Table of Contents

Agenda	2
Regular Meeting - September 13, 2016	
BOT Meeting Minutes Regular Meeting September 13, 2016.	4
Request for Board Action - Approve Cluster Housing Option for La Casa	
Request for Board Action - La Casa Cluster Housing Option.	30
Request for Board Action - 2017 Meeting Dates	
Request for Board Action - Proposed 2017 Board of Trustee's Meeting Dates	55
Request for Board Action - Curbside Residential Refuse Collection - Automation Option	
Request for Board Action - Curbside Residential Refuse Collection - Automation Option	57
Request for Board Action - Ethics Ordinance Amendment	
Request for Board Action - Proposed Changes to Township Ethics Ordinance.	64
Request for Board Action - City of Plymouth Collection Action	
Request for Board Action - City of Plymouth Collection Action	78
Request for Board Action - TDS Metrocom LLC MetroAct Application	
Request for Board Action - METRO Act Application - TDS Metrocom, LLC	94
Request for Board Action - Discussion regarding Open Space Park and Rec Survey	
Request for Board Action - Discussion regarding Open Space Park and Rec Survey	133
Request for Board Action - Clemis Agreement	
Request for Board Action - IT-Clemis Agreement.	139
Request for Board Action - Amended Adoption Agreement Non- ERISA Governmental Retirement Plan	
Request for Board Action - Approve the Board Resolution to adopt the amendments to the Adoption Plan	173
Request for Board Action - Second Reading of Ordinance to Repeal Compensation Commission	
Request for Board Action - Repeal of the Compensation Commission - Second Reading	234

CHARTER TOWNSHIP OF PLYMOUTH BOARD OF TRUSTEES MEETING

Tuesday, September 27, 2016 7:00 PM



A.	CALL TO ORDER atP.M.
B.	PLEDGE OF ALLEGIANCE TO THE FLAG
C.	ROLL CALL: Steven Mann, Nancy Conzelman, Chuck Curmi Bob Doroshewitz, Ron Edwards, Mike Kelly, Shannon Price
D.	APPROVAL OF AGENDA
	Regular Meeting - Tuesday, September 27, 2016
E.	APPROVAL OF CONSENT AGENDA

E

E.1 **Approval of Minutes:**

Regular Meeting - September 13, 2016

- **Acceptance of Utility Easements:** E.2
- E.3 **Acceptance of Communications, Resolutions, Reports:**
- **Approval of Township Bills:** E.4

		Year 2016
General Fund	(101)	\$303,063.18
Solid Waste Fund	(226)	108,520.90
Improvement Revolving Fund (Capital Projects)	(246)	4,300.00
Drug Forfeiture Fund	(265)	1,167.06
Golf Course Fund	(510)	4,628.52
Senior Transportation	(588)	14,932.66
Water and Sewer Fund	(592)	797,511.84
Trust and Agency Fund	(701)	120.15
Police Bond Fund	(702)	3,120.00
Tax Fund	(703)	-0-
Special Assessment Fund	(805)	8,282.65
Total:		\$1,245,646.96

- F. PUBLIC COMMENTS AND QUESTIONS
- G. **PUBLIC HEARING**

CHARTER TOWNSHIP OF PLYMOUTH BOARD OF TRUSTEES MEETING

Tuesday, September 27, 2016 7:00 PM



H. COMMUNITY DEVELOPMENT

1) Request for Board Action - Approve Cluster Housing Option for La Casa

I. UNFINISHED BUSINESS

- 1) Request for Board Action 2017 Meeting Dates
- 2) Gallagher v. Plymouth Township Update

J. NEW BUSINESS

- Request for Board Action Curbside Residential Refuse Collection Automation Option
- 2) Request for Board Action Ethics Ordinance Amendment
- 3) Request for Board Action City of Plymouth Collection Action
- 4) Request for Board Action TDS Metrocom LLC MetroAct Application
- 5) Request for Board Action Discussion regarding Open Space Park and Rec Survey
- 6) Request for Board Action Clemis Agreement
- 7) Request for Board Action Amended Adoption Agreement Non-ERISA Governmental Retirement Plan **Resolution 2016-09-27-23**
- 8) Request for Board Action Second Reading of Ordinance to Repeal Compensation Commission

K. SUPERVISOR AND TRUSTEE COMMENTS

L. PUBLIC COMMENTS

M. ADJOURNMENT

PLEASE TAKE NOTE: The Charter Township of Plymouth will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at all Township Meetings, to individuals with disabilities at the Meetings/Hearings upon two weeks notice to the Charter Township of Plymouth by writing or calling the following: Human Resource Office, 9955 N Haggerty Road, Plymouth, MI 48170. Phone number (734) 354-3202 TDD units: 1-800-649-3777 (Michigan Relay Services)

PROPOSED MINUTES

Supervisor Price called the meeting to order at 7:05 p.m. and asked Ms. Conzelman to lead the Pledge of Allegiance to the Flag.

MEMBERS PRESENT: Shannon Price, Supervisor

Ron Edwards, Treasurer Nancy Conzelman, Clerk Robert Doroshewitz, Trustee Charles Curmi, Trustee Steve Mann, Trustee

MEMBERS ABSENT: None

OTHERS PRESENT: Joann Coobatis, HR Director

Patrick Fellrath, Dir. of Public Utilities Mark Lewis, Chief Building Official Mike Mitchell, Dir. of Parks and Grants

Dan Phillips, Fire Chief

Jana Radtke, Comm. Dev. Director/Planner

Robert Antal, Police Lieutenant Kevin Bennett, Township Attorney

David Richmond, Spalding DeDecker Associates

Alice Geletzke, Recording Secretary

64 Members of the Public

D. PROCLAMANTION - Constitution Week September 17-23rd, 2016

Mr. Price presented the proclamation, a copy of which will be presented to the Daughters of the American Revolution (DAR).

E. APPROVAL OF AGENDA

Regular Meeting - Tuesday, September 13, 2016

Mr. Price asked that Item K.9 be added to the agenda, Discussion of <u>Plymouth Township vs.</u> Gallagher pertaining to enforcement of the Township's zoning ordinance.

Moved by Ms. Conzelman and seconded by Mr. Mann to approve the agenda for the Board of Trustees regular meeting of September 13, 2016 as amended. Ayes all.

F. APPROVAL OF CONSENT AGENDA

F.1 Approval of Minutes: Regular Meeting - August 9, 2016

PROPOSED MINUTES

F.2 Acceptance of Utility Easements:

Andover Forest Offsite Sanitary Sewer Easement

F.3 Acceptance of Communications, Resolutions, Reports:

Fire Department - August 2016 FOIA - August 2016 Building Department - August 2016

F.4 Approval of Township Bills:

		Year 2016
General Fund	(101)	\$1,364,946.22
Solid Waste Fund	(226)	120,478.81
Improvement Revolving Fund (Capital Projects)	(246)	51,139.72
Drug Forfeiture Fund	(265)	1,321.92
Golf Course Fund	(510)	37,727.33
Senior Transportation	(588)	11,428.88
Water and Sewer Fund	(592)	1,144,109.76
Trust and Agency Fund	(701)	6,902.64
Police Bond Fund	(702)	10,040.00
Tax Fund	(703)	-0-
Special Assessment Fund	(805)	17,104.49
Total:		\$2,765,199.77

Mr. Doroshewitz pointed out a correction to the speaker's name in the Public Comments section of the minutes of August 9, 2016—Chris Zavisa rather than Chris Lavisa.

Moved by Ms. Conzelman and seconded by Mr. Edwards to approve the Consent Agenda for the Board of Trustees regular meeting of September 13, 2016. Ayes all.

G. PUBLIC COMMENTS AND QUESTIONS

A resident praised the increased activities at Friendship Station for the senior citizens and presented the board with written feedback from members of the Senior Council on Aging.

H. PUBLIC HEARING

I. COMMUNITY DEVELOPMENT

PROPOSED MINUTES

1) Request for Board Action - Approve Plymouth Marketplace PUD Option Jana Radtke, Community Development Director/Planner, reviewed the proposal for the property currently occupied by Kmart and the recommended approval of the Planning Commission.

Representatives of the developer addressed the Board, presented proposed drawings, and answered questions.

Moved by Mr. Kelly and seconded by Ms. Conzelman to approve Application 2213, which would allow Parcel R-78-065-99-0012-000 to be developed under a Planned Unit Development (PUD) Option, as recommended by the Planning Commission. Ayes all.

 Request for Board Action - Andover Forest Cluster Housing Agreement and Final Site Plan

Mrs. Radtke reviewed the proposal for development of 15 detached single-family condo units, per the Planning Commission's recommendation.

Developer Bruce Michael addressed the Board and answered questions.

Moved by Mr. Curmi and seconded by Mr. Edwards to approve the Cluster Housing Agreement and Final Site Plan for Application 2138, Andover Forest, as recommended by the Planning Commission. Ayes all.

J. UNFINISHED BUSINESS

A. NEW BUSINESS

 Request for Board Action - Approve Local Governing Body Resolution for Charitable Gaming License for PBJ Outreach - Resolution 2016-09-13-21

Colleen Kelly, representative of PBJ Outreach, explained the need for the resolution in conjunction with the raffle to be held as part of their fund-raising spaghetti dinner.

Moved by Ms. Conzelman and seconded by Mr. Mann to approve Resolution 2016-09-13-21 approving the Local Governing Body Resolution for Charitable Gaming License for PBJ OUTREACH, INC. Ayes all on a roll call vote.

A copy of the Resolution is on file in the Clerk's office for public perusal.

2) Request for Board Action - Bid Award for Lake Pointe Soccer Park Drainage

PROPOSED MINUTES

Mike Mitchell, Dir. of Parks and Grants, and Dave Richmond of Spalding DeDecker explained the bid procedure and the success with the EGRP technology of Parjana on the eastern portion of the soccer park.

A representative of Parjana addressed the Board, noted some of their successes with other clients, and described the process.

Moved by Mr. Mann and seconded by Mr. Kelly to award the bid to install additional drainage at western soccer field in the Lake Pointe Soccer Park to Parjana in the amount of \$47,330.00.

AYES: Mann, Kelly, Conzelman, Doroshewitz, Edwards, Price

NAYS: Curmi

Motion carried.

3) Request for Board Action - Adopt Vantagecare Retirement Health Savings Plan Adoption Agreement Amendment - Resolution 2016-09-13-22

Board members discussed the proposed changes with Human Resources Director Joann Coobatis. The contribution amount would increase to \$75 from \$50 per pay period and the vesting schedule would change to provide 20% vesting after each year with full vesting at 5 years. This would be extended to all other represented and non-represented employee participants as was negotiated with IAFF.

Moved by Mr. Curmi and seconded by Mr. Mann to approve Resolution 2016-09-13-22, approving the Employer Vantagecare Retirement Health Savings (RHS) Plan Adoption Agreement, as amended. Ayes all on a roll call vote.

A copy of the Resolution is on file in the Clerk's office for public perusal.

4) Request for Board Action - Approve AT&T Uniform Video Service Local Franchise Agreement Renewal

Moved by Mr. Curmi and seconded by Mr. Kelly to approve the Uniform Service Local Franchise Agreement submitted by AT&T. Ayes all

5) Request for Board Action - Repeal Compensation Commission

Board members discussed whether the Compensation Commission, which meets in oddnumbered years, should currently be abolished or whether the incoming administration should decide.

PROPOSED MINUTES

Moved by Mr. Kelly and seconded by Ms. Conzelman to approve the first reading of the proposal to repeal Chapter 2, Article II, of Ordinance No. 1016 and any and all amendments thereto.

AYES: Kelly, Conzelman, Price, Edwards

NAYS: Mann, Curmi, Doroshewitz

Motion carried.

A copy of the Ordinance is on file in the Clerk's office for public perusal.

6) Request for Board Action - Board of Trustee Meeting Dates for 2017

Moved by Mr. Doroshewitz and seconded by Mr. Curmi to postpone consideration of the 2017 meeting dates for the Board of Trustees until the Board meeting of September 27, 2016. Ayes all.

7) Request for Board Action - Approve Release and Settlement Agreement with Wayne County Regarding 323 Acres

Mr. Price explained that in exchange for the Township's agreement not to pursue litigation against Wayne County for its failure to follow proper procedures in foreclosing property owned by the City of Detroit, Wayne County has agreed that if the Township sells the property, instead of remitting all surplus proceeds to the County, the Township will be permitted to retain all of the following:

- The entire \$606,149.98 purchase price including interest paid
- Reasonable attorney fees incurred by the Township in all related litigation and settlement negotiations involving the property, including the appeals process (not to exceed \$135,000)
- The cost of any litigation or money judgment against Township due to a lawsuit filed by the City of Detroit or another third party, or any tax liability incurred by Township in connection with the property identified in the recitals
- All costs incurred by the Township relating to demolition, revocation, improvements, or infrastructure development involving the subject 133 acre parcel, and any other costs Township is entitled to retain, with any remaining excess amount from the sale proceeds to be remitted to the Wayne County Treasurer.

Moved by Mr. Edwards and seconded by Ms. Conzelman to approve the Agreement between the Charter Township of Plymouth and the Wayne County Treasurer regarding certain property located on Five Mile and Ridge and authorize the Supervisor to sign the agreement. Ayes all.

8) City of Plymouth Outstanding Debt Discussion

PROPOSED MINUTES

Mr. Price updated Board members on the need to continue negotiations in a timely fashion to resolve the \$4 million debt owed by the City of Plymouth to the Township pursuant to the joint fire services agreement which the City terminated almost five years ago. So far, the City has only paid a fraction of that amount owed, \$330,000, which is the City's share of retiree medical costs that the Township has been funding during the past 4 years. Still at issue are: (1) the City's share of future retiree medical costs from January 1, 2016 going forward, and (2) the City's share of pension contributions from January 1, 2012 on into the foreseeable future. Mr. Price reviewed supporting documentation with the board (see attached Handout #1). Mr. Price cited examples of the City not following through on its promises to the communities in the Plymouth-Canton school district at that time, and to Plymouth Township, all of which contributed the land and funds to build a community recreation center in the City (e.g., Plymouth Cultural Center), in exchange for the City agreeing that everyone would be treated as residents for purposes of participating in the City's community recreation programs (see attached Handout #2).

9) Plymouth Twp. vs. Gallagher

Attorney Bennett and Chief Building Official Lewis discussed with the Board how to proceed with the case which involves a business owner who lives with his family inside of his furniture refinishing business on Ann Arbor Trail. This residential usage is not permitted by the Township's Zoning Ordinance and a temporary restraining order has been issued which prevents the Township from enforcing its ordinance. Also discussed were the serious safety and building code issues. Mr. Bennett indicated that a hearing on the temporary restraining order was scheduled for Wednesday, September 20, 2016.

L. SUPERVISOR AND TRUSTEE COMMENTS

Mr. Curmi had questions about the recreation survey. Mr. Mann had concerns about trash pickup of items covered by the contract. Mr. Price brought up Shred Day this Saturday and the upcoming Resident Appreciation Day on Monday.

M. PUBLIC COMMENTS

Mr. Kuzma had comments on the inadequacy of the sound system.

N. CLOSED SESSION - At 9:15 p.m., Ms. Conzelman moved that a closed session be called for contract negotiations and related attorney opinion pursuant to OMA Sections 8(c) and (h). Seconded by Mr. Mann. Ayes all on a roll call vote. At 9:54 p.m. the Board returned to open session.

O. ADJOURNMENT

PROPOSED MINUTES

Moved by Ms Ayes all.	. Conzelman	and second	ed by	Mr.	Mann	to	adjourn	the	meeting	at	9:55	p.m.
Nancy C. Conz	zelman, Town	ship Clerk	_	S	hannon	G.	Price, T	own	ship Sup	erv	isor	

CHARTER TOWNSHIP OF PLYMOUTH BOARD MEETING HANDOUT - SEPTEMBER 13, 2016

RESOLUTION

MHEREAS: The City of Plymouth has prepared a plan for recreation facilities which is under consideration by the State of Michigan for funding under State Act 108; and,

WHEREAS: The Township of Plymouth has not made application for funds under said State Act 108; and,

WEREAS: The City of Plymouth has pledged the use of its recreational facilities to Township residents on an gravel basis with residents of the City of Plymouth.

KOW THEREFORE, BE IT RESOLVED: that the Township of Plymouth requests that its per capita ellocation of funds for distribution under the State Recreation Bond formula be made evailable to the City of Plymouth.

I cortify that I am the Olark of the Township of Plymouth; that the above is a true copy of a resolution adopted by a quorum of the Township of Plymouth at a meeting held June 8, 1971

Signed The S. Relands

At the July 13, 1971 meeting of the Board of Trustees, Mr. Millington requested that the minutes of June 8, be amended to include that it was the understanding of the Board that Mr. Rugerillo would allow any adjoining property owners to connect into the water system that would be going through his property. Page 7, June 8, 1971

stated that the facts do not justify the need for this rezoning, and in concluding he indicated the location of their property, stating that the rezoning would make it valueless, but if the Board were seriously going to grant this rezoning, he would request that their property be rezoned at the same time for the same use.

Mr. Dietrich, Attorney, introduced himself to the Board, stating he was appearing on behalf of Mr. 6 Mrs. Rowland. He stated that in preparing to appear before the Board, he reviewed the Comprehensive Development Plan, as well as the Township's soning ordinances, and that he believed this rezoning request represented a departure from the orderly zoning proposed in the comprehensive development plan, there having been no significant changes in the area to warrant it. Mr. District stated that it would represent piecemeal zoning. In concluding his presentation, he stated that the Board, before proceeding with rezoning this section of land. which would represent carving up this area to the point which it would not be able to salvage for a desirable use, should give this matter additional consideration, take two or three weeks and ask the Planning Commission to come back with a plan. possibly to revise the development plan, but a plan that will be better for the entire area.

Then following discussion of ingress and egress, and additional comments by the attorneys representing both sides, the question was called and the motion passed unanimously.

2. Action taken by the Planning Commission at their May 19, 1971, meeting. Following Hrs. Richardson's advice that no action was needed on this report. there being no objection, it was received and filed.

3. Frank Millington

(a) Sign Permits

Mr. Breen advised that the Planning Commission is studying the sign provisions under the ordinance and a recommendation will be made.

(b) Dedication of Sewars Mr. Breen advised that it has been the policy of the Township to have dedication of sewers prior to issuing certificates of occupancy.

(c) Special Meetings of the Appeal Board. Mr. Willington moved that the Board adopt a fee of \$50 for special meetings of the Appeal Board in addition to the present \$35, or a total of \$85. Seconded by Mrs. Richardson and carried unanimously.

(d) Court Action on Junk Yard Mr. Alloway advised that he had not received drawings pertaining to a fence or a wall around this property from Mr. Seekin, which drawings should have been furnished the building department. In reply to this, Mr. Seekin advised that he had the plans, he explained his planning for the property and the problems encountered, and stated that he was going to put up a masonry wall. Mrs. Richardson stated that this matter should be referred to the building inspector, and there being no objection, it was so ordered. Mr. Seskin agreed to furnish two sets of plans with the architectural stamp on them.

We walty of Plymouth

Rei Request for Population Waiver
Mr. Hillington moved that the Board adopt the following resolution.

WHEREAS: The City of Plymouth has prepared a plan for recreation facilities which is under consideration by the State of Michigan for funding under State Act 108; and,

WHEREAS: The Township of Plymouth has not made application for funds under said State Act 108; and,

The City of Plymouth has pledged the use of its recreational facilities to Township residents on an equal basis with residents of the City of Plymouth.

Page 8, June 8, 1971

NOW THEREFORE, BE IT RESOLVED: that the Township of Plymouth requests that its per capits allocation of funds for distribution under the State Recreation Bond formula be made available to the City of Plymouth.

Seconded by Mr. Ash and carried unanisously.

5. James Gignac
Ret (a) Furchase of needed equipment in the Fire Dept. (7 items) Following a short discussion of the request contained in this communication, involving equipment in the approximate total amount of \$3000.00 and allocation of this cost, Mrs. Richardson moved that the Board approve the request as submitted. Seconded by Mr. Ash and carried unanimously.

(b) Attendance of Byron Degen at the University of Michigan course titled "The initial management of the acutely ill or injured patient." Mrs. Holmes moved that the Board approve the above-mentioned request and authorise an expenditure of an amount not to exceed \$30. Seconded by Mr. Hillington and carried unanimously.

(c) Pari-time office help.
Following discussion of this communication by the board and Mr. Gignac, Mr. Millington moved that the Board provide part time clerical help for a probationary period of 90 days. Seconded by Kr. Ash.

In the discussion, it was suggested that the rate be \$1.65 per hour and the hours be 12 noon to 5:00 P.H.

The following roll call vote was taken: Ayes: Millington, Overholt, Burke, Auh, Breen Nayes: Holmes, Richardson.

6. Robert Watson - School Farm Manager Re: Requesting donation of 5 or 5 farm gates and feeding ranks from Township recreation property.

Mrs. Richardson moved that the Board deny this request for additional items until some disposition is determined by the Board as to their full development of the recreational site. Seconded by Mr. Burke and carried unanimously.

ITEM NO. IV - RESOLUTIONS

- Frances Marcilonis Lincoln Park Deputy Clark Re: Opposition to H.B. 5078 which would abolish Municipal Courts in Highigan, There being no objection this resolution was received and filed.
- Bonnie Highley Rockwood City Clerk Re: Mayor and Council do not support H.B. 4199 which would allow Home Rule Cities to establish a local officers compensation commission to set the salaries for locally elected officials. There being no objection, this resolution was received and filed.

Hrs. Richardson moved that a communication from Brander-Hamill and Associates be added to the agenda. Seconded by Mrs. Holmes and carried unanimously.

1. Brender-Hamill and Associates, Inc. Re: Recommendation that the sanitary Sewer be accepted for tapping purposes in Woodlore Subdivision.

Mrs. Richardson moved that the Board approve the recommendation of the engineer and accept the sanitary sever in Woodlore Subdivision for tapping purpose, and the residents be so notified. Seconded by Mr. Overholt and carried unanimously.

