ruotsala Construction has started the sanitary sewer manhole repair work recently authorized by the City Commission.
- *Angelo Luppino will be completing the final punch list work for the Carnegie Library restoration project.
- *Cemetery grass mowing is scheduled to occur later this week.

T. Other Matters.

Commissioner Corcoran requested to be excused from the September 11th City Commission Meeting.

***Motion** was made by Semo, seconded by Tauer and carried to excuse Commissioner Corcoran from the September 11th City Commission Meeting.*

Commissioner Corcoran confirmed with the City Manager that the City gets copies of their insurance and waivers of liability from the volunteer organizations mowing the grass along the Iron Belle and Miners' Memorial Trails.

Commissioner Mildren commended the City for all the projects of improvements over the past few years. Mr. Mildren noted the City started with a fairly-bare downtown and now it is amazingly beautiful.

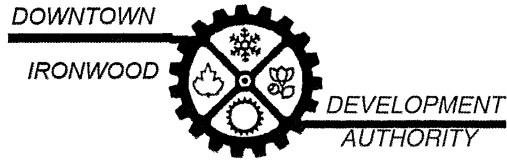
Mayor Burchell followed up with stating she is proud to be a part of such a great community. Further comments were received.

U. Adjournment.

Motion was made by Semo, seconded by Corcoran and carried to adjourn the meeting at 6:42 P.M.

Annette Da Lio-Burchell, Mayor

Karen M. Gullan, City Clerk



**Proceedings of the Downtown Ironwood Development Authority
Thursday, May 25, 2017**

A regular meeting of the Downtown Ironwood Development Authority (DIDA) was held on Thursday, May 25, 2017 at 8:00 A.M. in the Women's club Room, 2nd Floor, Memorial building, Ironwood Michigan.

1. Call to Order: Community Development Director Tom Bergman called the meeting to order at 8:04 A.M.
2. Recording of the Roll:

MEMBER	PRESENT		EXCUSED	NOT EXCUSED
	YES	NO		
Tom Williams, Chair		X	X	
Nancy Korpela, Vice		X		X
Annette Burchell	X			
Bruce Schwartz		X		X
Peter Tacconelli	X			
Yvonne Novascone	X			
Cameron Pitts	X			
Anna Lovelace	X			
Nancy Zak	X			
	6	3	Quorum	

Also Present: Community Development Assistant, Tim Erickson and Community Development Director, Tom Bergman.

3. Approval of the April 27, 2017 Meeting Minutes:
Motion by Zak to accept the meeting minutes from the April 27, 2017 meeting.
Second by Lovelace. **Motion carried 5 to 0.**
4. Approval of the Agenda:
Motion by Lovelace to accept the Agenda. **Second** by Zak. **Motion carried 6 to 0.**
5. Citizens wishing to address the Authority on Items on the Agenda (Three-Minute Limit):
None.

Citizens wishing to address the Authority on Items not on the Agenda (Three-Minute Limit): None.

6. Financial Report: Director Bergman stated that the flower basket purchase will change the report for the next month.

Motion by Zak to accept the financial report. **Second** by Novascone. **Motion carried 6 to 0.**

7. Items for Discussion and Consideration:

- a. Comprehensive Plan & Blueprint Plan Implementation Status of Priority Action Items:
- I. Strategy 6.3(d) Continue Business Retention Program – All Members
 - 1. Director Bergman discussed the new bakery and stated that it's moving forward. The Authority discussed some other buildings that are becoming occupied. Bergman discussed road reconstruction on Business US2 that will happen in the summer of 2017.
 - II. Strategy 6.3(g&h) Develop/Continue Business Incubator/entrepreneurial support spaces – Korpela
 - 1. The Authority skipped the item because Korpela wasn't present.
 - III. Strategy 6.5(c), 6.7(b) & 6.6(c) First Friday Downtown – Lovelace, Schwartz
 - 1. Director Bergman discussed some ideas and asked for volunteers for the event.

Motion by Lovelace to allocated \$200.00 for music for the event.
Second by Zak. **Motion carried 6 to 0.**

- IV. Strategy 6.7(a) Establish an annual events calendar – Burchell
 - 1. Director Bergman discussed a meeting that he had with the calendar committee. He stated that it is still in progress.
- V. BP Display/Encourage public art and other forms of beautification (Art Park) – All Members
 - 1. Director Bergman asked for updates and Erickson gave an update on the Art Park.
- VI. Alley Way Improvement Plan – All Members
 - 1. Director Bergman stated that nothing has happened yet.
- VII. Public WIFI (Blueprint Plan) – Staff
 - 1. Director Bergman updated the Authority with a WIFI project through the Ironwood Carnegie Library that will serve WIFI to the entire City.

8. Other Business: Burchell discussed having something at the Art Park during Festival Ironwood.

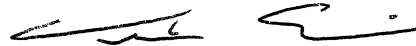
9. Next Meeting: June 22, 2017 at 8:00 a.m.

Adjournment at 8:54 a.m is adjourned.