D-66

MEMORANDUM OF LEASE

WITNESSETH: That PLYMOUTH COMMUNITY SCHOOL DISTRICT OF WAYNE AND WASHTENAW COUNTIES, MICHIGAN, a corporation, hereinafter designated as Lessor, does hereby let and lease unto CITY OF PLYMOUTH, a Michigan Municipal Corporation, hereinafter designated as Lessee, the following lands in the City of Plymouth, County of Wayne, State of Michigan, described as:

"Lots 1 to 9, both inclusive, except the northerly 11.00 feet thereof and Lots 14 to 27, both inclusive, and including Karunda and Blanche Streets and alley Right of Ways as dedicated in and by the plat of Thomas Subdivision of part of the Northwest 1/4 of Section 26, T. 1 S., R. 8 E., City of Plymouth, Wayne County; Michigan, as recorded in Liber 41 of Plats on Page 46, Wayne County Records, subject to essements of record. Total area, including Karmada and Blanche Streets and Alley Right of Ways approximately 4.76 Acres,"

for a term beginning on the First day of July, 1971, and ending on the 30th day of June, 2070, to be used and occupied only for community and recreational uses and purposes.

PROVIDED, that in case any rent shall be due and unpaid or default made in the covenants herein contained, it shall be lawful for the Lessor and the Lessor's attorneys, successors, representatives and assigns to re-enter into and repossess the premises and the Lessoe and each and every occupant remove and put out.

The Lescee hereby hires the said premises for the term aforesaid and covenants to pay the Lessor as rental for the said premises the sum of One (\$1.00) Dollar upon the delivery hereof, sud to pay a like sum in advance on the First Day of July annually thereafter during the term and to indemnify the Lessor against public liability during the term of this lease; to assume all costs and expenses for the maintenance of the grounds and the buildings to be constructed thereon; to pay all charges for utilities, and to pay and hold the Lessor harmless from any costs and expenses in connection with the leased property.

The Lessee hereby takes said premises for the term eforesaid, and, as further consideration covenants to forthwith improve, develop and maintain said premises as a Cultural Center, including but not limited to, ice rink and meeting rooms. Plans and Specifications are at the exclusive discretion of the Lessee.

The Lessee covenants to keep the premises in accordance with all police, sanitary and other regulations, to observe all ressonable regulations, and requirements of underwriters concerning the use and condition of the premises, and will not allow any rubbish or waste material or products to accumulate on the premises.

The Lessee will not assign this lease without the written consent of the Lessor.

"The Cultural Center Bullding is for use by all citizens and youth of the total community including the City of Flymouth, Plymouth Township, and those portions of anton Township, Northville Township, Superior Township and Salem Township within the Plymouth Community School District. An equal charge, if required, would be made for all residents or members residing in the governmental units previously listed."

The Lessor covenants that the Lessee shall on the payment of rental at the time and menner aforesaid and performing all of the foregoing covenants shall and may beneably and quietly have, hold and enjoy the premises for the term aforesaid.

The covenants and conditions herein shall bind the successors, representatives and assigns of the Lessor and Lessee, respectively. IN WITNESS WHEREOF the parties have caused this instrument to be executed by their duly authorized officers by authority of their governing bodies at Plymouth, Michigan. July __, 1971. day of PLYMOUTH COMMUNITY SCHOOL DISTRICT of IN PRESENCE WAYNE AND WASHTENAW COUNTIES, MICHIGAN. Joyce Hill Secretary - John E. Hanskat CITY OF PLYMOUTH, - MICHIGAN MUNICIPAL CORPORATION Hanchett Clerk -/ Acting STATE OF MICHIGAN COUNTY OF WAYNE , 1971, before me a Notary Public, in day of and for said county, appeared Esther L. Hulsing , to me personally known, who being by me John E. Hanskat sworn, did each for himself say that they are respectively the President and Secretary of the Flymouth Community School District of Wayne and Washtensw Counties, Michigan, names in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that said instrument was. signed and sealed in behalf of said Corporation by authority of its School Board of Directors, by resolution duly passed; and said President acknowledged said instrument to be the free act Secretary and deed of said Corporation. MARY M. SARKOZY Molary Public, Wayne County, Mich. My Commission Expires April 27, 1974 Notery Public, Wayne County, Michigan

(SFAL.)

My Commission expires:

CHARTER TOWNSHIP OF PLYMOUTH BOARD MEETING HANDOUT - SEPTEMBER 13, 2016

The City shall notify the Township no later than April 1st if it desires to accept any of the listed equipment as part of the equity settlement. Any such equipment accepted by the City shall be valued at the current book value as of the date of termination.

- (3) If the City's equity exceeds the value of the equipment described in (1) and (2) above, then the Township shall buy the City's remaining equity interest for cash. The Township may pay the City the total amount owed no later than thirty (30) days after the date of termination; or the Township may enter into an agreement with the City prior to that date, providing for payment of the amount owed in ten annual installments due in January of each calendar year following the last year of this agreement, and with interest on the unpaid balance at a rate equal to the average rate of equipment loan obligations incurred by the City in the process of the termination of this agreement, or at the average rate which could be obtained from three local banks if no actual City obligations have been incurred, whichever average rate is lower.
- (4) Upon completion of the audit for the last fiscal year before termination of this agreement, the Township shall submit its report as provided in Section 5(e), and shall include in its final statement any adjustment in the payment for equipment equity which may be necessary based on the audited accounts.
- (d) Upon termination of this agreement, the allocation of Plymouth Community Fire Department employees shall be made in accordance with the merger agreement reached with the City's union and the Township's union pursuant to the implementation of this agreement.
- (e) Post Termination Health Care/Retirement Benefit Costs: Upon termination of this agreement, any post termination health care costs, medical benefit costs or retirement related costs attributable to service by employees performed under this agreement shall be shared on the same basis as costs incurred during the term of this agreement.
- 12. <u>Severability</u>. Should any provision, paragraph, section or part of this agreement be found void or unenforceable by a court of competent jurisdiction the remainder shall continue in full force and effect.

This	agre	emen	t was appro	ved and the	executi	on of	it wa	as authorize	ed by	the
Resolution	of	the	Plymouth	Township	Board	on	the		day	of
		_, 199	99; and by th	ne Resolution	of the	Plym	outh	City Comm	ission	on

DUE TO/FROM CITY OF PLYMOUTH FOR JOINT FIRE DEPARTMENT TERMINATION February 28, 2015

SUMMARY	WITHOUT INTEREST as of 12/31/2011	WITH INTEREST/DISCOUNT RA as of 12/31/2014	TE
City Equipment Originally Contributed Section 11 c 1	retuned to City	retuned to City	
City's Equity Interest in Joint Fire Dept Equipment Section 11 c3 - Book Value Township purchase City's equity for cash	(87,491.12)	(88,810.06)	0.5%
Equipment Reserve Fund Section 8 c Return of City's 25% portion of reserve	(106,288.90)	(107,891.22)	0.5%
Post Termination Health Care (OPEB) Section 11 e	2,384,339.64	2,682,057.82	4%
Post Termination Retirement Benefit (MERS) Section 11 e City hired firefighters - over payment as 12/31/2011	113,216.59	114,923.34	0.5%
Township hired firefighters - as of 12/31/2011	769,949.50	969,914.62	8%
Post Termination - Earned but Unpaid PTO (Paid Time Off) City's 25% portion of unpaid PTO	113,509.04	115,220.20	0.5%
Cumulative Joint Fire Dept Unpaid Involces 2008 through 2011 cumulative total	57,125.74	57,986.92	0.5%
TOTAL	3,244,360.49	3,743,401.63	

City 12,2016 See

	11			1				Total	1		Total	Joint		-1			tiree HC (net of co-	pays)		
Ecrophoyem	1			Malan (nut of cu-p			h Deduct	Retiree HC	Employee		Months	Months	inlot		Joint	City	Township			
	1	2012	2013	201.4	2015	Pa	yments	Net of Co Pays	Class	Hire	Worked	Worked	*	-	Cost	Cost	Cost	Total		
Releky, Donald		18,903.76			\$ 11,582.28	. \$		69,321.92	City	6/14/1969	319	11	3 45%	- 5	2,390.41	\$ 66,931.51	*	\$ 69,321.92		
Eldridge, Dougles		21,191.52			\$ 20,735.56	\$	3,000.00	90,245.36	City	6/1/1977	336	124	36 90%	5	33,304.84	\$ 56,940.52	'	\$ 90,245.36		
Grotin, Larry		12,787.66			\$ 13,914.16	\$. 5	54,793,40	Twp	12/1/1968	405	(104)	25 68%	5	14,370 40		40,723.00	\$ 54,793 40		
loope, Adermin		23,263,01	4-		\$ 21,018.19	. 5	2,732.80	87,426.51	Twp	7/1/1979	342	155	45 32%	15	39,623,13		\$ 47,803.38	\$ 87,426.51		
lahn, Dorski	1	23,263.00	The state of the s	1.0	5 21,071 05	5	10,879 58	95,617.24	Twp	2/2/1979	323	131	40.56%	: 5	38,779 75		\$ 56,837.49			
Hanke, Fritz 81450		31,301 36			\$ 6,060.97	\$	- 5	69,425.79	Twp	5/15/1960	428	11	2 57%	. 5	1,784 31		5 67,641.48	\$ 69,425.79		
lury, Jaznes	1 3	5,372.58			\$ 6,703.89	\$	924.72		Twp	8/1/1987	301	503	67.44%	1 5	23,632.26		11,408.68	\$ 35,040 94		
Grg, Martin	1.3	22,696.54	\$ 19,542.88	\$ 20,543.64	\$ 17,008.05	5	5,394.45	85,185 58	Twp	1/14/1981	347	178	51.30%	1 5	43,697.50		\$ 41,488.08	\$ 85,185.58		
Crupp, Frad 111275	1 :	20,025 76	15 21,770.00	\$ 19,5091.80	\$ 11,582 28	15		72,687 92	Twp	5/15/1960	416	0	0.00%	, \$			5 72,687 92	\$ 72,687.92		
Are. Carlos 130100	1	17,755 92	15 11,920.24	\$ 10,768.96	\$ 5,830.80	15	. 15	40,575 92	Twp	10/1/1852	395	0	0.00%	. \$			40,575 92	\$ 40,575.92		1
Anycock, Randolph	1	23,263.00	\$ 20,014.00	\$ 20,349.32	\$ 18,571.10	5	1,919.96 5	B4,158.42	Twp	2/1/1972	437	160	36.61%	1 5	10,813.15		5 53,345 27	\$ 84,158.42		
Ac Durmon, Donald	1 1	9,619.76	\$ 8.288.53	\$ 1,709.20	5 8,792.48	15	9,620.12 \$	45,030.08	Twp	2/1/1979	332	140	42.17%	. 5	18,900.50		25,041.49	5 45,030.08		
Alliar, Clayton	1	9,61976	\$ 8,249.57	\$ 7,002.50	\$ 4,773.60	\$	3,053.04 5	32,737.A2	Twp	4/11/1973	263	0	0.00%	S			\$ 32,737.A2	\$ 32,737.42		
Authorsbuugh, Frank	1 5	18,903 77	S 20,643L01	\$ 18,187.80	\$ 11,582.28	\$. 5	69,321.93	Twp	7/2/1973	234	0	0.00%	5			60,321.00			
Rasmay, Panal	1	23,263.00	\$ 20,034.84	\$ 20,389.32	\$ 21,172.12	is	17,239 95 5	102,079.43	Twp	1/9/1900	335	154	45 97%		46,926.07		\$ 35,153.36			
tueso, Charles	1	6.033 50	\$ 15.406.40	\$ 14,549.92	\$ 16.371.66	. 5	11.641.02 5	64,142 67	Twp	8/5/1987	300	203	67.67%	4	43,403.22		20 739 46			1
Palensky, James	1	22,696,64			\$ 20,735.56	15	599 A5 S	84,118.09	City	3/20/1980	928	150	45 73%		38,468,64	5 45 649.45		5 84,118.09		
/an Vlack, Charles	1	15,533.16			5 5,204,64	1.5	. 15	46,511.94	Two	W25/1971	384	103	26.82%	. 4	12,475.86	, 13,419.13	\$ 34,096,08	\$ 45,311.94	-	-
Marran, William		21,191.52	\$ 22,768.66		\$ 15,901,42	1 4	10	82,411.22	City	3/17/1980	305	127	41.64%		34,313.49	\$ 48,095.73	, ,,,,,,,,,,	5 82,411.22		
Westlell, Gregory	- 1	23,263,06	5 19.734.94	The same street, married	\$ 21,172.12		3,702,60 5	88.242 OH	Terp	7/9/1979	344	125	36.34%		32,064,71	\$ 46JUSU 75	5 56,177 37	\$ 88,242.08		
Mendall block	1	22/2007	6 20,725	E motomoran	\$ 11,718.54	16	6,009.40 5	17,727.94	Twp	11/1/1976	426	208	47.65%	. 5	8.447.82		9,280.12	\$ 17,727.94		
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AGREEMENT REGARDING AMENDED INTERGOVERNMENTAL FIRE SERVICES AGREEMENT BETWEEN THE CHARTER TOWNSHIP OF PLYMOUTH AND THE CITY OF PLYMOUTH REGARDING POST TERMINATION FIRE FIGHTER OPEB COSTS

THIS AGREEMENT REGARDING AMENDED INTERGOVERNMENTAL FIRE SERVICES AGREEMENT BETWEEN THE CHARTER TOWNSHIP OF PLYMOUTH AND THE CITY OF PLYMOUTH REGARDING POST-TERMINATION HEALTH CARE COSTS ("Agreement") is made on _______, 2016, ("Effective Date"), by and between THE CHARTER TOWNSHIP OF PLYMOUTH ("Township"), a municipal corporation located in Wayne County, Michigan, and THE CITY OF PLYMOUTH ("City"), a municipal corporation located in Wayne County, Michigan (Township and City are collectively "Parties").

WHEREAS, on November 22, 1994, Township and City executed the Intergovernmental Fire Services Agreement Between The Charter Township of Plymouth and The City of Plymouth ("IGA");

WHEREAS, the IGA consolidated the Parties' fire services into a joint fire service, the Plymouth Community Fire Department ("Joint Fire Department");

WHEREAS, on September 14, 1999, Township and City executed the 1st Modified Intergovernmental Fire Service Agreement Between The Charter Township of Plymouth and The City of Plymouth ("Amended IGA");

WHEREAS, the Amended IGA, inter alia, added § 11(e) "Post Termination Health Care/Retirement Benefit Costs," which, in part, provided that the Parties, after termination of the Amended IGA, would continue to split any post termination health care costs and medical benefit costs attributable to service by employees performed under the Amended IGA which the Parties both refer to as "OPEB costs." "OPEB costs" include health and medical benefits and costs such as, by way of example, medical, vision, prescription, and dental benefit premiums and costs, as well asco-pays as authorized by Township contracts or agreements with the individuals covered by this Agreement.

WHEREAS, on October 6, 2010, City gave formal notice to Township that City wished to terminate its participation in the Amended IGA, effective December 31, 2011;

WHEREAS, the Amended IGA ended on December 31, 2011 pursuant to City's October 6, 2010 formal notice;

WHEREAS, after City terminated its participation in the Amended IGA, certain unresolved issues related to City's termination of its participation in the Amended IGA

arose, including firefighter OPEB costs, which is the sole subject of this Agreement;

WHEREAS, the Parties wish to resolve the firefighter OPEB cost issue at this time, while continuing to negotiate resolutions on other Amended IGA issues.

TERMS AND CONDITIONS

ACCORDINGLY, in consideration for the promises and obligations assumed in this Agreement, the receipt and adequacy of which Township and City acknowledge, the Parties agree as follow:

- 1. Recitals. The Parties incorporate the above recitals by reference.
- 2. Lump Sum Payment To Township. In consideration of this Agreement's terms, covenants, and conditions, City agrees to pay Township the sum of THREE HUNDRED THIRTY THOUSAND FIVE HUNDRED FIFTY EIGHT AND 22/100 U.S. DOLLARS (\$330, 558.22) via check, payable to The Charter Township of Plymouth, for OPEB costs paid by Township on behalf of City before December 31, 2015. City shall deliver the check to Township's Treasurer, Ron Edwards or his successor, at 9955 N. Haggerty Rd., Plymouth, Michigan 48170 within thirty (30) days of the execution of this Agreement. Once this sum is paid by City to Township, City is no longer responsible nor liable for any OPEB costs pursuant to the Amended IGA mentioned above up to and through December 31, 2015. This payment shall constitute full and final payment of any money owed by City to Township for OPEB costs related in any way to the IGA or Amended IGA up to and through December 31, 2015. Township represents and agrees that it will not seek nor request any additional payment or money from City for any OPEB costs related to the IGA or Amended IGA prior to January 1, 2016, once the lump sum payment has been made by City to Township pursuant to this section of the Agreement.

City's Payments Toward OPEB Costs After January 1, 2016.

a. Agreement To Pay According To Formula. The Parties acknowledge that OPEB costs have continued and will continue to accrue after December 31, 2015 for the retired firefighters identified in Exhibit 1 ("Retired Firefighters"), which is incorporated into this Agreement and made part of this Agreement.

City agrees that it shall pay the percentage of OPEB costs for currently retired firefighters as set forth in Exhibit 1, pursuant to the following formula for all costs incurred by Plymouth Township after January 1, 2016 as follows:

[(Joint Fire Dept. Service Months / Total Service Months) x 0.25] + (City Fire Dept. Months / Total Service Months)

For example, as of the Effective Date, Firefighter James Harr is retired. At retirement Fire Fighter Harr had a total of 342 months of service, which included 155 months of service with the Joint Department Fire Department (45.32% of his total service months) and 187 months exclusively with the Plymouth Township Fire Department (55.68% of his total service months). If, for purpose of this illustration, Mr. Harr's OPEB costs in retirement are \$100 per month, then Township will be 100% responsible for 54.68% of the OPEB costs, which represents Mr. Harr's service exclusively with the Plymouth Township Fire Department, and City and Township are jointly responsible for the remaining 45.32% of the costs, which represents Mr. Harr's service with the Joint Fire Department. Of that 45.32% of the total OPEB costs, which is attributable to Mr. Harr's service with the Joint Fire Department, City shall be responsible for 25% of that 45.32% portion or or \$11.33. Township shall be responsible for the remaining 75% of that 45.32% portion attributed to service with the Joint Fire Department or or \$33.99. Based on the contractual formula stated above and using this \$100 per month hypothetical-cost example, City shall pay Township \$11.33 and the Township shall be responsible for the remaining \$88.67 of retiree Harr's OPEB costs

- b. Township and City stipulate and agree to the Joint Fire Dept. Service Months, Total Service Months, Twp. Fire Dept. Months, City Fire Dept. Months, and OPEB cost percentages contained in Exhibit 1.
- c. Future Firefighter Retirees. The Parties acknowledge that OPEB costs will continue to accrue after December 31, 2015, for the non-retired firefighters identified in Exhibit 2 ("Future Firefighter Retirees"), which is incorporated into this Agreement and made part of this Agreement. No additional individuals shall be added to this agreement other than those set forth in Exhibit 2.

City agrees that it shall pay the percentage of each Future Retiree Firefighter's OPEB costs pursuant to the following formula:

[(Joint Fire Dept. Service Months / Total Service Months) x 0.25] + (City Fire Dept. Months / Total Service Months)

For example, as of the Effective Date, Firefighter P. Bukis is not yet retired. Bukis was hired into the Joint Fire Department on October 24, 2001, and was reassigned to the Township Fire Department as a result of the City's October 6, 2010, Termination Notice. As a result, Mr. Bukis' service time with the Joint Fire Department is capped at 122 months. If, for illustrative purposes, Bukis retires after twenty-

five years of service on October 24, 2026, from the Township Fire Department, Bukis will have 178 "Twp. Fire Dept. Months" (59.33%) of his total service time), 0 "City Fire Dept. Months", and 122 "Joint Fire Dept. Service Months" (40.66% of his total service time). If, for purpose of this illustration, Bukis' monthly OPEB costs after his retirement are \$100 per month, then Township will be 100% responsible for 59.33% of the costs attributable to Bukis' service with the Plymouth Township Fire Department and City and Township are jointly responsible for the remaining 40.66% of the costs attributable to Bukis' service with the Joint Fire Department. Of this 40.66% portion of OPEB costs attributable to service with the Joint Fire Department, City shall be responsible for 25% of this portion, or \$10.17. Township shall be responsible for the remaining 75% of this portion, or \$30.49. Based on the contractual formula stated above, and using this \$100 per month hypothetical cost example, the City shall pay Township 10.17% of Bukis' monthly OPEB costs, i.e., \$10.17, and Township will pay 89.83%, i.e., \$89.83 of the monthly OPEB costs.

As a second example, and using the same hypothetical \$100 monthly OPEB costs, if Firefighter P. Bukis were to retire after 30 years of service on October 24, 3031, from the Plymouth Township Fire Department, Bukis will have 238 "Twp. Fire Dept. Months" (66.11% of his total service time"), 0 "City Fire Dept. Months", and 122 "Joint Fire Dept. Service Months" (33.88% of his total service time"). Of this 33.88% portion of OPEB costs attributable to service with the Joint Fire Department, City shall be responsible for 25% of this portion, or \$8.47. Township shall be responsible for the remaining 75% of this portion, or \$25.41. Township is 100% responsible for 66.11% of the OPEB costs attributable to Mr. Bukis' service with the Plymouth Township Fire Department. Based on the contractual formula stated above, and using this \$100 per month hypothetical cost example, the City shall pay Township 8.47% of Bukis' monthly OPEB costs, i.e., \$8.47, and Township will pay 91.53% of Bukis' monthly OPEB costs, i.e., \$91.53.

- d. Township and City stipulate that none of the Future Retiree Firefighters ever worked solely for the City before December 31, 2011, and stipulate and agree to the dates of hire and Joint Fire Dept. Service Months contained in Exhibit 2.
- e. Payment. After January 1, 2016, every quarter Township shall

present to City a notice of incurred OPEB costs pertaining to the OPEB costs identified in Paragraph 3 of this Agreement for any OPEB costs the Township actually paid minus any set-offs such as copays, rebates, or other reimbursements to Township from any source, whether an individual or entity. Township may, at its option, send the notice of incurred costs incurred by USPS first class mail or electronic mail to the City's Manager, Paul Sincock or his successor, at 201 S. Main, Plymouth, Michigan 48170, psincock@ci.plymouth.mi.us.

- f. Within thirty (30) days of the City's receipt of Township's notice of incurred costs, City shall wire the amount contained in the notice of incurred costs to the Township's MERS Retiree Health Funding Vehicle ("Trust"), account number ______. Upon receipt of the funds, City understands and agrees that MERS will promptly release the funds from the Trust to reimburse Township the amount in each notice of incurred costs. City shall have no claim, right, or recourse pertaining to funds City delivers to the Trust. Nothing in this Agreement shall be construed or interpreted to make City a beneficiary, settlor, trustee, or administrator of the Trust.
- g. If there is any dispute as to any incurred costs claimed by Township, then the City shall provide written notice of the specific dispute or disputes, including a description of the disputed cost and name of the affected retiree within (30) days of the City's receipt of Township's notice of incurred costs. The Parties shall meet and cooperate with one another to resolve any disputed cost(s) within the following forty-five (45) days. If the Parties are unable to resolve the specific dispute or disputes within the following forty-five (45) days, the Parties may pursue any other remedy available to the Parties. Any undisputed costs which are not the subject of the written notice shall be paid within the thirty-day (30) period described above in paragraph 3(f).
- h. City shall have a right to audit Township's notice of incurred costs within three months of City's receipt and with thirty days' notice to Township. After Township receives notice of City's request to audit the notice of incurred costs pursuant to this Paragraph, Township shall provide to City all documents supporting the claimed incurred costs, provided that City shall bear the full costs of the audit.
- 4. <u>Authority to Bind</u>. Township Supervisor Shannon G. Price, as signatory for Township, represents and warrants that he has the authority to bind Township to this Agreement, and that he has obtained all necessary approvals from any other governing body, board, entity, or individual necessary to unconditionally bind Township to this Agreement. City Mayor Daniel A. Dwyer, as signatory for City, represents and warrants that he has the

authority to bind City to this Agreement, and that he has obtained all necessary approvals from any other governing body, board, entity, or individual necessary to unconditionally bind City to this Agreement.

- 5. Agreement Not Assignable. The Parties agree that they cannot assign this Agreement. However, nothing in this Paragraph or Agreement shall limit this Agreement from binding the Parties' respective successors.
- 6. Indemnification. City agrees to indemnify and hold harmless Township from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with or related to City's failure to perform pursuant to this Agreement's terms, including, without limitation, claims made by any retirees or governmental entities. For purposes of this Paragraph, "Costs" include, without limitation, all attorney's fees, court costs, penalties, fines, and taxes. Township agrees to indemnify and hold harmless City from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with or related to Township's failure to perform pursuant to this Agreement's terms, including, without limitation, claims made by any retirees or governmental entities.
- 7. <u>Costs of Enforcement.</u> If legal proceedings are commenced to enforce this Agreement's covenants or obligations, the non-prevailing Party in such proceedings shall reimburse the prevailing Party for reasonable attorney fees, costs, and expenses incurred by the prevailing Party in the proceedings. The applicable court or appellate tribunal shall determine the non-prevailing Party.
- 8. Parties' Successors. The Parties agree and understand that this Agreement shall be binding upon and inure to the benefit of their successors, and any successor of either Party shall be deemed substituted for the respective Party under the terms of this Agreement for all purposes.
- 9. **Effect of Waiving Breach.** Waiver of any breach of any term or provision of this Agreement shall not be construed to be, nor shall be, a waiver of any other breach of any other term or provision of this Agreement.
- 10. Entire Agreement. The Parties may have other agreements, now or later, that involve Amended IGA matters other than firefighter OPEB costs. However, the amount paid by City to Township, as set forth in Paragraph 2 above, shall constitute full and final payment of any amount of money that Township claims City owes to Township for any firefighter OPEB costs through, and including, December 31, 2015. This Agreement constitutes the entire agreement between the parties with respect to OPEB costs for the Retired Firefighters and for Future Retiree Firefighters, and supersedes all other agreements, whether written or oral, respecting firefighter OPEB costs. No other agreement, statement or promise made by either party with respect to firefighter OPEB care costs shall be binding or valid unless amended in writing and signed by the Parties. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original but all of which together shall constitute

one and the same contract.

- 11. Severability. Whenever possible, each provision of this Agreement and all related documents shall be interpreted in such a manner as to be valid under applicable law, but it is the specific intent of the Parties that to the extent any provision is invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 12. <u>Binding Agreement</u>. This Agreement shall be binding upon and inure to the benefit of each Party's respective successors.
- 13. <u>Amendments</u>. This Agreement shall not be modified by either Party by oral representations made before or after the execution of this Agreement, and all amendments to this Agreement must be in writing and signed by the Parties.
- 14. Governing Law. Jurisdiction, and Venue. The Parties agree that Michigan law governs interpretation and enforcement of this Agreement. In an action to enforce this Agreement, the Parties consent to the sole and exclusive jurisdiction and venue of the Wayne County Circuit Court for the State of Michigan and any applicable appellate courts.

ACCORDINGLY, the Parties' duly authorized representatives have signed this Agreement as of the Effective Date.

{Remainder of this page intentionally left blank. Signature pages follow.}

AGREED AND APPROVED:	
THE CITY OF PLYMOUTH	
DAN A. DWYER, as Mayor of The City of Plymouth	
Dated:	_
STATE OF MICHIGAN)	
COUNTY OF)	
produced to me in the above County, and a	_, 2016 the foregoing Settlement Agreement was acknowledged before me by Daniel A. Dwyer, Mayor I to be the act and deed of the City of Plymouth.
	Subscribed and sworn to before me this day of, 2016.
	By:, Notary Public County, State of Michigan My Commission Expires:

AGREED AND APPROVED:

THE CHARTER TOWNSHIP OF PLYMOUTH

SHANNON PRICE as Supervisor of the Charter Townsh of Plymouth	nip	
Dated:		
STATE OF MICHIGAN)		
COUNTY OF)		
I hereby certify that on produced to me in the above County of the Charter Township of Plymou Township of Plymouth.	, and acknowledged before me	by Shannon Price, Supervisor
	Subscribed and	sworn to before me
		, 2016.
		, Notary Public
	My Commissio	

EXHIBIT 1

Firefighter	Total Service Months	Joint Fire Dept. Service Months	City Fire Dept. Service Months	Twp. Fire Dept. Service Months	% of OPEB Costs City Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs City Pays Due To Service Months With City Fire Dept.	% of OPEB Costs Twp. Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs Twp. Pays Due To Service Months With Twp. Fire Dept.	Total % of OPEB Costs City Pays	Total % of OPEB Costs Twp. Pays
Belsky, D.	319	11,	308	0	0.86%	96.55%	2.59%	0.00%	97.41%	2.59%
Eldridge, D.	336	124	212	0	9.23%	63.10%	27.68%	0.00%	72.32%	27.68%
Mathews, A.	393	63	330	0	4.01%	83.97%	12.02%	0.00%	87.98%	12.02%
Valensky, J.	328	150	178	0	11.43%	54.27%	34.30%	0.00%	65.70%	34.30%
Warren, W.	305	127	178	0	10.41%	58.36%	31.23%	0.00%	68.77%	31.23%
Groth, L.	418	104	0	314	6.22%	0.00%	18.66%	75.12%	6.22%	93.78%
Haar, J.	342	155	0	187	11.33%	0.00%	33.99%	54.68%	11.33%	88.67%
Hahn, D.	323	131	0	192	10.14%	0.00%	30.42%	59.44%	10.14%	89.86%
Honke, F.	428	11	0	417	0.64%	0.00%	1.93%	97.43%	0.64%	99.36%
Jury, J.	301	203	0	98	16.86%	0.00%	50.58%	32.56%	16.86%	83.14%
King M	347	178	0	169	12.82%	0.00%	38.47%	48.70%	12.82%	87.18%
Maycock, R.	437	160	0	277	9.15%	0.00%	27.46%	63.39%	9.15%	90.85%
McDurmon, D.	332	140	0	192	10.54%	0.00%	31.63%	57.83%	10.54%	89.46%
Russo, C.	300	203	0	97	16.92%	0.00%	50.75%	32.33%	16.92%	83.08%
Rainey, P.	335	154	0	181	11.49%	0.00%	34.48%	54.03%	11.49%	88.51%
VanVleck, C.	384	103	_ 0	281	6.71%	0.00%	20.12%	73.18%	6.71%	93.29%
Wendel, M.	426	203	0	223	11.91%	0.00%	35.74%	52.35%	11.91%	88.09%
Westfall, G.	344	125	0	219	9.08%	0.00%	27.25%	63.66%	9.08%	90.92%

EXHIBIT 2

Firefighter	Date of Hire	Retireme nt Date	Total Service Months	Joint Fire Dept. Service Months	City Fire Dept. Service Months	Twp. Fire Dept. Service Months	% of OPEB Costs City Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs City Pays Due To Service Months With City Fire Dept.	% of OPEB Costs Twp. Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs Twp. Pays Due To Service Months With Twp. Fire Dept.
Atkins, D.	11/16/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Bukis, P.	10/24/2001	TBD	TBD	122	0	TBD	TBD	0.00%	TBD	TBD
Conely, P.	8/20/2001	TBD	TBD	124	0	TBD	TBD	0.00%	TBD	TBD
Conroy, W.	9/2/1995	TBD	TBD	196	0	TBD	TBD	0.00%	TBD	TBD
Fox, D.	12/26/1995	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Gross, S.	10/16/1995	TBD	TBD	194	0	TBD	TBD	0,00%	TBD	TBD
Harrell, J.	1/8/1996	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Mack, C.	12/29/1995	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Mallari, J.	7/14/2003	TBD	TBD	102	0	TBD	TBD	0.00%	TBD	TBD
Mangan, G.	9/12/2005	TBD	TBD	76	0	TBD	TBD	0.00%	TBD	TBD
Mann, C.	8/13/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Phillips, D.	9/2/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Randall, J.	7/22/2002	TBD	TBD	113	0	TBD	TBD	0.00%	TBD	TBD
Tefend, R.	8/13/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Villet, G.	9/14/2005	TBD	TBD	76	0	TBD	TBD	0.00%	TBD	TBD
lowsey, N.	6/7/1985	TBD	TBD	120	0	TBD	TBD	0.00%	TBD	TBD



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: Application 2216 - La Casa Cluster Housing Option

PRESENTER: Jana Radtke, Community Development Director/Planner

OTHER INDIVIDUALS IN ATTENDANCE: Leo D. Gonzalez, Applicant

BACKGROUND: The applicant is proposing to develop Parcels R-78-036-99-0008-000, R-78-036-99-0011-000, and R-78-036-99-0012-000 under a Single Family Cluster Housing Option. The subject property consists of 9.5 acres and is located south of Ann Arbor Trail and east of McClumpha Road. The property is zoned R-1-S (Single Family Residential). The proposed Cluster Housing development would consist of 18 detached single-family residential units.

On September 21, 2016, the Planning Commission held a public hearing and recommended approval of the Cluster Housing Option to the Board of Trustees.

ACTION REQUESTED: To approve Application 2216, which would allow the subject property to be developed under a Single Family Cluster Housing Option, as recommended by the Planning Commission.

BUDGET/ACCOUNT NUMBER: N/A

RECOMMENDATION: Approve

MODEL RESOLUTION: I move to approve Application 2216, La Casa, which would allow Parcels R-78-036-99-0008-000, R-78-036-99-0011-000, and R-78-036-99-0012-000 to be developed under a Single Family Cluster Housing Option, as recommended by the Planning Commission.

ATTACHMENTS: Staff Reports, Materials submitted by the Applicant



N

PLANNING COMMISSION CHARTER TOWNSHIP OF PLYMOUTH

Application: 2216-0816

ApplicationType: Request for Cluster Housing Option Approval

Applicant: La Casa

Tax I.D(s): R-78-036-99-0008-000; R-78-036-99-0011-000;

R-78-036-99-0012-000



CHARTER TOWNSHIP OF PLYMOUTH

9955 N HAGGERTY RD • PLYMOUTH, MICHIGAN 48170-4673 www.plymouthrep.org

August 31, 2016

Planning Commission Charter Township of Plymouth 9955 N. Haggerty Road Plymouth, MI 48170

RE: P.C. No.: 2216-0816

Address/Location: South of Ann Arbor Trail, East of McClumpha Road Tax ID No: South of Ann Arbor Trail, East of McClumpha Road R-78-036-99-0008-000; R-78-036-99-0011-000;

R-78-036-99-0012-000

Applicant/Developer: Leo D. Gonzalez

Type of Review: Cluster Housing Option Approval

Review Number: Written Review #1

Dear Commission Members,

The above-referenced application has been reviewed for a Single Family Cluster Housing Option. The site consists of approximately 9.5 acres and is located south of Ann Arbor Trail and east of McClumpha Road. The LaCasa cluster development would consist of a condominium with 18 detached single-family residential units. The site is zoned R-1-S, Single Family Residential, and is surrounded by Residential uses.

	Zoning District	Future Land Use Plan	Existing Use
North	R-1-H	Residential Low Intermediate Density (1-3du/ac)	Residential
West	R-1-S	Residential Low Intermediate Density (1-3du/ac)	Residential
South	R-1-S	Residential Low Intermediate Density (1-3du/ac)	Residential
East	R-1-S	Residential Low Intermediate Density (1-3du/ac)	Residential

Section 22.1 of the Township Zoning Ordinance indicates that the Cluster Housing Option is an optional method of development for sites which contain less than 40 acres in gross area. The Cluster Housing Option may be permitted only after public hearing and recommendation by the Planning Commission, and approval by the Board of Trustees, upon finding that the proposed cluster development reflects the following basic principles:

SUPERVISOR Shannon G. Price (734) 354-3201 CLERK Nancy C. Conzelman (734) 354-3224 TREASURER
Ron Edwards
(734) 354-3214

TRUSTEES Steven Mann, Robert Doroshewitz Michael Kelly, Charles Curmi Charter Township of Plymouth La Casa Cluster Housing Option August 31, 2016

> The proposal is in conformity with the spirit and intent of the Single Family Cluster Housing Option, as established in the Purpose Section of Article 22 in the Township Zoning Ordinance.

> > The proposal is consistent with the spirit and intent of the Single Family Cluster Housing Option. The site appears to be heavily wooded with deciduous trees, and the Tonquish Creek runs through the southern portion of the property. The Cluster Housing Option would allow the area surrounding the Tonquish Creek to remain as natural open space, and would also allow existing vegetation to be preserved.

2. The vehicular circulation system planned for the proposed development will be in the best interest of the public health, safety and welfare in regards to the overall circulation of the community, egress/ingress to the site, vehicular turning movements related to street intersections and street gradient, site distance and potential hazards to the normal flow of traffic.

The proposed vehicular circulation system would not appear to have an adverse impact upon the public health, safety, and welfare. The cluster development would be accessible through an internal street, which would terminate in a cul-de-sac. The proposed internal street would have 1 entry along Ann Arbor Trail, which is a major thoroughfare.

- The proposed units, circulation, layout, parking facilities and any open space or recreation activity areas are designed and located in a manner that ensures the stability of existing or future conventional single family residential properties in the area.
 - a) The general layout of the cluster development appears to be compatible with the surrounding area. The proposed cluster homes are primarily concentrated in the northern portion of the site, and a natural open space area with existing vegetation would be retained in the southern portion of the site. The open space area would serve as a buffer between the proposed cluster development and the singlefamily subdivision to the south.
 - b) The R-1-S District permits a maximum potential density of 3.05 dwelling units per acre. The proposed cluster development would consist of 18 units, which would equate to 2.02 dwelling units per acre. The applicant has provided a Parallel Plan, which indicates a total of 17 lots that could be created under the traditional requirements of the R-1-S District. The proposed number of units must be addressed to the satisfaction of the Planning Commission.

- c) The Cluster Housing Narrative indicates that the units within the cluster development would range in size from 2,000 square feet to 3,000 square feet. A conceptual elevation of the homes has been provided, which shows that the homes would primarily consist of brick and stone. This would appear to complement the surrounding area. The conceptual elevations must be addressed to the satisfaction of the Planning Commission.
- 4. Proposed landscape plantings, fences, walls and/or open space areas are appropriate and of sufficient size, height and quantity to ensure that the proposed development will not be objectionable to nearby existing or future conventional single family residential properties by reason of noise, fumes or flash of lights from automobiles, or exterior lighting; nor will it interfere with an adequate supply of light and air, increase the danger of fire or otherwise endanger the public safety.
 - a) Although a formal Landscape Plan is not required at the Cluster Housing Option stage, it will be required during Site Plan Review. The Cluster Housing Narrative states that the wooded area to the south of the proposed cul-de-sac would remain undisturbed and would serve as a buffer between the cluster development and the subdivision to the south. In addition, existing vegetation would be retained within the 50foot setback area along the east property line.
 - b) Photographs of the existing vegetation to be preserved have been submitted. The density of the vegetation, as depicted in the photographs, would appear to provide an orderly transition between the proposed cluster development and the adjacent single-family homes to the south and east. This aspect must be addressed to the satisfaction of the Planning Commission.
- 5. The proposed development will not adversely impact the capability of public services and facilities in the area or the Township as a whole.

The site is zoned and planned for single-family residential uses. It is not anticipated that the cluster development will have an adverse impact on public services or utilities.

RECOMMENDATION

Our recommendation would be for the Planning Commission to recommend approval of the proposed Cluster Housing Option to the Board of Trustees, subject to the following:

Charter Township of Plymouth La Casa Cluster Housing Option August 31, 2016

- The proposed number of units must be addressed to the satisfaction of the Planning Commission.
- 2. The conceptual elevations must be addressed to the satisfaction of the Planning Commission.
- 3. The buffer area between the proposed cluster development and the adjacent single-family homes to the south and east must be addressed to the satisfaction of the Planning Commission.

Within the 18 months following Township Board approval of the Single Family Cluster Housing Option, the applicant must obtain Final Site Plan Approval and submit a Single Family Cluster Housing Contract for approval by the Township Board.

Respectfully Submitted,

Jana Radtke

Community Development Director/Planner

Charter Township of Plymouth



Engineering & Surveying Excellence since 1954

September 7, 2016

The Planning Commission Plymouth Charter Township 9955 North Haggerty Road Plymouth, Michigan 48170

Re: La Casa – Cluster Housing Option Application No. 2216-0816 SDA Review No. PL16-143

Dear Commission Members:

We have reviewed the Cluster Housing Option for the referenced project prepared by Warner, Cantrell & Padmos, Inc. dated August 17, 2016, and received by our office August 23, 2016. We have the following comments:

A. General

The site is 9.6 acres and located on the south side of Ann Arbor Trail, east of McClumpha Road. Wetlands are present on site. The site currently contains two single family residential homes (48021 & 48107 Ann Arbor Trail). The proposed Cluster Housing option includes eighteen (18) detached condominiums.

A portion of the proposed development falls within the 100-year floodplain. The applicant has performed a topographical survey which shows the 100-year floodplain in a different location than what is depicted on the FIRM map from FEMA. Based on the survey data, the applicant will need to file a Letter of Map Revision (LOMR) with FEMA to adjust the floodplain boundary. The proposed road, as well as Lots 6, 7, & 11 of the Parallel Plan will still fall within the revised flood plain area and will therefore require a floodplain permit to construct.

B. Water Main

There is an existing 12" diameter water main located on the south side of Ann Arbor Trail that is available to service the proposed buildings.

C. Sanitary Sewer

There is an existing 24" sanitary sewer located along the west property line and that runs through the southern portion of the parcel. The western sanitary sewer is located in an existing 20' wide sanitary sewer easement and the southern sanitary sewer is located in an existing 40' wide sanitary sewer easement.

D. Storm Drainage

The floodway of Tonquish Creek is located in the southern half of the parcel. Storm water management will be addressed by an enclosed storm system, outletting into a proposed on-site detention basin. The basin is shown to outlet into Tonquish Creek. A drain permit will be required from Wayne County DPS for storm water.



Engineering & Surveying Excellence since 1954

E. Site Paving

The parcel may be accessed via a proposed private road, La Casa Court off of Ann Arbor Trail. La Casa court is shown to have a 60' ROW. Dimensions for the road width will need to be included on site plans.

RECOMMENDATION

Based on the above observations, it appears the subject project can be designed to meet the engineering requirements of Plymouth Township and therefore we recommend approval.

If you have any questions regarding this matter, please contact our office at your convenience.

Sincerely,

SPALDING DEDECKER

David E. Richmond, PE Project Manager

cc: Patrick Fellrath, Director of Public Utilities, Charter Township of Plymouth (via Email)

Jana Radtke, Community Development Director, Charter Township of Plymouth (via Email)

Sarah Visel, Administrative Assistant, Charter Township of Plymouth (via Email)



PLYMOUTH TOWNSHIP FIRE DEPARTMENT

9955 N. Haggerty Road Plymouth, Michigan 48170-4673 (734) 354-3221 • Fax: (734) 354-9672 Emergency - Dial 911

TO: PLYMOUTH TOWNSHIP COMMUNITY DEVELOPMENT

FROM: PLYMOUTH TOWNSHIP FIRE DEPARTMENT

DATE 9/9/2016

RE: APPLICANT

Gonzales

Project

La Casa

Address

South of Ann Arbor Trail, East of McClumpha Road, and West of

Sheldon Road.