Motion by Lovelace to adjourn. **Second** by Burchell. **Motion carried 6 to 0.**



Tom Williams, Chair



Tim Erickson, Community Development Assistant

6/5/17 Civic Center Meeting Minutes

1. Meeting called to order by Collins at 5pm.
2. Roll call: Collins, Lorensen, Mildren, Penrose, Re (late), Sim, and Mgr. Roehm present. Osier absent.
3. Motion to approve the docket made by Lorensen, 2nd by Mildren, motion approved.
4. Motion to approve the minutes (no financials) made by Sim, 2nd by Lorensen, motion approved.
5. Citizens wishing to address items on the agenda: Discussion about the Ironwood Fighting Yoopers was held.
6. Citizens wishing to address items not on the agenda: N/A.
7. Yoopers presentation: Scott Kellet and Dave Osier were present to update the board on happenings with the Yoopers. The team has hired a new coach, the schedule is out and will be collegiate style, some players have been signed and signing of prospects is ongoing, and the team plans to have more media presence throughout the season.
8. Old Business:
 - A. Compressor update: The compressor is still broke and is supposed to be replaced in mid June. Parts should be covered under warranty, but not labor.
 - i. Discussion was held about exploring "Breakdown Insurance" options.
9. New Business:
 - A. Contract committee needs to be formed and meet with all clubs. Members of the committee to include Collins, Lorensen, and Mgr. Roehm. Motion to approve the contract committee made by Mildren, 2nd by Sim, motion approved.
10. Other: N/A.
11. Next meeting Monday 7/10/17 at 5:00 pm at the Civic Center.
12. Motion to adjourn made by Mildren, 2nd by Lorensen, motion approved at 5:40 pm.
- 13.

Mayor Annette Burchell
Ironwood City Commission
213 S. Marquette Street
Ironwood, MI 49938

RE: Waiver of Vendor Fees

Dear Mayor Burchell and Commissioners;

This year will be the 25th annual Festival Ironwood, which will be held July 19-22, 2017 on the grounds of Depot Park. Once again we have a very busy event filled schedule for the community to participate in.

We are requesting, as we have in the past many years, the City of Ironwood require only one Vendor License, and you waive that fee (\$100.00) for our vendors. The majorities of the vendors are non profit and rely heavily on proceeds they are able to make during the event. Our expenses have again increased this year, and will exceed \$20,000. These expenses include General Liability Insurance, Tent Rental, Porta Potty Rental, Entertainment Fees, and other related fees. Any assistance is greatly appreciated.

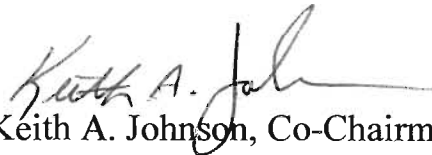
We could never host this very successful event without all of our great volunteers and assistance from the City of Ironwood. We appreciate that very much.

Please let us know if you need any further information or if you have any questions.

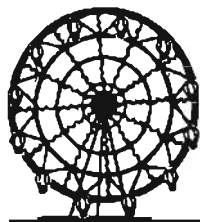
Sincerely,



Will Corcoran, Co-Chairman



Keith A. Johnson, Co-Chairman



GOGEBIC COUNTY FAIR

500 N. Moore St. Bessemer, MI 49911 • (906) 663-4045 • Fairgrounds (906) 932-2700

June 21, 2017

City of Ironwood
Attn: Mr. Bob Tervonen
213 South Marquette Street
Ironwood, MI 49938

Dear Mr. Tervonen:

I am writing on behalf of the Gogebic County Fair Board regarding Resolution #08-018 establishing a "Special Event" Water Rate. The Gogebic County Fair is requesting your consideration to our event for the discounted water rate.

This year the Gogebic County Fair will be held Thursday August 24 - Sunday August 27, 2017.

If you have any questions, please feel free to contact me.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Jim Gribble".

Jim Gribble, Chairman
Gogebic County Fair

Memo

To: Ironwood City Commission
From: Paul Linn, Finance Director/Treasurer
Date: July 10, 2017
Re: Resolution #017-020 – MERS Defined Benefit Plan

The benefit multiplier for City employees hired after July 1, 2017, decreased from 2.25% to 2.0% for AFSCME union and non-union employees. At the regular City Commission meeting on May 22, 2017, the Commission ratified the AFSCME Local 1538 collective bargaining agreement, which references this change. At the same meeting, the Commission also approved this change for new non-union employees.

The City's pension administrator, Municipal Employees' Retirement System (MERS), requires that a resolution be adopted and submitted to reflect this change. A new division will be created to properly account for the pensions of new employees who will be affected. It is my recommendation that the Commission approve this resolution as presented.

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

div 14, 12, 01, 10, 11

☐ 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.

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)

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

Defined Benefit Plan Adoption Agreement

This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.

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.

2. 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)

3. Final Average Compensation (Min 3 yr, increments of 1 yr) _____ years
4. Vesting (5 -10 yrs, increments of 1 yr) _____ years
5. Required employee contribution (Max 10%, increments of 0.01%) _____ %
6. Compensation, for retirement purposes, is defined as base wages and all of the following. Check applicable boxes to **include** 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: _____

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7. Normal Retirement Age: _____ (any age from 60 – 70)

8. Unreduced Early Retirement/Service Requirements:

☐ Age 50 – 54 _____ Service of either ☐ 25 or ☐ 30 years

☐ Age 55 – 65 _____ Service between 15 and 30 years _____

☐ Service only (must be any number from 20 – 30 years accrued service): _____

☐ Age + Service Points (total must be from 70 – 90): _____ points

9. 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.

10. 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)

11. Service Credit Purchase Estimates are:

☐ Not permitted

☐ Permitted

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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 of any conflict between the MERS Plan Document and the MERS Defined Benefit Plan Adoption Agreement, the provisions of the Plan Document control.

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.

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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: _____

Title: _____

Witness signature: _____

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

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