Property ID

R78-036-99-0008-000; R-78-036-99-0011-000;

R-78-036-99-0012-000

DEAR COMMUNITY DEVELOPMENT:

The Plymouth Township Fire Department has completed the review of the Cluster Housing Option of above referenced project in accordance with the fire protection requirements of the International Building Code 2012, and the International Fire Code 2012, N.F.P.A. Standards, and good fire protection engineering.

The Office of Fire Prevention has objection to this Cluster Housing Option.

As is often the case, certain aspects of code compliance can involve interpretation and judgmental decisions. It is important that you review these comments and contact us if you have any questions. This review is based upon and limited to information that has been provided.

See Attachment;

Fire Inspector/ Investigator

734-354-3219

William Conroy.

H. LETTERS TWP LETTERS La Casa doc

used to identify the structure. Address numbers shall be maintained.

505.2 Street or road signs. Streets and roads shall be identified with approved signs. Temporary signs shall be installed at each street intersection when construction of new roadways allows passage by vehicles. Signs shall be of an approved size, weather resistant and be maintained until replaced by permanent signs.

SECTION 506 KEY BOXES

506.1 Where required. Where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the *fire code official* is authorized to require a key box to be installed in an *approved* location. The key box shall be of an *approved* type listed in accordance with UL 1037, and shall contain keys to gain necessary access as required by the *fire code official*.

506.1.1 Locks. An approved lock shall be installed on gates or similar barriers when required by the fire code official.

506.1.2 Key boxes for nonstandardized fire service elevator keys. Key boxes provided for nonstandardized fire service elevator keys shall comply with Section 506.1 and all of the following:

- The key box shall be compatible with an existing rapid entry key box system in use in the jurisdiction and approved by the fire code official.
- The front cover shall be permanently labeled with the words "Fire Department Use Only—Elevator Keys."
- The key box shall be mounted at each elevator bank at the lobby nearest to the lowest level of fire department access.
- The key box shall be mounted 5 feet 6 inches (1676 mm) above the finished floor to the right side of the elevator bank.
- Contents of the key box are limited to fire service elevator keys. Additional elevator access tools, keys and information pertinent to emergency planning or elevator access shall be permitted when authorized by the fire code official.
- 6. In buildings with two or more elevator banks, a single key box shall be permitted to be used when such elevator banks are separated by not more than 30 feet (9144 mm). Additional key boxes shall be provided for each individual elevator or elevator bank separated by more than 30 feet (9144 mm).

Exception: A single key box shall be permitted to be located adjacent to a *fire command center* or the non-standard fire service elevator key shall be permitted to be secured in a key box used for other purposes and located in accordance with Section 506.1.

506.2 Key box maintenance. The operator of the building shall immediately notify the *fire code official* and provide the new key when a lock is changed or rekeyed. The key to such lock shall be secured in the key box.

SECTION 507 FIRE PROTECTION WATER SUPPLIES

507.1 Required water supply. An approved water supply capable of supplying the required fire flow for fire protection shall be provided to premises upon which facilities, buildings or portions of buildings are hereafter constructed or moved into or within the jurisdiction.

507.2 Type of water supply. A water supply shall consist of reservoirs, pressure tanks, elevated tanks, water mains or other fixed systems capable of providing the required fire flow.

507.2.1 Private fire service mains. Private fire service mains and appurtenances shall be installed in accordance with NFPA 24.

507.2.2 Water tanks. Water tanks for private fire protection shall be installed in accordance with NFPA 22.

507.3 Fire flow, Fire flow requirements for buildings or portions of buildings and facilities shall be determined by an *approved* method.

507.4 Water supply test. The fire code official shall be notified prior to the water supply test. Water supply tests shall be witnessed by the fire code official or approved documentation of the test shall be provided to the fire code official prior to final approval of the water supply system.

507.5 Fire hydrant systems. Fire hydrant systems shall comply with Sections 507.5.1 through 507.5.6.

507.5.1 Where required. Where a portion of the facility or building hereafter constructed or moved into or within the jurisdiction is more than 400 feet (122 m) from a hydrant on a fire apparatus access road, as measured by an approved route around the exterior of the facility or building, on-site fire hydrants and mains shall be provided where required by the fire code official.

Exceptions:

- For Group R-3 and Group U occupancies, the distance requirement shall be 600 feet (183 m).
- For buildings equipped throughout with an approved automatic sprinkler system installed in accordance with Section 903.3.1.1 or 903.3.1.2, the distance requirement shall be 600 feet (183 m).

507.5.1.1 Hydrant for standpipe systems. Buildings equipped with a standpipe system installed in accordance with Section 905 shall have a fire hydrant within 100 feet (30 m) of the fire department connections.

Exception: The distance shall be permitted to exceed 100 feet (30 m) where approved by the *fire code official*.

Planning Commission of Plymouth Township

Re: La Casa aka Tuscany Reserves of Plymouth

Reference.

The proposed single family housing cluster (sfhc) consists of a land size of 9.5 acres on the south side of Ann Arbor Trail East of McClumpha Road. The sfch shall consist of 18 detached condos that are developed carefully within the property to preserve all of the woodlands and natural features the property has to offer. The following responses to section 22 of the Township Zoning Ordinance under the Single Family Cluster Housing option.

Adjacent uses.

The sfch has land uses of a single family home to the east, west, and a single family subdivision to the south and north. In addition, there is an attached condominium gated community known as Lorenz Way to the east. Tonquish Creek is located to the south and will remain in its current state.

Drainage.

The flood way of Tonquish Creek shall remain in its current state, including the impacts of the flood plane.

Soil.

The soil consists of kibbie fine sandy loam, metea loam sand, morely loam and thetford morely loam, and thetfor loamy sand as noted on the sfch conceptual development plan

Vegetation.

The property has various protected trees throughout the buildable plan and the preserved area plan. Specifically, there will be trees that are protected that will be replaced onsite in order to accommodate the proposed plan. A woodlands report to be provided and replacement of such trees made a part of the site plan approval process.

Existing Conditions.

There is a homestead home and a 1950's ranch that will be removed. There is a sanitary sewer line as shown on the Topographical Survey

and a water line that runs in the right of way along Ann Arbor Trail that will service the project and be further defined in the site plan approval process.

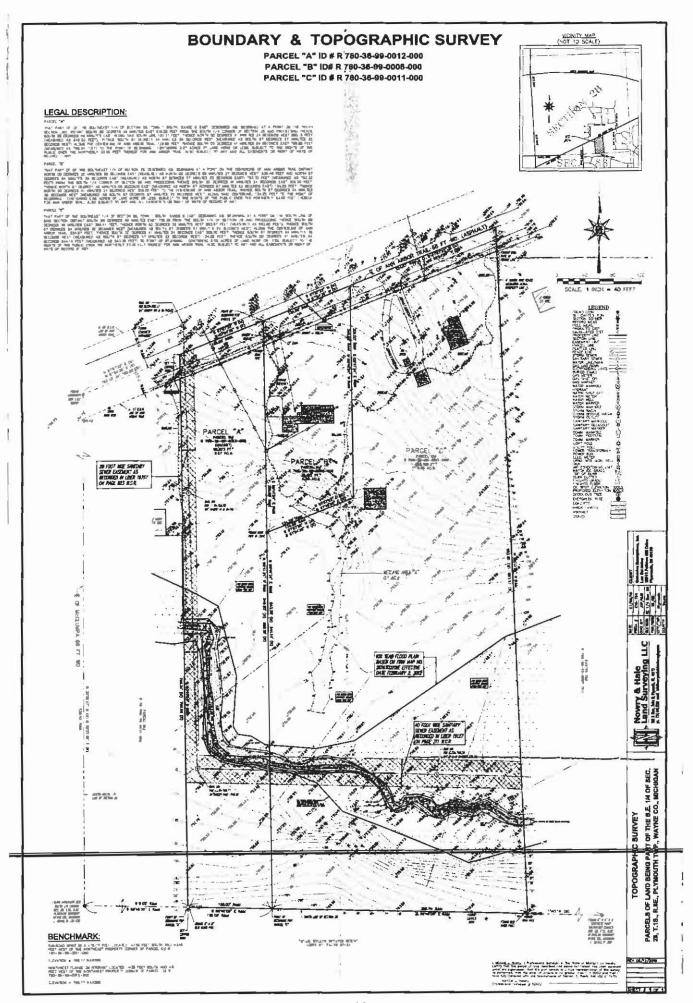
Special Features.

The entrance of the development will consist of a gently sloping road from Ann Arbor Trail going south with strategic consideration of preserving the natural slope of the land. Tonquish Creek and the floodplains adjacent thereto will remain undisturbed as a natural view shed for the property and its residents. The woodlands area beginning at the bottom of the access road shall remain undisturbed, including the extensive amount of woodlands areas south of Tonquish Creek. A careful selection of trees and brush will remain on the east side of the property adjacent to the single family home to the east and a large stand of trees 50 feet running north and south on the west side of the property shall remain. The finer details shall be defined in the site plan approval stage and engineering stage of the development.

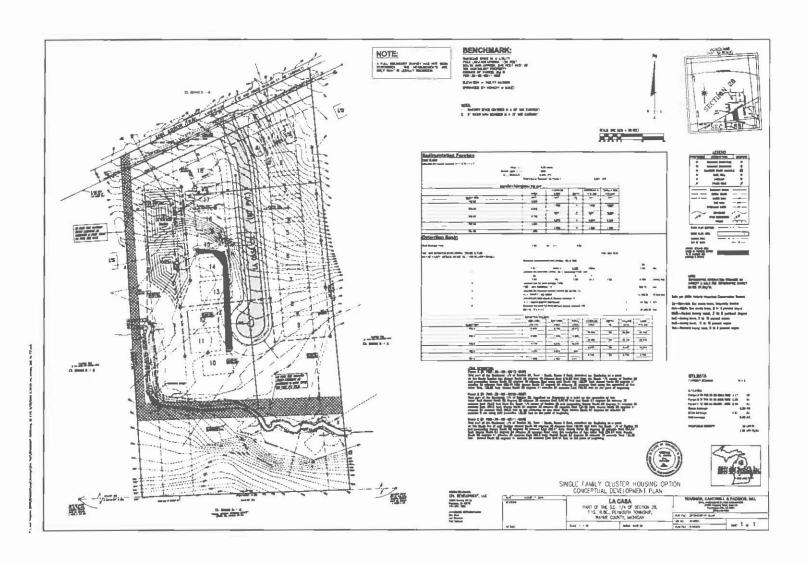
The applicant, based upon the information provided, asks the Planner, Planning Commission consider the cluster housing for the following reasons:

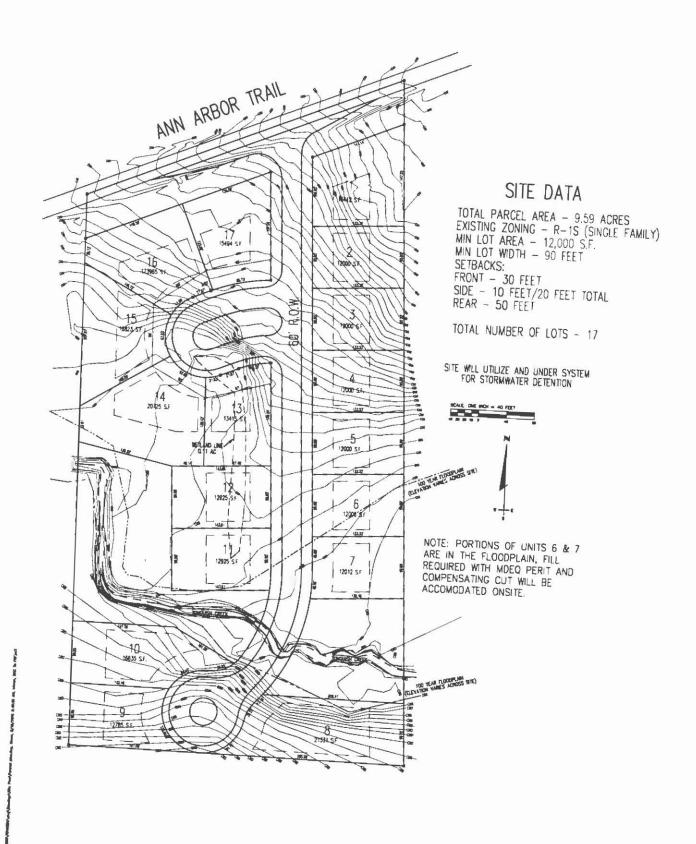
1. Under a density plan as shown, there is an extensive amount of trees, slopes, flood plane that will be impacted by the development of such plan. The sfch provides for the applicant to save over 35% of the property and its woodlands, also providing setbacks to the adjacent neighborhood and preserving extensive amount of slopes for the benefit of the development and its community. Furthermore it provides for less impervious surface thus reducing the amount of storm water that is required to be managed. The sfch will consist of 18 detached condominiums varying from 2000 to 3000 square feet with attached garages, best in class elevations, extensive landscaping, that is needed in the community. The architectural elevation will consist of stone, brick, and carefully selected products. A parallel plan is provided in the package that has been submitted. Based upon the aforementioned sfch planned with the many community benefits as a Cluster Housing as provided the Plymouth Twp ordinances.

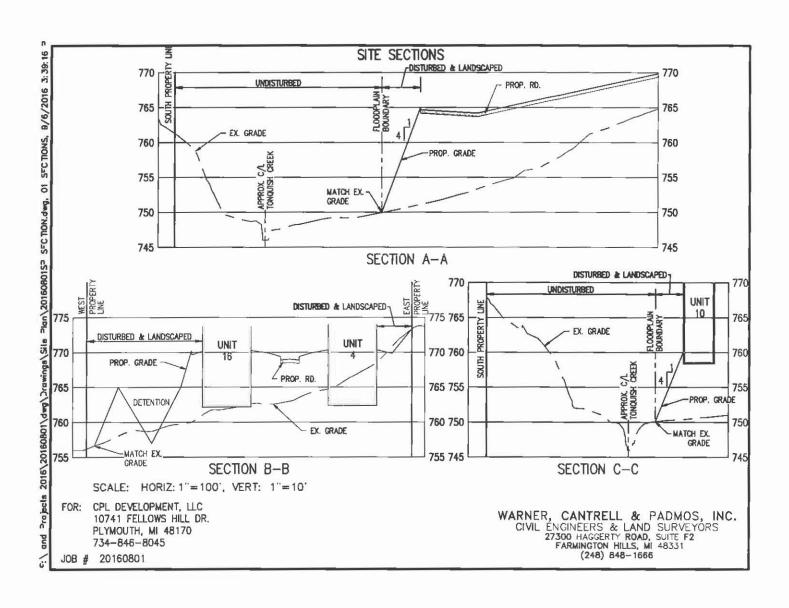
Applicant Leo Paonzalez











Perspective Photos of Tuscany Reserve of Plymouth



A) Facing west from building 17, 175 ft from the property line of the development.



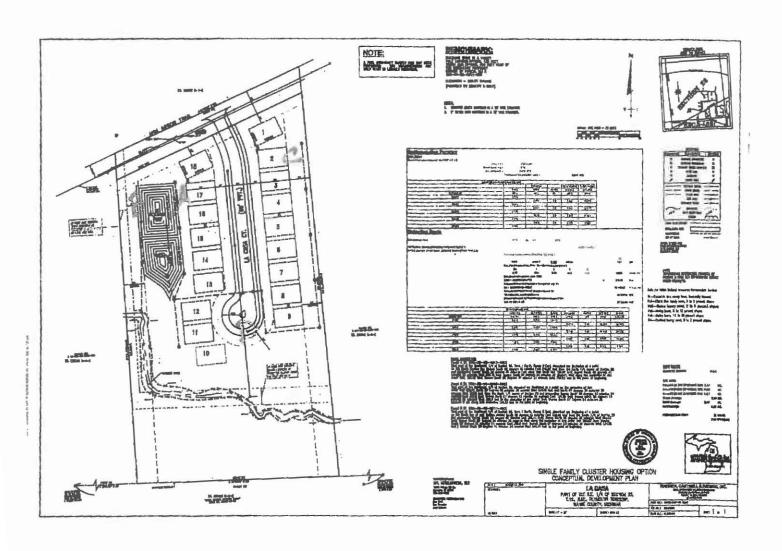
B) Facing west 50 ft from the property line of the development.



C) Facing east building 2, 50 ft from the property line of the development.



D) Facing south from the most southerly edge of the cul-de-sac 350 ft from the property line of the development.





Ronald and Elizabeth Lynn 46064 Green Valley Plymouth, MI 48170

September 6, 2016

Charter Township of Plymouth Planning Commission 9955 N. Haggerty Road, Plymouth, MI 48170

Dear Members of the Planning Commission:

Over 26 years ago my wife and I lived in Livonia and desired to move to Plymouth Township. We retained a real estate broker to find us a 4 bedroom colonial home in Plymouth Township that had a swimming pool, a walk-out basement and was abutted by property that could not be developed because we wanted green space in back of us. The home that we bought on Green Valley satisfied those variables. We had a walk-out basement, a swimming pool and the property abutted a 100 year flood plain that could not be developed south on the Tonquish Creek.

We knew that the land behind the house was a 100-year flood plain definitively because before we closed on the property, we visited City Hall to confirm that the property north of our future home was indeed a flood plain. We were assured that the property north of us was a 100-year flood plain and would not be developed south of the Tonquish Creek. With that affirmation, we purchased the property and have enjoyed the house, the schools and the city ever since.

Rezoning the property from single family to any other use does not change the nature of the land and the fact that the land between the Tonquish Creek going south to our property line is a 100-year flood plain. The creek swells during heavy rains; the water table between the creek and our property line is high; many animals, such as deer, fox, red-tail hawks, and many other mammals live in this flood plain, and they should be allowed to continue to do so.

North of the Tonquish Creek is not an issue with us, as long as the use is in keeping with the integrity of the development in the surrounding area, but we would be very much against the rezoning of the property between the creek and our property, and we would be very much against any development of this special piece of land, and we hope that Planning Commission will honor the representation that was given to us when we moved to Plymouth Township over 26 years ago.

Truly yours,

CC:

Ronald J. Lynn and Elizabeth A. Lynn

Mr. Cameron Miller, Esquire

Miller and Bartnicki, Attorneys at Law

September 15, 2016

Charter Township of Plymouth Planning Commission 9955 Haggerty Road Plymouth, MT 48170

Re: Application #2216-0816

Request for Cluster Housing Option Approval

We reside 46040 Green Valley Rd., one of the properties that border the south end of the parcels being considered for a Cluster Housing Option.

We have reviewed the drawings at the Township offices, spoke with Jana Radtke, who explained the details of the plan, and also had a conversation with Leo Gonzalez, the applicant, who further detailed his plans for the site in question.

It is our understanding that Mr. Gonzalez is proposing to erect 18 free standing condos on the parcels in question and plans to leave much of the surrounding area in a natural state. It is our further understanding that the "Parallel Plan" of 17 homes attached to the proposal was prepared only to meet the requirements of the application to show what impact a large group of single family homes would have on the area in question, (assuming you could get the approvals to build within the flood plain and meet the other requirements) and is not in any way shape or form being considered. When we purchased our property almost 30 years ago, we were assured by many, including some of the township officials, that no construction would be allowed on the south side of the creek because of the flood plain. This drawing puts 2 homes 10 feet from the property line backing our property, which we would adamantly object to if that were a matter up for discussion.

The purpose of this letter is not to object to the Cluster Housing application as presented, but to voice our concerns regarding the portion of the property south of Tonquish Creek on said parcels of land. The current plans seem to indicate that section is to be left a "green area". We feel leaving it intact would not only have a positive effect on the environment, but also enhance the value of all the surrounding properties.

In my discussion with Mr. Gonzalez, he indicated that he has no plans to develop or clear that portion of the property at any time and stated he would clarify that in his application. Mr. Gonzalez also indicated that declaration would then become a permanent "restriction" of the property documents and recorded as such, so the land could not be cleared or built on in the future. This is a point we would like confirmed at the meeting on September 21st.

Sincerely,

Calvin and Rose Brower

Cali Brown Case Bracow

September 12, 2016

Plymouth Township Division of Public Services
Community Development Department
Planning Commission
9955 N. Haggerty Road
Plymouth, Michigan 48170

Subject: La Casa Condos

Located on Ann Arbor Trail

We reside at 46016 Green Valley Road and have enjoyed almost 25 years of the incredible wildlife that the woods behind our home have provided us and the citizens of Plymouth Township.

We are adamantly opposed to the more aggressive plan (17 condos) to clear the land entirely and install a bridge over the creek with a circle court.

Please select the less aggressive plan of 18 condos which will have less of an impact on the environment and citizens of Plymouth Township and is simpatico with the Lorenz Way Condos.

Respectfully,

Valentino and Concetta Toniolo

Concetta Toniolo

Joyce Frederick
45989 ann arbor Inail
Plymouth, Mi.
I am the first house last of the site.
If the request for cluster bousing is approved
I would like the buildings to be more
than fifty feet from the property line.
ples I want a fence on the property line
and a tree barrier.

ATTACHMENTS:

CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: Proposed 2017 Board of Trustee's Meeting Dates
PRESENTER: Supervisor Shannon Price
OTHER INDIVIDUALS IN ATTENDANCE:
EXECUTIVE SUMMARY: Proposed dates for the 2017 Board of Trustee's meetings
BACKGROUND:
ACION REQUESTED:
Approve
BUDGET/TIME-LINE:
IMPLEMENTATION PLAN:
RECOMMENDATION:
MODEL RESOLUTION: I move to approve the 2017 Board of Trustee's Meeting dates as proposed.

Plymouth Township Board of Trustees 2017 Meeting Schedule

Work Sessions	Regular Meetings				
Tuesday language 02 2017	Tuesday January 10, 2017				
Tuesday, January 03, 2017	Tuesday, January 10, 2017				
Tuesday, January 17, 2017	Tuesday, January 24, 2017				
Tuesday, February 07, 2017	Tuesday, February 14, 2017				
Tuesday, February 21, 2017	Tuesday, February 28, 2017				
Tuesday, March 07, 2017	Tuesday, March 14, 2017				
Tuesday, March 21, 2017	Tuesday, March 28, 2017				
Tuesday, April 04, 2017	Tuesday, April 11, 2017				
Tuesday, April 18, 2017	Tuesday, April 25, 2017				
Tuesday, May 02, 2017	Tuesday, May 09, 2017				
Tuesday, May 16, 2017	Tuesday, May 23, 2017				
Tuesday, June 06, 2017	Tuesday, June 13, 2017				
Tuesday, June 20, 2017	Tuesday, June 27, 2017				
	Tuesday, July 11, 2017				
Tuesday, July 18, 2017	Tuesday, July 25, 2017				
Tuesday, August 01, 2017	Tuesday, August 08, 2017				
Tuesday, August 15, 2017	Tuesday, August 22, 2017				
	Tuesday, September 12, 2017				
Tuesday, September 19, 2017	Tuesday, September 26, 2017				
Tuesday, October 03, 2017	Tuesday, October 10, 2017				
Tuesday, October 17, 2017	Tuesday, October 24, 2017				
Tuesday, November 07, 2017	Tuesday, November 14, 2017				
Tuesday, November 21, 2017	Tuesday, November 28, 2017				
Tuesday, December 05, 2017	Tuesday, December 12, 2017				

Work Sessions: first and third Tuesdays

Regular Meetings: second and fourth Tuesdays



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: Curbside Residential Refuse Collection: Automation Option (Discussion Only)

PRESENTER: Patrick Fellrath, P.E., Director of Public Services

Sarah Visel, Solid Waste and Public Service Coordinator

OTHER INDIVIDUALS IN ATTENDANCE: None anticipated.

BACKGROUND:

On June 16, 2015, the Township Board of Trustees approved the implementation of automated curbside residential recycling including use of a 64-gallon recycling bin only. Curbside residential refuse and yard waste collection remained unchanged (i.e., non-automated/curbside hand collection).

Township waste hauler, Rizzo Environmental Services, Inc. (Rizzo), indicated Township may switch to automated curbside residential refuse collection with 95/96 gallon cart or 64/65 gallon cart within 12 months of current agreement as set forth in paragraph 3 of the current agreement (see attached). Although the 12 month period expired as of September 17, 2016, the Township's understanding is Rizzo may honor/extend provision for at least an additional 2 months.

Results of the residential survey conducted in spring 2015 are attached for your reference. All residential solid waste accounts (approximately 8,600 households) were sent a survey postcard. The Township received 2,289 responses or 27% return rate. In summary, slightly more than half of the respondents (57.65%) preferred automation of both recycling and refuse/trash. A majority of the respondents in favor of automated refuse/trash (roughly 57%) prefer the 95/96 gallon cart.

ACTION REQUESTED: N/A

BUDGET/ACCOUNT NUMBER: N/A

RECOMMENDATION:

MODEL RESOLUTION: N/A

ATTACHMENTS:

- Excerpt (paragraph 3) from Solid Waste Agreement between Township and Rizzo Environmental Services, Inc.
- Question 2 from 2015 Survey
- Question 3 from 2015 Survey

Plymouth, Michigan 48170

Either party may by notice given hereunder designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

- 2. During the term of this Agreement, or any extension thereof, and during such time as Contractor is not in default with the provisions of this Agreement, Contractor shall be the sole and exclusive Contractor for the provision of services described herein for the Township sponsored residential refuse, recycling and compost services program. Township agrees to encourage its residents to use the Township sponsored program; provided, however, that nothing herein shall obligate Township to require its residents to use such program. Township further agrees that any Contractor who provides residential refuse, recycling and compost services described herein in any non-Township sponsored residential refuse, recycling and compost services program shall be required to conform to the requirements of Chapter 72 of the Compiled Ordinances of the Charter Township of Plymouth, as amended.
- 3. The Township has selected Residential Refuse Collection and Disposal (Nonautomated/Curbside Hand Collection) as set forth in Section A-1 of Contractor's Bid Form. During the first 12 months of this Agreement, the Township and Contractor agree that the Township may choose to switch from Residential Refuse Collection and Disposal (Nonautomated/Curbside hand Collection) to Residential Refuse Collection and Disposal (Automated/Semi-automated Collection Service) with 95/96 gallon cart as set forth in Section A-2 of Contractor's Bid Form, or with 64/65 gallon cart as set forth in Section A-3 of Contractor's Bid Form. If the Township chooses to switch to Section A-2 or A-3 of Contractor's Bid Form, Contractor will make such switch forthwith upon the Township's written notification to Contractor. Contractor shall honor the prices set forth in Section A-2 or A-3 of Contractor's Bid Form; provided, however, that the Township recognizes that prices set forth in Sections A-2 and A-3 of Contractor's Bid Form were subject to amortization of Contractor's costs related to the carts, and that such amortization costs may increase based upon the shorter duration of the use of such carts. As such, Contractor may adjust the prices set forth in Sections A-2 and A-3 of Contractor's Bid Form, but such adjustments are restricted to reflect the actual amortization adjustments for such carts. Contractor shall provide the Township with such actual amortization adjustment costs, and the adjustment to the prices set forth in Sections A-2 or A-3, within seven days of the Township's written request to Contractor. In the event that Contractor fails to comply with the Township's request for such actual amortization costs and the adjustment to the prices set forth in Sections A-2 or A-3 within seven days of the Township's written request, then Contractor shall be deemed to have waived its right to adjust the prices set forth in Sections A-2 and/or A-3 of Contractor's Bid Form, and Contractor shall honor the prices set forth in Sections A-2 or A-3 of Contractor's Bid Form.
- 4. The terms and provisions herein contained constitute the entire Agreement between Township and Contractor. No Agreement or understanding which alters or extends this Agreement shall be binding upon either party unless in writing and duly signed by the party to be charged. This Agreement is to be governed and interpreted by the laws of Michigan, and if any portion of the Agreement is held by a court to be illegal or invalid, then that provision shall be severed from the Agreement and the remaining provisions shall remain in effect. Each party irrevocably and unconditionally agrees that it will not bring any action, litigation, or proceeding against any other party in any way arising from or relating to this Agreement in any forum other than the courts of the state of Michigan sitting in Wayne County and any applicable Michigan appellate court. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of those courts and agrees to bring any such action, litigation, or proceeding only in those courts. Each party agrees that a final judgment in any such action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

I. PRICING DESCRIPTION

Bids shall be fixed annual prices as specified on the Bid Form. No variable fees (e.g., fuel recovery fees, recycle commodity fees, etc.) will be considered by the Township.

Bidders are required to submit bids for all items except A-2, A-3, B-3 and B-4.

Description	PRICE IN FIGURE
A-1 RESIDENTIAL REFUSE COLLECTION AND DISPOSAL (NON-AUTOMATED/CURBSIDE HAND COLLECTION BASED ON CURRENT SERVICE) Unit price per month for weekly curbside Residential Refuse Collection, Transportation and Disposal. (See General Specifications – 1.19 Residential Unit)	
YEAR 1 Seven dollars + Sixty Center YEAR 2 Seven dollars + Sixty Cents	\$7.60 \$7.60
YEAR3 Seven dollars + Sixty Cente	\$ 7.60
YEAR A Leven dollars + Sixty lents	\$7.60
YEAR 5 leven dollars Sixty Cente	\$ 7.60
YEAR 8 Seven Sollars + Eighty-Tive Cents	\$7.85
YEAR 7 Legen dollars & Eighly Five Cents	\$7.85

DESCRIPTION	PRICE IN FIGURE
A-2 RESIDENTIAL REPUSE COLLECTION AND DISPOSAL (AUTOMATED/SEMI-AUTOMATED COLLECTION)	
Unit price per month for weekly curbside Residential Refuse Collection, Transportation and Disposal; and 95/96 gallon Cart. (See General Specifications — 1.19 Residential Unit)	
YEAR 1 Eight stollars + Twenty Five Cents	\$ 8.25
YEAR 2 Eight dollars + Twenty Five Cents	\$825
YEAR 3 Eight dollare + Twenty Fine Cents	\$8.25
YEAR 4 Eight dollars + Twenty Five anto	s8.25
YEAR 5 Eight dollars + Twenty Frix Cents	\$8.25
YEAR Eight stollars & Fifty lexte	\$8.50
YEAR 7 Eight dollars + Fifty Cente	\$8.50
AMOUNT IN WORDS	

29 | Page

PRICING DESCRIPTION CONTINUED

DESCRIPTION	PRICE DI FIGURE			
A-3 RESIDENTIAL REFUSE COLLECTION AND DISPOSAL				
(AUTOMATED/SEMI-AUTOMATED COLLECTION) Unit price per month for weekly curbside Residential Refuse Collection,				
Transportation and Disposal; and 84/85 gallon Cart.				
See General Specifications - 1.19 Residential Unit)	1			
YEAR 1 Eight dollars + Twenty Five Leat	\$ 8.25			
YEAR 2 Eight dollars + Twenty Fire Cent	\$ 8.25			
YEAR 3 Eight Sollans Twenty Five Cente	\$8.25			
YEAR 4 Eight Sollars + Twenty Fire Cente	\$ 8.25			
YEAR 5 Eight sollars & Twenty Five Cents	\$ 825			
YEAR 8 Eight abollan + Fifty Cente	\$8.50			
YEAR 7 Eight chollars + Fifty Cente	\$B.50			
AMOUNT IN WORDS				

DESCRIPTION	PRICE IN FIGURE		
B-1_RECYCLING (NON-AUTOMATED/CURBSIDE HAND COLLECTION RASED ON CURRENT SERVICE) Unit price per month for weekly curbside Residential Recyclable Collection, Transportation and Processing. Contractor Retains Revenues. (See General Specifications — 1.19 Residential Unit)			
Collection, Delivery to a Meterials Recovery Facility, Processing of Recyclables (Commingled) utilizing: 18 gallon recycle container type of container			
YEAR 1 OTH stoller + Fifty and linte	\$1.51		
YEAR 2 Britallie + Fifty one Cente	\$1.51		
YEAR 3 am Sollar + Fifty one Cents	\$1.51		
YEAR 4 ON Solar + 7 ifty one Cente	\$1.51		
YEARS an Sollar + Fifty one lette	\$1.51		
YEARO and stellar + Fifty Lix Cents	\$1.56		
YEART On dollar + Fifty Six lents	\$1.5b		
AMOUNT IN WORDS			

30 | Page

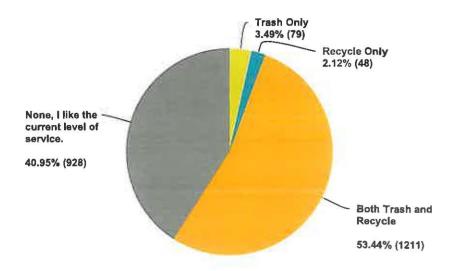
ADDENDUM NO. 1

RES

AUTOMATED TRASH & RECYCLING COLLECTION SURVEY

Q2 I would like automated collection of the following:

Answered: 2,266 Skipped: 23

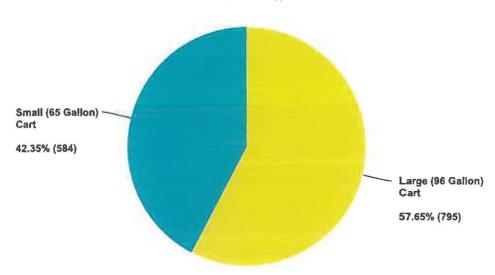


Answer Choices	Responses	
Trash Only	3.49%	79
Recycle Only	2.12%	48
Both Trash and Recycle	53.44%	1,211
None, I like the current level of service.	40.95%	928
Total		2,266

AUTOMATED TRASH & RECYCLING COLLECTION SURVEY

Q3 If you prefer automated trash collection, then which size cart would you prefer for collection of trash/rubbish? (The next question addresses recycling cart choices.)





Answer Choices	Responses	
Large (96 Gallon) Cart	57.65%	795
Small (65 Gallon) Cart	42.35%	584
Total		1,379



ATTACHMENTS:

CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: Proposed Changes to Township Ethics Ordinance
PRESENTER: Supervisor Shannon Price
OTHER INDIVIDUALS IN ATTENDANCE:
EXECUTIVE SUMMARY: The proposed changes include a ban on gifts to employees and elected officials, and the creation of an Ethics Committee to investigate and make recommendations to the Board of Trustees or law enforcement agencies for violations.
BACKGROUND:
ACION REQUESTED:
Approve
BUDGET/TIME-LINE:
IMPLEMENTATION PLAN:
RECOMMENDATION:
MODEL RESOLUTION: I move to approve the first reading of the Ethics Ordinance Amendment 19 to Ordinance 1016.

STATE OF MICHIGAN COUNTY OF WAYNE CHARTER TOWNSHIP OF PLYMOUTH

ETHICS ORDINANCE

ORDINANCE	NO.	

AN ORDINANCE OF THE CODE OF ORDINANCES OF THE CHARTER TOWNSHIP OF PLYMOUTH TO PROVIDE ETHICAL STANDARDS FOR PUBLIC OFFICERS, EMPLOYEES, AND CONTRACTORS; PROVIDING FOR DEFINITIONS; PROVIDING FOR REGULATION OF IGNITION, DISCHARGE, OR USE OF CONSUMER FIREWORKS; PROVIDING FOR PERMIT FOR USE OF CONSUMER FIREWORKS; PROVIDING FOR TRANSPORTATION AND STORAGE; PROVIDING FOR PENALTY; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

THE CHARTER TOWNSHIP OF PLYMOUTH ORDAINS:

Ordinance No.	 the Ethics	Ordinance,	is hereby	adopted	to	read	as
follows:				1.5			

SECTION I. TITLE.

This Ordinance shall be known and may be cited as the "Ethics Ordinance."

SECTION II. INTRODUCTION AND PURPOSE.

Public Office is a public trust. Any democracy requires public confidence in the integrity of the government. Persons in public service must recognize that a moral commitment to do the right thing is necessary. Characteristics like honesty, loyalty, fairness, promise keeping, accountability, respect for others and integrity do not depend on one's situation. They are behaviors expected by/of the Township Board of Trustees, employees and appointees at all times.

The purpose of this Ethics Ordinance is to provide practical guidelines for ethical decision-making and to encourage ethical behavior from Township representatives responsible to the citizens of Plymouth Township. The Ethics Ordinance serves to emphasize the public has recourse through local ordinances, municipal, State and Federal laws for unethical actions of all Township representatives (appointed, elected, full, or part-time). The decisions and actions of all Township representatives (appointed, elected, full, or part-time) should be in the best interest of the Township and be free from the influence of outside or conflicting interests. This Ordinance is to encourage representatives to act in the Township's and citizens' best interests.

SECTION II. ORDINANCE.

SECTION A - DEFINITIONS:

"CONTRACTOR" shall mean an individual or firm, other than an employee, who derives revenue or services from the Charter Township of Plymouth by providing goods or services to the Township. Contractors shall mean professionals, consultants, and firms, including but not limited to the Township attorney, planning consultant, engineering consultant, assessor and/or other individuals retained by the Township to provide services.

"CONFLICT OF INTEREST" shall mean incompatibility between one's private pecuniary interests and one's public or fiduciary duties.

"EMPLOYEE" shall mean all full and part-time persons, other than a contractor, who are compensated for their services by the Township.

"CUSTOMER" shall mean an individual, corporation, or other business entity, who has submitted an application, sought approval, requested permits, is subject to review by a Township Board or Commission, or otherwise seeks or requests services from the Township, including those typically provided by governmental entity or other services provided by the Township or its employees.

"CONFIDENTIAL INFORMATION" shall mean information which has been obtained in the course of service with the Township or in fulfilling the duties of one's office with the Township, such information being unknown or unavailable to members of the public generally and which has been obtained on the basis of a promise of confidentiality which is required to be held confidential by law, or regulation, or which the employee or officer has been instructed is being held confidentially. It does not include information required to be disclosed by law.

"ELECTRONIC PROPERTY" shall mean any digital record, system or computer program or file that contains, or may produce, Township data.

"FINANCIAL INTEREST" shall mean any ownership, proprietorship or partnership interest, loan advance or financial arrangement in or with an organization, whether a corporation or otherwise doing business with the Township, including any employment, whether full or part-time.

"GIFT" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, travel, lodging, and honoraria for speaking engagements related

to or attributable to government employment or the official position of an officer or employee.

"GOVERNMENTAL DECISION" shall mean a determination, action, vote or disposition upon a motion, proposal, recommendation, resolution, ordinance or measure on which a vote by the members of a legislative or governing body of the Township is required and by which the Township formulates or effectuates public policy. A governmental decision shall also include actions, approvals, or decisions made by governmental employees in the ordinary course of Township business such as issuing permits, approvals, or providing other services ordinarily offered by the Township or other governmental entities.

"IMMEDIATE FAMILY" shall mean a child, spouse or an individual claimed by that individual or individual's spouse as a dependent under the Internal Revenue Code, or the parents, parents-in-law, step-parents, step-children, step-brothers, step-sisters or an individual or other persons in the same household.

"PUBLIC OFFICER" shall mean an elected official of the Township or a person appointed to a Township board or commission.

"POLITICAL ACTIVITY" shall mean any elected official, commission members, committee members, appointed sub-committee members, employees, volunteers, and political parties involved in activity for the purpose of inducing or rewarding favorable action (or withholding of action) or the exercise of influence by such official, commission member, committee member, sub-committee member, employee, volunteer, or political party representative in any commercial transaction or in any governmental matter.

"PUBLIC RECORD" shall mean public record as defined in the Michigan Freedom of Information Act.

"TOWNSHIP" shall mean the Charter Township of Plymouth, including its boards, commissions, departments, and divisions.

"UNETHICAL CONDUCT" shall mean a violation of the standards set forth in the Code of Ethics.

SECTION B - STANDARDS OF ETHICAL CONDUCT

- 1. A public officer, contractor, employee or volunteer shall not divulge to an unauthorized person, confidential information acquired in the course of employment prior to the time authorized for its release to the public.
 - 2. A public officer, contractor, employee or volunteer shall not represent his or her

personal opinion as that of the Township.

- 3. All public officers, contractors, employees and volunteers shall refrain from intentionally using their respective Township office or position for personal gain or benefit. A public officer, contractor, or employee shall use Township resources, property, and funds under their official care and control in accordance with constitutional, statutory, and regulatory procedures and not for personal gain or benefit.
- 4. All public officers, contractors, employees, volunteers and organized groups of primarily Township employees shall comply with all of the following state acts:
 - a. The Michigan Campaign Finance Act, Public Act 388 of 1976, as amended;
 - b. The Incompatible Public Offices Act, Public Act 566 of 1978, as amended;
 - The Management and Budget Act; Public Act 431 of 1984, as amended;
 - The Bureau of Criminal Identification and Records Act, Public Act 289 of 1925 as amended; and
 - e. The Michigan Penal Code, Act 328 of 1931 as amended.
- 5. A public officer, contractor, employee or volunteer shall not engage in a business transaction in which the public officer, contractor, employee, volunteer or their immediate family member profit from his/her official position or authority or benefit financially from confidential information which the public officer, contractor, employee or volunteer has obtained by reason of that position or authority.
- 6. A public officer, contractor, employee or volunteer shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with the discharge of the officer's, contractor's or employee's official duties on behalf of the Township or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.
- 7. Any public officer, contractor, employee or volunteer shall not, with respect to transactions on behalf of the Township, participate in negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, approving of uses or other regulation or supervision relating to a business entity in which the public officer, Contractor, employee or immediate family has any financial interest.
- 8. All public officers, contractors, employees, and volunteers are prohibited from using any Township resource, equipment, supplies, property or Township employee's compensated or volunteered on-the-job Township work time to participate in or be involved in any political activity, for or against, on behalf of or in opposition to any elected official, candidate, nominee, issue, campaign in violation of the Michigan Campaign Finance Act. This includes the use of all Township owned electronic property, pagers, cell phones, and computers.

SECTION C - DISCLOSURE AND VOTING

- 1. A public officer shall disclose any contractual, financial, business, or employment interest he/she or immediate family members may have in the governmental decision and the disclosure will be made part of the public record of the official action on the governmental decision.
- 2. If a conflict of interest is disclosed, pursuant to subsection 1 above, the public officer shall remove himself/herself from the meeting room until the issue is resolved. This section shall not prevent a public officer from making or participating in making a governmental decision to the extent that the public officer's participation is required by law. Statements of disclosure or conflict shall not be used as a mechanism to prevent a governmental decision from being made.
- 3. Any employee, contractor, public officer, customer or volunteer under contract to provide service to the Township shall disclose a financial interest of 1% or greater of present market value in another firm they know to be doing business with the Township. A disclosure form shall be filled in and signed by the individual with the financial interest. Any disclosures on the form(s) are not intended to prohibit the firm from providing services. The disclosures are intended to make the Township aware of any potential conflicts of interest.

SECTION D - RESPECT FOR PROCESS AND CONDUCT OF MEETINGS

- 1. Public officers, employees, and contractors shall perform their duties in accordance with the processes and rules of order established by the Township Board or Township Department governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the Township Board and Township Departments.
- 2. Public officers shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the Township Board, and focus on the business at hand. Public officers shall refrain from interrupting other speakers, making comments not germane to the business of the body, or otherwise interfering with the orderly conduct of meetings.

SECTION E - GIFT BAN

- Except as permitted by this ordinance, no Employee shall intentionally solicit or accept any gift.
 - 2. Section E,1 is not applicable to the following:
 - a. Opportunities, benefits, and services that are available on the

same conditions as for the general public.

- b. Anything for which the officer or employee pays the fair market value.
- c. Any contribution that is lawfully made under the Campaign Finance Laws of the State of Michigan.
- d. A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of an individual's spouse and the individual's fiancé or fiancée.
- e. Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as:
 - (i) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;
 - (ii) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and
 - (iii) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees.
- f. Food or refreshments not exceeding \$20.00 per person in value on a single calendar day; provided that the food or refreshments are
 - (i) consumed on the premises from which they were purchased or prepared, or
 - (ii) catered.

For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.

- g. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an officer or employee), if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee, and are customarily provided to others in similar circumstances.
- h. Intra-governmental and inter-governmental gifts. For the purpose of this ordinance, "intra-governmental gift" means any gift given to an Employee from another Employee of the Township, and "inter-governmental gift" means any gift given to an Employee by an Employee of another governmental entity.
 - i. Bequests, inheritances, and other transfers at death.
- j. Any item or items from any one person or entity during any calendar year having a cumulative total value of less than \$50.00.

Each of the exceptions listed in this Section is mutually exclusive and independent of every other.

3. An employee does not violate this Ordinance if he or she promptly takes reasonable action to return a gift in violation of this Section.

SECTION F - VIOLATIONS OF THE ETHICS ORDINANCE

- 1. Except as it pertains to elected officials, (see EF,6) significant, repeated or intentional violations of the Ordinance may be grounds for disciplinary action up to and including removal and/or discharge, where applicable, adapted to the circumstances of the particular violation(s) and having as a primary objective furtherance of the Township's interest in preventing violations and making clear that violations are neither tolerated nor condoned. Violations of the Charter Township of Plymouth Ethics Ordinance by Township employees shall be dealt with through the appropriate governing office. After receiving a recommendation from the Ethics Committee, the Township Board shall determine such appropriated disciplinary action.
- 2. Except as it pertains to elected officials, (see EF,6) disciplinary action may be taken not only against individuals who authorize or participate directly in a violation of the Ordinance, but also against:

- a. Any public officer, employee, contractor, or volunteer who knowingly fails to report a violation of this Ordinance; and
- Any public officer, employee, contractor, or volunteer who deliberately withholds relevant and material information concerning a violation of this Ordinance.
- 3. Where a public officer, employee, contractor, or volunteer is accused of violating this Ordinance, and the individual has relied in good faith on the advice of Township legal counsel after full disclosure of the material facts, no disciplinary action shall be taken against the public officer, employee, contractor, or volunteer under this Ordinance.
- 4. Except as it pertains to elected officials, (see EF,6) and subject to Section E,8, all violations will be enforced through the appropriate due process afforded the public officer through the Township Code, any applicable policy manual(s), the applicable collective bargaining agreement, professional services contract, employment contract or grievance process.
- 5. As to allegations of criminal conduct against an elected official, the Public Safety Department Ethics Committee shall refer the matter to the Michigan State Police, the U.S. Postmaster General, The Michigan Attorney General, the County Sheriff, the FBI or other appropriate enforcement agency for investigation/prosecution.
- 6. This Ordinance recognizes the peculiarities of sanctioning or removing a duly elected official under state law. Election to public office includes protections not afforded other officials, employees, contractors, volunteers or groups. The following are some examples of specific state law provisions enacted by the legislature to insure that the will of the voters in electing public officials is given necessary priority while at the same time establishing the processes for dealing with removal from office for elected officials found to have committed malfeasance, misfeasance, willful neglect of duty, extortion, habitual drunkenness, and/or conviction of a felony:
 - The State Constitution, Article VII, Section 33, Removal of Elected Officials; and
 - The State Constitution, Article XI, Section 7, Impeachment of Civil Officers; and
 - c. The Michigan Election Law, Public Act 116 of 1954 as amended; and
 - d. All Acts referred to in B, 4. of this Ordinance.

The Township Board may impose sanctions on a Trustee whose conduct does not comply with this Ordinance. Sanctions may include reprimand and/or formal censure.

7. An elected official's salary cannot be reduced during his or her term in office under Section 95(7) of the Revised Statutes of 1846, MCL 41.95(7).

- 8. This Ordinance also recognizes due process protections afforded to certain board and commission members under State Law. The following are examples that provide for a specific hearing process or otherwise, prior to the removal of certain appointed board or commission members.
 - a. A member of the Zoning Board of Appeals may only be removed pursuant to the requirements of Section 601(9) of the Michigan Zoning Enabling Act, Public Act 110 of 2006, MCL 125.3601(9).
 - b. A member appointed to the Downtown Development Authority Board may only be removed pursuant to the requirements of Section 4(4) of the Downtown Development Authority Act, Public Act 197 of 1975, MCL 125.1654(4).
 - c. A member of the Brownfield Redevelopment Financing Authority Board may only be removed pursuant to the requirements of Section 5(6) of the Brownfield Redevelopment Financing Act, Public Act 381 of 1996, MCL 125.2655(6).
 - d. A member of the Planning Commission may only be removed pursuant to the requirements of Section 15(9) of the Michigan Planning Enabling Act, Public Act 33 of 2008, MCL 125.3815(9).
- 9. A violation of this Ethics Policy shall not be considered a basis for challenging the validity of a Township Board decision by any person or entity other than the Township Board.

SECTION G. ETHICS COMMITTEE

- There is hereby created a board to be known as the Ethics Committee of the Charter Township of Plymouth. The Committee shall be comprised of three members appointed by the Township Board. No person shall be appointed as a member of the Committee who is related, either by blood or by marriage up to the degree of first cousin, to any elected officer of the Charter Township of Plymouth. Members shall serve without compensation.
- 2. At the first meeting of the Committee, the initial appointees shall draw lots to determine their initial terms of 3, 2, and 1 year(s), respectively. Thereafter, all Committee members shall be appointed to 3-year terms by the Township Board. Committee members may be reappointed to serve subsequent terms. At the first meeting of the Committee and thereafter at the discretion of the Committee, the Committee members shall choose a chairperson from their number. Meetings shall be held at the call of the chairperson or any 2 Committee members. A quorum shall consist of two Committee members, and official action by the Committee shall require the affirmative vote of two Committee members. The business of the Committee, including its hearings, shall be conducted at a public meeting held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 et seq.

- 3. The Township Board, may remove a Committee member in case of incompetency, neglect of duty, or malfeasance in office after service on the Committee member by certified mail, return receipt requested, of a copy of the written charges against the Committee member and after providing an opportunity to be heard in person or by counsel upon not less than 10 days' notice. Mid-term vacancies shall be filled for the balance of the term in the same manner as original appointments.
 - 4. The Committee shall have the following powers and duties:
 - To promulgate procedures and rules governing the performance of its duties and the exercise of its powers.
 - b. Upon receipt of a signed, notarized, written complaint against an officer or employee, to investigate, conduct hearings and deliberations on alleged violations of this Ordinance; except with respect to elected officials, to make recommendations to the Township Board for disciplinary action against if the Committee determines that a person subject to this Ordinance has committed a violation or violations of this Ordinance; with respect to elected officials, to make recommendations to the Township Board for sanctions under Section F, 6; to refer violations of state or federal criminal statutes to the attention of the appropriate attorney with a request for the filing of the appropriate criminal prosecution or civil infraction enforcement. The Committee shall, however, act only upon the receipt of a written complaint alleging a violation of this ordinance and not upon its own initiative.
 - c. To receive information from the public pertaining to its investigations and to seek additional information and documents from officers and employees of the Charter Township of Plymouth.
 - d. To request the attendance of witnesses and the production of books and papers pertinent to an investigation. It is the obligation of all elected and appointed officials and employees of the Charter Township of Plymouth to cooperate with the Committee during the course of its investigations. Failure or refusal to cooperate with requests by the Committee shall constitute grounds for discipline or discharge of appointed officials and employees of the Charter Township of Plymouth.
 - e. The powers and duties of the Board are limited to matters clearly within the purview of this Ordinance.
- 5. Complaints alleging a violation of the Ethics ordinance shall be filed with the Township Clerk. The Clerk or member of the Clerk's staff shall attend the Committee meetings and act as secretary for the Committee.

- a. Within 3 business days after the receipt by the Clerk of a complaint, the Clerk shall send by certified mail, return receipt requested, a notice to the respondent that a complaint has been filed against him or her together with a copy of the complaint. Within 3 business days after receipt by the Clerk of a complaint, the Clerk shall send by certified mail, return receipt requested, a notice of confirmation of receipt of the complaint together with a copy of the complaint to the complainant. The notices sent to the respondent and the complainant shall also advise them of the date, time, and place of the Committee hearing to determine the sufficiency of the complaint and to establish whether there is a reasonable basis to believe that the respondent has violated the Ethics Ordinance. The Clerk shall also concurrently send copies of the foregoing complaint and notices to the members of the Committee.
- b. The Committee shall conduct a hearing to review the sufficiency of the complaint and, if the complaint is deemed sufficient to allege a violation of the Ethics Ordinance, to determine whether there is a reasonable basis to believe that the respondent has violated the Ethics Ordinance based on the evidence presented by the complainant and any additional evidence provided to the Committee at the hearing pursuant to its investigatory powers. The complainant and respondent may be represented by counsel at the hearing. Within a reasonable period of time after the completion of the hearing which may be conducted in one or more sessions at the discretion of the Committee, the Committee shall issue notice to the complainant and the respondent of the Committee's ruling on the sufficiency of the complaint and, if necessary, as to whether they find that there is a reasonable basis to believe that the respondent has violated the Ethics Ordinance. If the complaint is deemed sufficient to allege a violation of the Ethics Ordinance and the Committee finds that there is a reasonable basis to believe that the respondent has violated the Ethics Ordinance, then the Clerk shall notify in writing the attorney designated by the Township Board and shall transmit to the attorney the complaint and all additional documents in the custody of the Committee concerning the alleged violation, with the Committee's request for the filing of appropriate criminal or civil proceedings. The Clerk shall also provide these documents to the respondent's appointing authority within the Township with the Committee's request for the commencement of appropriate disciplinary action consistent with any applicable collective bargaining agreement, civil service commission rules or employment regulations of the Township.
- c. Sections 2b 2e of the State Ethics Act, MCL 15.341 et seq, set forth protections for officers and employees who act as whistleblowers regarding the conduct of the Township's officers and employees.

- Additional whistleblower protections are set forth in the Whistleblowers' Protection Act, 1980 PA 469, MCL 15.361 et seq.
- d. Any person who files a complaint alleging a violation of this ordinance knowing that material information provided therein is not true or that information provided therein was made in reckless disregard for the truth shall be guilty of a misdemeanor, and shall be fined not more than \$500 or imprisoned not more than 90 days, or both, at the discretion of the court. In addition, the court shall assess costs against such person in the amount of the costs incurred by the Township in investigating the complaint and the reasonable costs incurred by the Respondent in responding to the complaint.
- e. A complaint must be filed with the Clerk within two (2) years of the date the offense is alleged to have occurred.

SECTION III. PENALTY.

See Section 1-120 of the Charter Township of Plymouth Code of Ordinances.

SECTION III. REPEAL.

All Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance, except as herein provided, are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

SECTION IV. SEVERABILITY.

If any section, subsection, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

SECTION V. SAVINGS CLAUSE.

The repeal or amendment herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending litigation or prosecution of any right established or occurring prior to the effective date of this Ordinance.

SECTION VI. PUBLICATION.

The Clerk for the Charter Township of Plymouth shall cause this Ordinance to be published in the manner required by law.

SECTION VII. EFFECTIVE DATE.

This Ordinance shall take full force and effect upon publication.

CERTIFICATION

the Charter Township of Plymouth at	y adopted by the Township Board Trustees of its regular meeting called and held on the and was ordered to be given publication in the
	Nancy Conzelman, Clerk
Introduced:	
Published:	
Adopted:	
Effective upon Publication:	



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: City of Plymouth Collection Action

PRESENTER: Mike Kelly

OTHER INDIVIDUALS IN ATTENDANCE: None anticipated.

BACKGROUND: The Township has exhausted all avenues over the past five years trying to collect the money owed by the City of Plymouth for the retiree medical and pension costs for the fire fighters who worked in the joint fire department. The City's obligation is not in dispute. Further delay will permanently jeopardize the Township's ability to protect its taxpayers. In order to ensure that the Township taxpayers don't end up having to pay these costs on behalf of the City taxpayers, the only viable path forward is to file a legal action to enforce the City's contractual obligations. A lawsuit will not in any way prohibit settlement negotiations, but will ensure that resolution will take place pursuant to a court supervised schedule. Additionally, it will ensure complete transparency to the taxpayers in both the City and the Township if this matter proceeded under the supervision of the court.

ACTION REQUESTED:

BUDGET/ACCOUNT NUMBER:

RECOMMENDATION:

MODEL RESOLUTION: I move to approve filing a legal action against the City of Plymouth to enforce the City's contractual obligations to pay for its share of the retiree medical and pension costs of firefighters pursuant to the former joint fire services agreement.

ATTACHMENTS:

CHARTER TOWNSHIP OF PLYMOUTH BOARD MEETING HANDOUT - SEPTEMBER 13, 2016

The City shall notify the Township no later than April 1st if it desires to accept any of the listed equipment as part of the equity settlement. Any such equipment accepted by the City shall be valued at the current book value as of the date of termination.

- (3) If the City's equity exceeds the value of the equipment described in (1) and (2) above, then the Township shall buy the City's remaining equity interest for cash. The Township may pay the City the total amount owed no later than thirty (30) days after the date of termination; or the Township may enter into an agreement with the City prior to that date, providing for payment of the amount owed in ten annual installments due in January of each calendar year following the last year of this agreement, and with interest on the unpaid balance at a rate equal to the average rate of equipment loan obligations incurred by the City in the process of the termination of this agreement, or at the average rate which could be obtained from three local banks if no actual City obligations have been incurred, whichever average rate is lower.
- (4) Upon completion of the audit for the last fiscal year before termination of this agreement, the Township shall submit its report as provided in Section 5(e), and shall include in its final statement any adjustment in the payment for equipment equity which may be necessary based on the audited accounts.
- (d) Upon termination of this agreement, the allocation of Plymouth Community Fire Department employees shall be made in accordance with the merger agreement reached with the City's union and the Township's union pursuant to the implementation of this agreement.
- (e) Post Termination Health Care/Retirement Benefit Costs: Upon termination of this agreement, any post termination health care costs, medical benefit costs or retirement related costs attributable to service by employees performed under this agreement shall be shared on the same basis as costs incurred during the term of this agreement.
- 12. <u>Severability</u>. Should any provision, paragraph, section or part of this agreement be found void or unenforceable by a court of competent jurisdiction the remainder shall continue in full force and effect.

This	agre	emen	t was appro	ved and the	executi	on of	it wa	as authoriz	ed by	the
Resolution	of	the	Plymouth	Township	Board	on	the		day	of
		_ 199	99; and by tl	he Resolution	of the	Plym	outh	City Comm	ission	On

DUE TO/FROM CITY OF PLYMOUTH FOR JOINT FIRE DEPARTMENT TERMINATION February 28, 2015

SUMMARY	WITHOUT INTEREST as of 12/31/2011	WITH INTEREST/DISCOUNT RA as of 12/31/2014	TΈ
City Equipment Originally Contributed Section 11 c 1	retuned to City	retuned to City	
City's Equity Interest in Joint Fire Dept Equipment Section 11 c3 - Book Value Township purchase City's equity for cash	(87,491.12)	(88,810.06)	0.5%
Equipment Reserve Fund Section 8 c Return of City's 25% portion of reserve	(106,288.90)	(107,891.22)	0.5%
Post Termination Health Care (OPEB) Section 11 e	2,384,339.64	2,682,057.82	4%
Post Termination Retirement Benefit (MERS) Section 11 e			
City hired firefighters - over payment as 12/31/2011	113,216.59	114,923.34	0.5%
Township hired firefighters - as of 12/31/2011	769,949.50	969,914.62	8%
Post Termination - Earned but Unpald PTO (Pald Time Off) City's 25% portion of unpaid PTO	113,509.04	115,220.20	0.5%
Cumulative Joint Fire Dept Unpaid Involces 2008 through 2011 cumulative total	57,125.74	57,986.92	0.5%
TOTAL	3,244,360.49	3,743,401.63	

City 12,2016
way 22,2016
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oth, Larry	\$ 12,787.4	£ 5 13,992.88	\$ 14,058.68	\$ 13,914.15	5	\$ 54,793.40	1 Twp	12/1/1964	405	(104)	25.68%	\$	14,070 40		5 40,723.00	\$ 54,793.40		
er, Auryan	\$ 23,263.0	19,06H.00	\$ 20,543,54	\$ 22,018.19	5 2,732.8D	97,426.51	Twp	7/1/1979	342	155	45 32%	5	39,623.13		\$ 47,009.38	\$ 87,426.51		
hrt, Dorgdd	\$ 23,263.0	8 \$ 20,002.95	\$ 20,400.54	\$ 11,071,05	\$ 10,679.54	\$ 95,617.24	Twp	2/2/1979	323	131	40.56%	\$	38,779 75		5 55,837.49	\$ 95,617.24		
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AGREEMENT REGARDING AMENDED INTERGOVERNMENTAL FIRE SERVICES AGREEMENT BETWEEN THE CHARTER TOWNSHIP OF PLYMOUTH AND THE CITY OF PLYMOUTH REGARDING POST TERMINATION FIRE FIGHTER OPEB COSTS

THIS AGREEMENT REGARDING AMENDED INTERGOVERNMENTAL FIRE SERVICES AGREEMENT BETWEEN THE CHARTER TOWNSHIP OF PLYMOUTH AND THE CITY OF PLYMOUTH REGARDING POST-TERMINATION HEALTH CARE COSTS ("Agreement") is made on _______, 2016, ("Effective Date"), by and between THE CHARTER TOWNSHIP OF PLYMOUTH ("Township"), a municipal corporation located in Wayne County, Michigan, and THE CITY OF PLYMOUTH ("City"), a municipal corporation located in Wayne County, Michigan (Township and City are collectively "Parties").

WHEREAS, on November 22, 1994, Township and City executed the Intergovernmental Fire Services Agreement Between The Charter Township of Plymouth and The City of Plymouth ("IGA");

WHEREAS, the IGA consolidated the Parties' fire services into a joint fire service, the Plymouth Community Fire Department ("Joint Fire Department");

WHEREAS, on September 14, 1999, Township and City executed the 1st Modified Intergovernmental Fire Service Agreement Between The Charter Township of Plymouth and The City of Plymouth ("Amended IGA");

WHEREAS, the Amended IGA, inter alia, added § 11(e) "Post Termination Health Care/Retirement Benefit Costs," which, in part, provided that the Parties, after termination of the Amended IGA, would continue to split any post termination health care costs and medical benefit costs attributable to service by employees performed under the Amended IGA which the Parties both refer to as "OPEB costs." "OPEB costs" include health and medical benefits and costs such as, by way of example, medical, vision, prescription, and dental benefit premiums and costs, as well asco-pays as authorized by Township contracts or agreements with the individuals covered by this Agreement.

WHEREAS, on October 6, 2010, City gave formal notice to Township that City wished to terminate its participation in the Amended IGA, effective December 31, 2011;

WHEREAS, the Amended IGA ended on December 31, 2011 pursuant to City's October 6, 2010 formal notice;

WHEREAS, after City terminated its participation in the Amended IGA, certain unresolved issues related to City's termination of its participation in the Amended IGA

arose, including firefighter OPEB costs, which is the sole subject of this Agreement;

WHEREAS, the Parties wish to resolve the firefighter OPEB cost issue at this time, while continuing to negotiate resolutions on other Amended IGA issues.

TERMS AND CONDITIONS

ACCORDINGLY, in consideration for the promises and obligations assumed in this Agreement, the receipt and adequacy of which Township and City acknowledge, the Parties agree as follow:

- 1. Recitals. The Parties incorporate the above recitals by reference.
- Lump Sum Payment To Township. In consideration of this Agreement's terms, covenants, and conditions, City agrees to pay Township the sum of THREE HUNDRED THIRTY THOUSAND FIVE HUNDRED FIFTY EIGHT AND 22/100 U.S. DOLLARS (\$330, 558.22) via check, payable to The Charter Township of Plymouth, for OPEB costs paid by Township on behalf of City before December 31, 2015. City shall deliver the check to Township's Treasurer, Ron Edwards or his successor, at 9955 N. Haggerty Rd., Plymouth, Michigan 48170 within thirty (30) days of the execution of this Agreement. Once this sum is paid by City to Township, City is no longer responsible nor liable for any OPEB costs pursuant to the Amended IGA mentioned above up to and through December 31, 2015. This payment shall constitute full and final payment of any money owed by City to Township for OPEB costs related in any way to the IGA or Amended IGA up to and through December 31, 2015. Township represents and agrees that it will not seek nor request any additional payment or money from City for any OPEB costs related to the IGA or Amended IGA prior to January 1, 2016, once the lump sum payment has been made by City to Township pursuant to this section of the Agreement.

3. City's Payments Toward OPEB Costs After January 1, 2016.

a. Agreement To Pay According To Formula. The Parties acknowledge that OPEB costs have continued and will continue to accrue after December 31, 2015 for the retired firefighters identified in Exhibit 1 ("Retired Firefighters"), which is incorporated into this Agreement and made part of this Agreement.

City agrees that it shall pay the percentage of OPEB costs for currently retired firefighters as set forth in Exhibit 1, pursuant to the following formula for all costs incurred by Plymouth Township after January 1, 2016 as follows:

[(Joint Fire Dept. Service Months / Total Service Months) x 0.25] + (City Fire Dept. Months / Total Service Months)

For example, as of the Effective Date, Firefighter James Harr is retired. At retirement Fire Fighter Harr had a total of 342 months of service, which included 155 months of service with the Joint Department Fire Department (45.32% of his total service months) and 187 months exclusively with the Plymouth Township Fire Department (55.68% of his total service months). If, for purpose of this illustration, Mr. Harr's OPEB costs in retirement are \$100 per month, then Township will be 100% responsible for 54.68% of the OPEB costs, which represents Mr. Harr's service exclusively with the Plymouth Township Fire Department, and City and Township are jointly responsible for the remaining 45.32% of the costs, which represents Mr. Harr's service with the Joint Fire Department. Of that 45.32% of the total OPEB costs, which is attributable to Mr. Harr's service with the Joint Fire Department, City shall be responsible for 25% of that 45.32% portion or or \$11.33. Township shall be responsible for the remaining 75% of that 45.32% portion attributed to service with the Joint Fire Department or or \$33.99. Based on the contractual formula stated above and using this \$100 per month hypothetical-cost example, City shall pay Township \$11.33 and the Township shall be responsible for the remaining \$88.67 of retiree Harr's OPEB costs

- b. Township and City stipulate and agree to the Joint Fire Dept. Service Months, Total Service Months, Twp. Fire Dept. Months, City Fire Dept. Months, and OPEB cost percentages contained in Exhibit 1.
- c. Future Firefighter Retirees. The Parties acknowledge that OPEB costs will continue to accrue after December 31, 2015, for the non-retired firefighters identified in Exhibit 2 ("Future Firefighter Retirees"), which is incorporated into this Agreement and made part of this Agreement. No additional individuals shall be added to this agreement other than those set forth in Exhibit 2.

City agrees that it shall pay the percentage of each Future Retiree Firefighter's OPEB costs pursuant to the following formula:

[(Joint Fire Dept. Service Months / Total Service Months) x 0.25] + (City Fire Dept. Months / Total Service Months)

For example, as of the Effective Date, Firefighter P. Bukis is not yet retired. Bukis was hired into the Joint Fire Department on October 24, 2001, and was reassigned to the Township Fire Department as a result of the City's October 6, 2010, Termination Notice. As a result, Mr. Bukis' service time with the Joint Fire Department is capped at 122 months. If, for illustrative purposes, Bukis retires after twenty-

five years of service on October 24, 2026, from the Township Fire Department, Bukis will have 178 "Twp. Fire Dept. Months" (59.33% of his total service time), 0 "City Fire Dept. Months", and 122 "Joint Fire Dept. Service Months" (40.66% of his total service time). If, for purpose of this illustration, Bukis' monthly OPEB costs after his retirement are \$100 per month, then Township will be 100% responsible for 59.33% of the costs attributable to Bukis' service with the Plymouth Township Fire Department and City and Township are jointly responsible for the remaining 40.66% of the costs attributable to Bukis' service with the Joint Fire Department. Of this 40.66% portion of OPEB costs attributable to service with the Joint Fire Department, City shall be responsible for 25% of this portion, or \$10.17. Township shall be responsible for the remaining 75% of this portion, or \$30.49. Based on the contractual formula stated above. and using this \$100 per month hypothetical cost example, the City shall pay Township 10.17% of Bukis' monthly OPEB costs, i.e., \$10.17, and Township will pay 89.83%, i.e., \$89.83 of the monthly OPEB costs.

As a second example, and using the same hypothetical \$100 monthly OPEB costs, if Firefighter P. Bukis were to retire after 30 years of service on October 24, 3031, from the Plymouth Township Fire Department, Bukis will have 238 "Twp. Fire Dept. Months" (66.11% of his total service time"), 0 "City Fire Dept. Months", and 122 "Joint Fire Dept. Service Months" (33.88% of his total service time"). Of this 33.88% portion of OPEB costs attributable to service with the Joint Fire Department, City shall be responsible for 25% of this portion, or \$8.47. Township shall be responsible for the remaining 75% of this portion, or \$25.41. Township is 100% responsible for 66.11% of the OPEB costs attributable to Mr. Bukis' service with the Plymouth Township Fire Department. Based on the contractual formula stated above, and using this \$100 per month hypothetical cost example, the City shall pay Township 8.47% of Bukis' monthly OPEB costs, i.e., \$8.47, and Township will pay 91.53% of Bukis' monthly OPEB costs, i.e., \$91.53.

- d. Township and City stipulate that none of the Future Retiree Firefighters ever worked solely for the City before December 31, 2011, and stipulate and agree to the dates of hire and Joint Fire Dept. Service Months contained in Exhibit 2.
- e. Payment. After January 1, 2016, every quarter Township shall

present to City a notice of incurred OPEB costs pertaining to the OPEB costs identified in Paragraph 3 of this Agreement for any OPEB costs the Township actually paid minus any set-offs such as copays, rebates, or other reimbursements to Township from any source, whether an individual or entity. Township may, at its option, send the notice of incurred costs incurred by USPS first class mail or electronic mail to the City's Manager, Paul Sincock or his successor, at 201 S. Main, Plymouth, Michigan 48170, psincock@ci.plymouth.mi.us.

- f. Within thirty (30) days of the City's receipt of Township's notice of incurred costs, City shall wire the amount contained in the notice of incurred costs to the Township's MERS Retiree Health Funding Vehicle ("Trust"), account number ______. Upon receipt of the funds, City understands and agrees that MERS will promptly release the funds from the Trust to reimburse Township the amount in each notice of incurred costs. City shall have no claim, right, or recourse pertaining to funds City delivers to the Trust. Nothing in this Agreement shall be construed or interpreted to make City a beneficiary, settlor, trustee, or administrator of the Trust.
- g. If there is any dispute as to any incurred costs claimed by Township, then the City shall provide written notice of the specific dispute or disputes, including a description of the disputed cost and name of the affected retiree within (30) days of the City's receipt of Township's notice of incurred costs. The Parties shall meet and cooperate with one another to resolve any disputed cost(s) within the following forty-five (45) days. If the Parties are unable to resolve the specific dispute or disputes within the following forty-five (45) days, the Parties may pursue any other remedy available to the Parties. Any undisputed costs which are not the subject of the written notice shall be paid within the thirty-day (30) period described above in paragraph 3(f).
- h. City shall have a right to audit Township's notice of incurred costs within three months of City's receipt and with thirty days' notice to Township. After Township receives notice of City's request to audit the notice of incurred costs pursuant to this Paragraph, Township shall provide to City all documents supporting the claimed incurred costs, provided that City shall bear the full costs of the audit.
- 4. Authority to Bind. Township Supervisor Shannon G. Price, as signatory for Township, represents and warrants that he has the authority to bind Township to this Agreement, and that he has obtained all necessary approvals from any other governing body, board, entity, or individual necessary to unconditionally bind Township to this Agreement. City Mayor Daniel A. Dwyer, as signatory for City, represents and warrants that he has the

authority to bind City to this Agreement, and that he has obtained all necessary approvals from any other governing body, board, entity, or individual necessary to unconditionally bind City to this Agreement.

- 5. Agreement Not Assignable. The Parties agree that they cannot assign this Agreement. However, nothing in this Paragraph or Agreement shall limit this Agreement from binding the Parties' respective successors.
- 6. Indemnification. City agrees to indemnify and hold harmless Township from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with or related to City's failure to perform pursuant to this Agreement's terms, including, without limitation, claims made by any retirees or governmental entities. For purposes of this Paragraph, "Costs" include, without limitation, all attorney's fees, court costs, penalties, fines, and taxes. Township agrees to indemnify and hold harmless City from and against all liability, claims, demands, damages, or costs of any kind arising from or connected with or related to Township's failure to perform pursuant to this Agreement's terms, including, without limitation, claims made by any retirees or governmental entities.
- 7. <u>Costs of Enforcement.</u> If legal proceedings are commenced to enforce this Agreement's covenants or obligations, the non-prevailing Party in such proceedings shall reimburse the prevailing Party for reasonable attorney fees, costs, and expenses incurred by the prevailing Party in the proceedings. The applicable court or appellate tribunal shall determine the non-prevailing Party.
- 8. Parties' Successors. The Parties agree and understand that this Agreement shall be binding upon and inure to the benefit of their successors, and any successor of either Party shall be deemed substituted for the respective Party under the terms of this Agreement for all purposes.
- 9. Effect of Waiving Breach. Waiver of any breach of any term or provision of this Agreement shall not be construed to be, nor shall be, a waiver of any other breach of any other term or provision of this Agreement.
- 10. Entire Agreement. The Parties may have other agreements, now or later, that involve Amended IGA matters other than firefighter OPEB costs. However, the amount paid by City to Township, as set forth in Paragraph 2 above, shall constitute full and final payment of any amount of money that Township claims City owes to Township for any firefighter OPEB costs through, and including, December 31, 2015. This Agreement constitutes the entire agreement between the parties with respect to OPEB costs for the Retired Firefighters and for Future Retiree Firefighters, and supersedes all other agreements, whether written or oral, respecting firefighter OPEB costs. No other agreement, statement or promise made by either party with respect to firefighter OPEB care costs shall be binding or valid unless amended in writing and signed by the Parties. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original but all of which together shall constitute

one and the same contract.

- 11. <u>Severability</u>. Whenever possible, each provision of this Agreement and all related documents shall be interpreted in such a manner as to be valid under applicable law, but it is the specific intent of the Parties that to the extent any provision is invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Agreement.
- 12. <u>Binding Agreement</u>. This Agreement shall be binding upon and inure to the benefit of each Party's respective successors.
- 13. <u>Amendments</u>. This Agreement shall not be modified by either Party by oral representations made before or after the execution of this Agreement, and all amendments to this Agreement must be in writing and signed by the Parties.
- 14. Governing Law. Jurisdiction, and Venue. The Parties agree that Michigan law governs interpretation and enforcement of this Agreement. In an action to enforce this Agreement, the Parties consent to the sole and exclusive jurisdiction and venue of the Wayne County Circuit Court for the State of Michigan and any applicable appellate courts.

ACCORDINGLY, the Parties' duly authorized representatives have signed this Agreement as of the Effective Date.

{Remainder of this page intentionally left blank. Signature pages follow.}

AGREED AND APPROVED:	
THE CITY OF PLYMOUTH	
DAN A. DWYER, as Mayor of The City of Plymouth	
Dated:	
STATE OF MICHIGAN)	
COUNTY OF)	
produced to me in the above County, and acl	2016 the foregoing Settlement Agreement was knowledged before me by Daniel A. Dwyer, Mayor be the act and deed of the City of Plymouth.
	Subscribed and sworn to before me this day of, 2016.
	By:, Notary Public County, State of Michigan My Commission Expires:

AGREED AND APPROVED:

THE CHARTER TOWNSHIP OF PLYMOUTH

SHANNON PRICE as Supervisor of the Charter of Plymouth	Township	_	
Dated:		_	
STATE OF MICHIGAN)		
COUNTY OF)		
I hereby certify that on produced to me in the above of the Charter Township of Township of Plymouth.	County, and ack	nowledged before me b	by Shannon Price, Supervisor
		Subscribed and	sworn to before me
			, 2016.
			Notary Public
		My Commission	County, State of Michigan

EXHIBIT 1

Firefighter	Total Service Months	Joint Fire Dept. Service Months	City Fire Dept. Service Months	Twp. Fire Dept. Service Months	% of OPEB Costs City Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs City Pays Due To Service Months With City Fire Dept.	% of OPEB Costs Twp. Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs Twp. Pays Due To Service Months With Twp. Fire Dept.	Total % of OPEB Costs City Pays	Total % of OPEB Costs Twp. Pays
Belsky, D.	319	11	308	0	0.86%	96.55%	2.59%	0.00%	97.41%	2.59%
Eldridge, D.	336	124	212	0	9.23%	63.10%	27.68%	0.00%	72.32%	27.68%
Mathews, A.	393	63	330	0	4.01%	83.97%	12.02%	0.00%	87.98%	12.02%
Valensky, J.	328	150	178	0	11.43%	54.27%	34.30%	0.00%	65.70%	34.30%
Warren, W.	305	127	178	0	10.41%	58.36%	31.23%	0.00%	68.77%	31.23%
Groth, L	418	104	0	314	6.22%	0.00%	18.66%	75.12%	6.22%	93.78%
Haar, J.	342	155	0	187	11.33%	0.00%	33,99%	54.68%	11.33%	88.67%
Hahn, D.	323	131	0	192	10.14%	0.00%	30.42%	59.44%	10.14%	89.86%
Honke, F.	428	11	_ 0	417	0.64%	0.00%	1.93%	97.43%	0.64%	99.36%
Jury, J.	301	203	0	98	16.86%	0.00%	50.58%	32.56%	15.86%	83.14%
King, M.	347	178	0	169	12.82%	0.00%	38.47%	48.70%	12.82%	87.18%
Maycock, R.	437	160	0	277	9.15%	0.00%	27.46%	63.39%	9.15%	90.85%
McDurmon, D.	332	140	0	192	10.54%	0.00%	31.63%	57.83%	10,54%	89.46%
Russo, C.	300	203	0	97	16.92%	0.00%	50.75%	32.33%	16.92%	83.08%
Rainey, P.	335	154	0	181	11.49%	0.00%	34.48%	54.03%	11.49%	88.51%
VanVleck, C.	384	103	0	281	6.71%	0.00%	20.12%	73.18%	6.71%	93.29%
Wendel, M.	426	203	0	223	11.91%	0.00%	35.74%	52.35%	11.91%	88.09%
Westfall, G.	344	125	0	219	9.08%	0.00%	27.25%	53.66%	9.08%	90.92%

EXHIBIT 2

Firefighter	Date of Hire	Retireme nt Date	Total Service Months	Joint Fire Dept. Service Months	City Fire Dept. Service Months	Twp. Fire Dept. Service Months	% of OPEB Costs City Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs City Pays Due To Service Months With City Fire Dept.	% of OPEB Costs Twp. Pays Due to Service Months with Joint Fire Dept.	% of OPEB Costs Twp. Pays Due To Service Months With Twp. Fire Dept.
Atkins, D.	11/16/1992	TOD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Bukis, P.	10/24/2001	TBD	TBD	122	0	TBD	TBD	0.00%	TBD	TBD
Conely, P.	8/20/2001	TBD	TBD	124	0	TBD	TBD	0.00%	TBD	TBD
Conroy, W.	9/2/1995	TBD	TBD	196	0	TBD	TBD	0.00%	TBD	TBD
Fox, D.	12/26/1995	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Gross, S.	10/16/1995	TBD	TBD	194	0	TBD	TBD	0.00%	TBD	TBD
Harrell, J.	1/8/1996	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Mack, C.	12/29/1995	TBD	TBD	192	0	TBD	TBD	0.00%	TBD	TBD
Mallari, J.	7/14/2003	TBD	TBD.	102	0	TBD	TBD	0.00%	TBD	TBD
Mangan, G.	9/12/2005	TBD	TBD	76	0	TBD	TBD	0.00%	TBD	TBD
Mann, C.	8/13/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Phillips, D.	9/2/1992	TBD	TBD	203	0	TBD	TBD	0.00%	TBD	TBD
Randall, J.	7/22/2002	TBD	TBD	113	0	TBD	TBD	0.00%	TBD	TBD
Tefend, R.	8/13/1992	TBD	TBO	203	0	TBD	TBD	0.00%	TBD	TBD
Villet, G.	9/14/2005	TBD	TBD	76	٥	TBD	TBD	0.00%	TBD	TBO
Jowsey, N.	6/7/1985	TBD	TBD	120	0	TBD	TBD	0.00%	TBD	TBD

The City shall notify the Township no later than April 1st if it desires to accept any of the listed equipment as part of the equity settlement. Any such equipment accepted by the City shall be valued at the current book value as of the date of termination.

- (3) If the City's equity exceeds the value of the equipment described in (1) and (2) above, then the Township shall buy the City's remaining equity interest for cash. The Township may pay the City the total amount owed no later than thirty (30) days after the date of termination; or the Township may enter into an agreement with the City prior to that date, providing for payment of the amount owed in ten annual installments due in January of each calendar year following the last year of this agreement, and with interest on the unpaid balance at a rate equal to the average rate of equipment loan obligations incurred by the City in the process of the termination of this agreement, or at the average rate which could be obtained from three local banks if no actual City obligations have been incurred, whichever average rate is lower.
- (4) Upon completion of the audit for the last fiscal year before termination of this agreement, the Township shall submit its report as provided in Section 5(e), and shall include in its final statement any adjustment in the payment for equipment equity which may be necessary based on the audited accounts.
- (d) Upon termination of this agreement, the allocation of Plymouth Community Fire Department employees shall be made in accordance with the merger agreement reached with the City's union and the Township's union pursuant to the implementation of this agreement.
- (e) Post Termination Health Care/Retirement Benefit Costs: Upon termination of this agreement, any post termination health care costs, medical benefit costs or retirement related costs attributable to service by employees performed under this agreement shall be shared on the same basis as costs incurred during the term of this agreement.
- 12. <u>Severability</u>. Should any provision, paragraph, section or part of this agreement be found void or unenforceable by a court of competent jurisdiction the remainder shall continue in full force and effect.

This agreement was approved and the execution of it was authorized by the Resolution of the Plymouth Township Board on the _____ day of _____, 1999; and by the Resolution of the Plymouth City Commission on



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: METRO Act Application - TDS Metrocom, LLC

<u>PRESENTER</u>: Patrick Fellrath, P.E., Director of Public Services; Kevin Bennett, Township Attorney; and David Richmond, P.E., SDA, Inc.

OTHER INDIVIDUALS IN ATTENDANCE: None anticipated.

BACKGROUND: Township received attached METRO Act Application submitted by TDS Metrocom, LLC. Township Attorney, Engineer and Insurance Provider reviewed the application and proposed motion is based on their review.

BUDGET/ACCOUNT NUMBER: METRO Act Fund

RECOMMENDATION: Deny

MODEL RESOLUTION: I move to deny the METRO Act Application as submitted by TDS Metrocom, LLC, since the application is administratively incomplete.

<u>ATTACHMENTS</u>: METRO Permit Application, Township Attorney Review Letter dated September 22, 2016; and Township Engineer Review Letter dated September 22, 2016.



TDS Telecom
TDS Metrocom LLC
TDS Broadband LLC
BendBroadband

Renee F. Boucher Right of Way Department Permit Specialist 525 Junction Road Madison, WI 53717

July 29, 2016

Plymouth TWP Dept of Public Works Sorah Visel 9955 N. Haggerty Rd. Plymouth, MI 48170-4673

RE: MC-160611031
EXPEDITE METRO-ACT PERMIT REQUEST

Sarah:

Attached please find 3 required full copies of the Metro-Act application and all required documentation and payment.

Because this job is requested by customer to be done as soon as possible, I am requesting that the execution of this permit be expedited. Any assistance in doing so is greatly appreciated. If possible, please email me the executed permit via email. If you are unable to do so, please let me know and I will arrange to have it overnighted at our expense, but email is preferred.

If you require any further information regarding the work being done, please let me know. Any questions regarding the new construction portion of this permit can be directed to Jeff Wells, his contact information is below.

We appreciate any help you can give in expediting this.

My Information is:

Renee Boucher ROW Permit Specialist CCW; 5N 525 Junction Rd Madison, WI 53717 608-664-4354

renee.boucher@tdstelecom.com

Engineer Contact:

Jeff Wells

Contracted Engineer 1575 Gezon Parkway Wyoming, MI 49509 810-813-5641

Jeff.wells@tdstelecom.com

Best Regards,

TOS Right of Way Department

Remit Specialist

AUG

1 2016

Telephone:

FAX:

608-664-4354

Renee, boucher@tdstelecom,com

608-830-5583

METRO Act Permit Application Form Revised February 2, 2015

Plymouth Township, Michigan
Name of Local Unit of Government

APPLICATION FOR
ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY
TELECOMMUNICATIONS PROVIDERS
UNDER

METROPOLITAN EXTENSION TELECOMMUNICATIONS RIGHTS-OF-WAY OVERSIGHT ACT 2002 PA 48 MCL SECTIONS 484.3101 TO 484.3120

BY
TDS Metrocom, LLC
[Name of Company]
("APPLICANT")

<u>Unfamiliar with METRO Act?</u>—Assistance: Municipalities unfamiliar with Michigan Metropolitan Extension Telecommunications Rights-of-Way Oversight Act ("METRO Act") permits for telecommunications providers should seek assistance, such as by contacting the Telecommunications Division of the Michigan Public Service Commission at 517-284-8190 or via its web site at http://www.michigan.gov/mpsc/0.4639,7-159-16372_22707---,00.html.

45 Days to Act—Fines for Failure to Act: The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCL 484.3115(3). The Michigan Public Service Commission can impose fines of up to \$40,000 per day for violations of the METRO Act. It has imposed fines under the Michigan Telecommunications Act where it found providers or municipalities violated the statute.

Where to File: Applicants should file copies as follows [municipalities should adapt as appropriate—unless otherwise specified service should be as follows]:

-- Three (3) copies (one of which shall be marked and designated as the master copy) with the Clerk at [insert address].

Plymouth Township Department of Public Works

9955 N. Haggerty Rd Plymouth, MI 48170 Attn: Sarah Visel

Plymouth Township, Michigan

Name of local unit of government

APPLICATION FOR ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY TELECOMMUNICATIONS PROVIDERS

By
[Name of Company]
("APPLICANT")
TDS Metrocom, LLC

This is an application pursuant to Sections 5 and 6 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48 (the "METRO Act") for access to and ongoing usage of the public right-of-way, including public roadways, highways, streets, alleys, easements, and waterways ("Public Ways") in the Municipality for a telecommunications system. The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCL 484.3115(3).

This application must be accompanied by a one-time application fee of \$500, unless the applicant is exempt from this requirement under Section 5(3) of the METRO Act, MCL 484.3105(3).

check attached.

1.1

1	MEDI	AT TE		A A THE AN	
1 GE	NER	ALL III	PURU	LATION	

Date: July 15, 2016

1.2	Applicant's legal name: TDS Metrocom, LLC
	Mailing Address: 525 Junction Road
	5N, Renee Boucher - ROW Permit Specialist
	Madison, WI 53717
	Telephone Number: 608-664-4354
	Fax Number: 608-830-5583
	Corporate website: http://www.tdstelecom.com/
regar	Name and title of Applicant's local manager (and if different) contact person ding this application: Steve Jakubiec - Senior Network Specialist
regar	Name and title of Applicant's local manager (and if different) contact person ding this application:
regar	Name and title of Applicant's local manager (and if different) contact person ding this application: Stave Jakubiec - Senior Network Specialist

Telephone Number: 0011 920-562-7221
Fax Number: 820-882-3121
E-mail Address; steve.jekublec@tdstelecom.com
1.3 Type of Entity: (Check one of the following) Corporation General Partnership Limited Partnership Limited Liability Company
Individual
Other, please describe:
1.4 Assumed name for doing business, if any: 1.5 Description of Entity:
1.5.1 Jurisdiction of incorporation/formation;
1.5.2 Date of incorporation/formation; COGS EXHAM 1 5.2
1.5.3 If a subsidiary, name of ultimate parent company,
1.5.4 Chairperson, President/CEO, Secretary and Treasurer (and equivalent officials for non-corporate entities). Boths 1.5.4.3 Pages
1.6 Attach copies of Applicant's most recent annual report (with state ID number) filed with the Michigan Department of Licensing and Regulatory Affairs and certificate of good standing with the State of Michigan. For entities in existence for less than one year and for non-corporate entities, provide equivalent information. Extend 16A, 2 Pages
1.7 Is Applicant aware of any present or potential conflicts of interest between Applicant and Municipality? If yes, describe: No
1.8 In the past three (3) years, has Applicant had a permit to install telecommunications facilities in the public right of way revoked by any Michigan municipality?
Circle: Yes No ✓
If "yes," please describe the circumstances.
1.9 In the past three (3) years, has an adverse finding been made or an adverse final action been taken by any Michigan court or administrative body against Applicant under any law or regulation related to the following:
1.9.1 A felony; or

1.9.2 A revocation or suspension of any authorization (including cable franchises) to provide telecommunications or video programming services?

Circle: Yes NoV

If "yes," please attach a full description of the parties and matters involved, including an identification of the court or administrative body and any proceedings (by dates and file numbers, if applicable), and the disposition of such proceedings.

- 1.10 [If Applicant has been granted and currently holds a license to provide basic local exchange service, no financial information needs to be supplied.] If publicly held, provide Applicant's most recent financial statements. If financial statements of a parent company of Applicant (or other affiliate of Applicant) are provided in lieu of those of Applicant, please explain.
 - 1.10.1 If privately held, and if Municipality requests the information within 10 days of the date of this Application, the Applicant and the Municipality should make arrangements for the Municipality to review the financial statements.

If no financial statements are provided, please explain and provide particulars.

2 DESCRIPTION OF PROJECT:

- 2.1 Provide a copy of authorizations, if applicable, Applicant holds to provide telecommunications services in Municipality. If no authorizations are applicable, please explain.
- Describe in plain English how Municipality should describe to the public the telecommunications services to be provided by Applicant and the telecommunications facilities to be installed by Applicant in the Public Ways, felecommunication services, including but not limited to phone, lelevision and infranet.
- Attach route maps showing the location (including whether overhead or underground) of Applicant's existing and proposed facilities in the public right-of-way. To the extent known, please identify the side of the street on which the facilities will be located. (If construction approval is sought at this time, provide engineering drawings, if available, showing location and depth, if applicable, of facilities to be installed in the public right-of-way).

- Attached, Exhibit 2.2.E of existing facilities and staking sheets for processed new that a being derived for Facilities are to be detained for actual construction schedule.

 2.4 Please provide an anticipated or actual construction schedule. Appx. 7/27/2016 - 9/1/2016+/- and going forward we will apply when new projects arise.
- Please list all organizations and entities which will have any ownership interest in the facilities proposed to be installed in the Public Ways.

 IDS Metrocom, LLC. Any new projects will have the anticipated Contractors information attached at time of application submission. For this project Exhibit 2.5

Who will be responsible for maintaining the facilities Applicant places in the Public Ways and how are they to be promptly contacted? If Applicant's facilities are to be installed on or in existing facilities in the Public Ways of existing public utilities or incumbent telecommunications providers, describe the facilities to be used, and provide verification of their consent to such usage by Applicant.

TDS Metrocom, LLC: Contact: Steve Jakubiec, Senior Network Specialist

3 <u>TELECOMMUNICATION PROVIDER ADMINISTRATIVE</u> MATTERS:

Please provide the following or attach an appropriate exhibit.

- 3.1 Address of Applicant's nearest local office; IDS Metrocom, LLC 45053 5 Mile Rd., Plymouth, MI 48170
- 3.2 Location of all records and engineering drawings, if not at local office; TOS Metrocom, LLC: ROW Department, 525 Junction Rd., Madison, WI 53717
- 3.3 Names, titles, addresses, e-mail addresses and telephone numbers of contact person(s) for Applicant's engineer or engineers and their responsibilities for the telecommunications system; Steve Jokubiec, Listed on page one. Renee Boucher, ROW Permit Specialist, 525 Junction Rd. Madison, WI 53717, renee.boucher@itdstelecom.com, 608-664-4354; Carl King, Field Services Regional Mgr. North Central Area carl.king@itds:metrocom.com, 517-853-3120,
- 3.4 Provide evidence of self-insurance or a certificate of insurance showing Applicant's insurance coverage, carrier and limits of liability for the following: Exhibit 3.4
 - 3.4.1 Worker's compensation;
 - 3.4.2 Commercial general liability, including at least:
 - 3.4.2.1 Combined overall limits;
 - 3.4.2.2 Combined single limit for each occurrence of bodily injury;
 - 3.4.2.3 Personal injury;
 - 3.4.2.4 Property damage;
 - 3.4.2.5 Blanket contractual liability for written contracts, products, and completed operations;
 - 3.4.2.6 Independent contractor liability:

Attached for this particular installation and will be submitted per new job application going forward.

- 3.4.2.7 For any non-aerial installations, coverage for property damage from perils of explosives, collapse, or damage to underground utilities (known as XCU coverage);
 - 3.4.2.8 Environmental contamination;
- 3.4.3 Automobile liability covering all owned, hired, and non-owned vehicles used by Applicant, its employee, or agents.
- 3.5 Names of all anticipated contractors and subcontractors involved in the construction, maintenance and operation of Applicant's facilities in the Public Ways.

For this job Exhibit 3 4.2 a see note above

4 **CERTIFICATION**:

All the statements made in the application and attached exhibits are true and correct to the best of my knowledge and belief.

	NAME OF ENTITY ("APPLICANT"
	TOS Menusion LLC
July 15, 2016	By Cot Tolker
Date	Type or Arini Name: Renee Boucher
	ROW - Permit Specialist
	Title

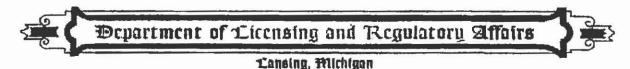
S:\metroapplicationform.doc

** Misc Exhibits

Exhibit M21- 3 pages - Local Community Stabilization Authority

2015 True up spreadsheet of payments





This is to Certify That

TDS METROCOM, LLC

A(n) DELAWARE Limited Liability Company was validly authorized on August 2, 2002 to transact business in Michigan and that said Limited Liability Company holds a valid certificate of authority to transact business in this state, and has satisfied its annual filing obligations.

This certificate is issued pursuant to the provisions of 1993 PA 23, as amended, to attest to the fact that the Limited Liability Company is in good standing in Michigan as of this date and is duly authorized to transact in this state any business that a domestic Limited Liability Company formed under this act may lawfully transact, except as limited by statements in its Application for Certificate of Authority or under the law of its jurisdiction of organization.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.

in testimony whereof, I have hereunto set my hand, in the City of Lensing, this 2nd day of October, 2014

Alen J. Schefke, Director

Corporations, Securities & Commercial Licensing Bureau

GOLD SEAL APPEARS ONLY ON ORIGINAL

Exhibit 1.5.4 3 Pages

TDS METROCOM, LLC

Legal Corporation Name: TDS METROCOM, LLC

Co #: 825

Status: Active

State Of Incorporation: DE

Date incorporated: 02/05/1997

Date Converted to LLC: 07/31/2002

Date Acquired by TDS: 02/05/1997

Date of Last Annual Meetings of Member and Director Managers: June 17, 2014

Director Managers: (revised 1.10.2014)

James W. Butman

Kevin G. Hess

Vicki L, Villacrez

David A. Wittwer

Officer Managers:

President: David A. Willwer

Vice President: Larry J. Boehm

Vice President: Vicki L. Villacrez

Vice President: James W. Bulman

Vice President: Michael A. Gasser

Vice President: Joel P. Dohmeier

Vice President: Matthew J. Loch

Vice President: Cliff L, Lawson

Vice Fresident: David J. Dudsak

Vice President: Peter L. Sereda

Vice President: Douglas D. Shuma

Secretary/freasurer: Vicki L. Viliacrez

Assistant Treasurer: John R. Erpenbach

Assistant Treasurer: Noel C. Hutton

Assistant Treasurer: David P. Jones

Assistant Treasurer: Sandra L. Gaylor

Assistant Secretary: Imagord F. Metz

Assistant Secretary: Stephen P. Fitzell

Authorized Signatories:

Any two of the following Authorized Officers:

David A. Wittwer, President: Vicki L. Villacrez, Vice President, Michael A. Gasser, Vice President, Peter L. Sereda, Vice President, Dauglas D. Shuma, Vice President:

Acting together or any one of the Authorized Officers with the countersignature of any one of the following Approving Officers:

John R. Erpanboch, Assistant Treasurer, Noel C. Hutton, Assistant Treasurer

Registered Agent: Corporation Service Company

Registered Agent's Address: Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808

States Registered To Do Business In: Alabama, Artzona, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, Minnesota, Nevada, New Hampshire, New Mexico, New York, North Dakota, Ohlo, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Utah, Washington, Wisconsin

TD\$ Telecommunications Corporation Ownership: 100%

Company Name before Merger: TDS METROCOM, INC.

Merge Date: 07/31/2002

Federal Tax ID: 39-1879010

Date Standardized Bylows were adopted: 01/20/1999

Banks of Record:

Bank of America

Wells Forgo Bank N.A.

Wisconsin Community Bank

2 Pages

2 Pages

Vers 5.2(09/15)

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU LIMITED LIABILITY COMPANY ANNUAL STATEMENT

2016

Identification Number	Limited Liebilly Company Name	
E9186C	TDS METROCOM, LLC	
Resident agent name and	mailing address of the registered of fine	
	CORPORATING SERVICE (COMPANY)	
604 ABBOTT RD		
E LANSING MI 488	n	
The eddress of the regist	ared office	
601 ABBOTT FO		
E LANSING MI 4982	2	

Electronic Signature	
Title	Pho

Filed By Title Phons (FC2GARD F METZ AUTHORIZED AGENT 608-665-4080

I certify that this filing is examitted without fraudulent intent and that I am authorized by the business antity to make any changes reported borain.

Payment Information

Payment Amount Payment Date/Time Reference Nbr \$25 01/28/2016 11:54:31 71315 0602 89166C 2016

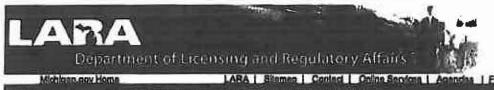
Regulred by Section 207, Act 23, Public Acts of 1893

INFORMATION & INSTRUCTIONS

Annual Statement must be algred in accordance with MCL 450 A103.

For Domestic Limited Liability Companies - it may be signed by a member, if managed by members, by a manager if managed by managers, or by an authorized agent of the company.

For Foreign Limited Liability Companies - Must be signed by a person with authority to do so under the laws of the jurisdiction of its organization.





MICHICAN CORPORATION DIVISION ANNUAL FILING

RECEIPM

2016 Limited Liability Company Information Update

(Please print a copy of this receipt for your records.)

ID Number: B9166C

Name: TOS NETROCON, LLC 16012513098869 Payment Confirmation Nor: Filed By: IRMGARD F METZ AUTHORIZED AGENT Title 608-665-4000 Phone: 01/25/2016 11:54:31 Data & Time:

Payment Amount: 435.00 Card Type:

71315 6602 B9166C 2016 Reference Nbr:

Credit Card Payment was Successful

Thank you for using Online Filings System to submit your annual filing. The filing may be viewed within the next 24 hours on our Bustness Entity Search Site. To complete another filing, click FILE ONLINE balow.



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Plymouth Township Dept. of Public Works Metro Act Attn: Sarah Visel 9955 N. Haggerty Rd. Plymouth, MI 48170

STATEMENT OF AUTHORITY

This Statement of Authority relates to TDS Metrocom, LLC, with its offices at 525 Junction Road, Madison, WI 53717.

Renee Boucher – Network Specialist I / ROW Permit Specialist is authorized to execute applications and permits for Plymouth Township Dept. of Public Works – Metro Act, on behalf of TDS Metrocom, LLC.

Executed this <u>13</u> day of July 13, 2016.

Cliff Lawson, Vice President

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

The foregoing instrument was acknowledged before me this 2016, by Cliff Lawson, Vice President of TDS Metrocom, LLC.

Sally Ainsworth

My commission expires:

Exhibit 2.5

SCOPE OF WORK:

MC-160611031 0825 PRJ00033564 CAA Red Viking GigaNet and Mip

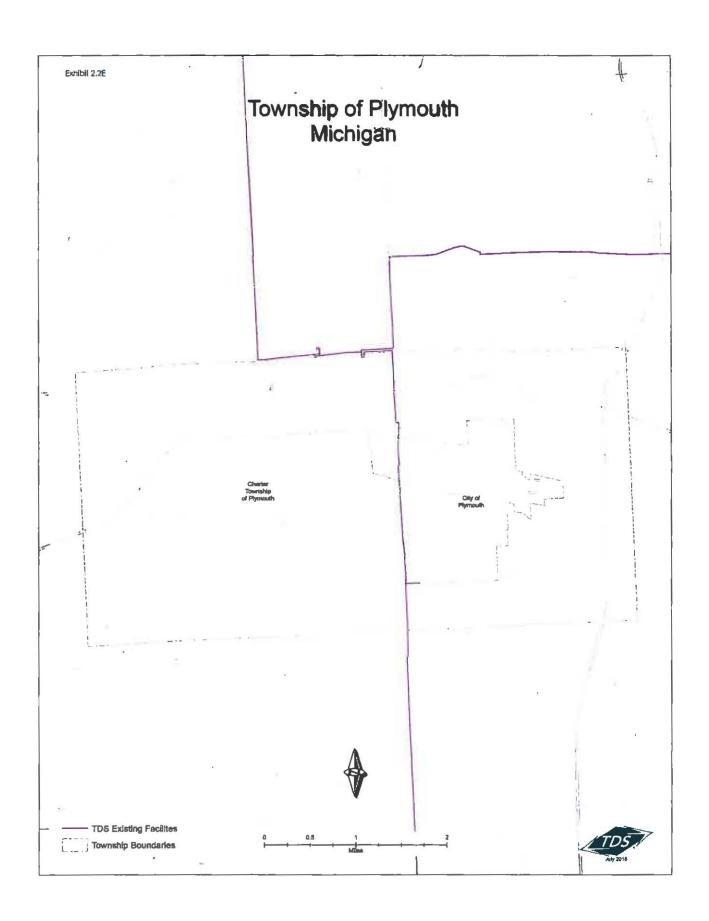
Applying for a Metro Act to complete a Plymouth TWP, MI utility permit/approval for a request for a new fiber customer out of our TDS Metrocom Plymouth, MI Market. This will also Be applied for at Northville Township and Wayne County.

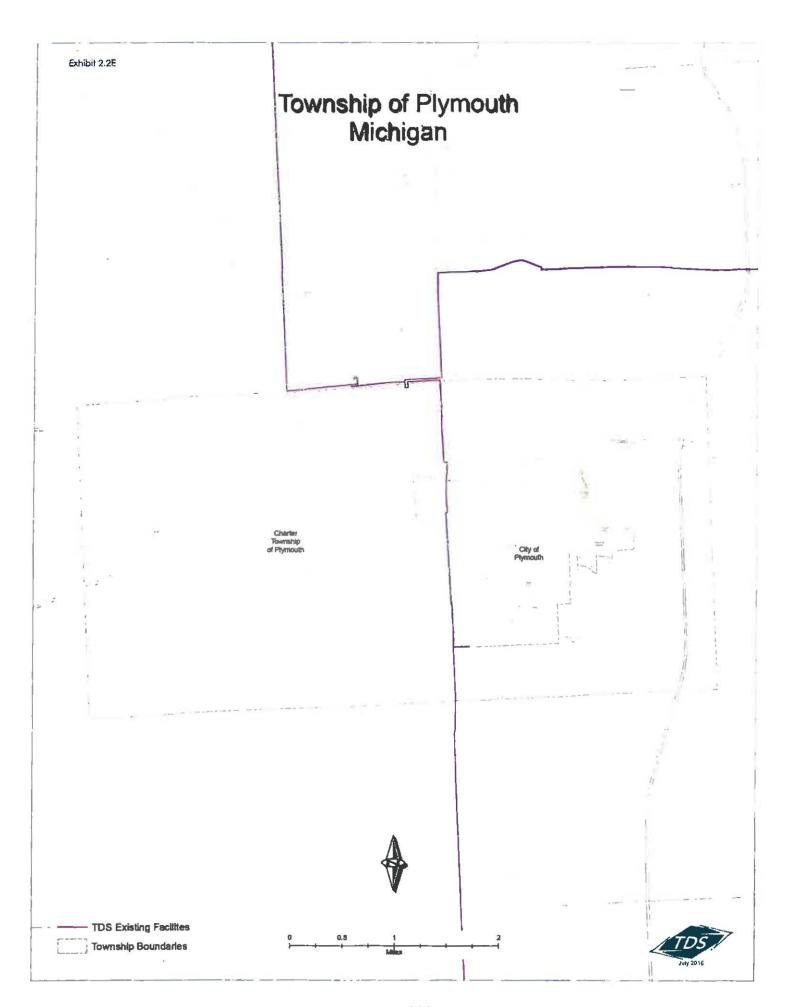
Placing a new handhole and fiber drop by means of directional drilling. Proceeding west from MH3010 for roughly 370' until we proceed North up Centennial Drive which will be permitted with the Township of Northville. Proceeding South from MH3010 for 710' down Metro West placing a new HH3010-3 which will provide service to Red Viking.

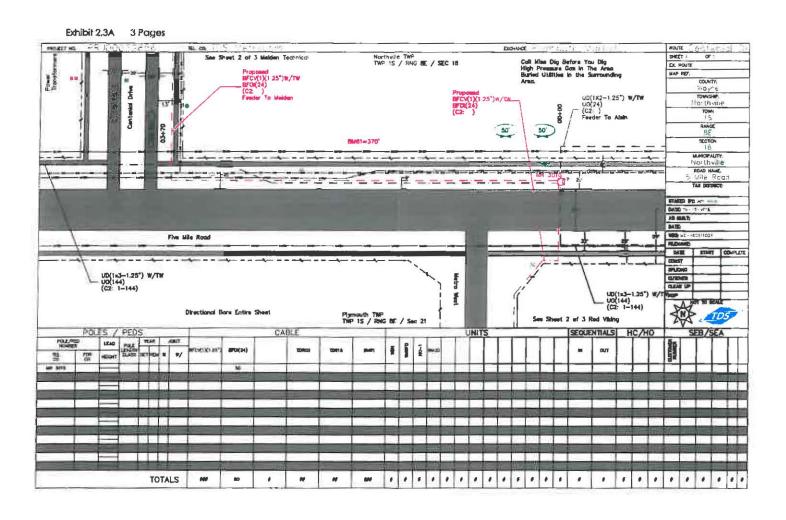
We are requested the construction dates at July 27-2016 +/-through Sept 1-2016+/-.

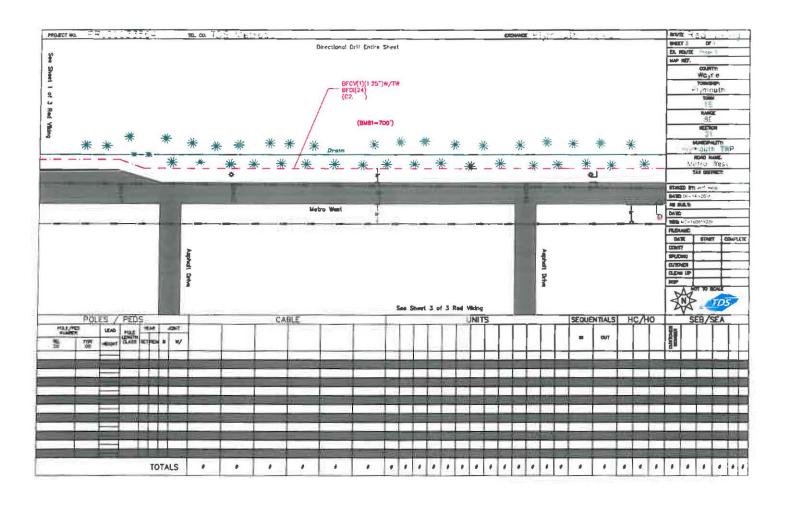
Attached please find:

location map of work, staking sheets, bore detail sheet and construction contact info.









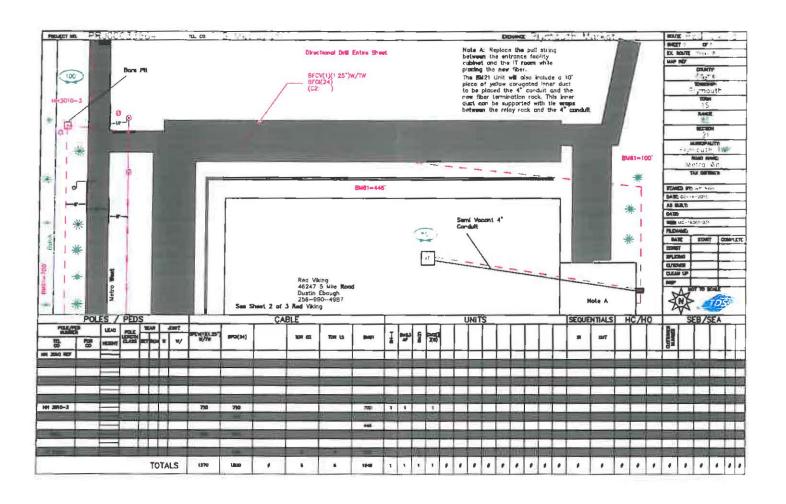
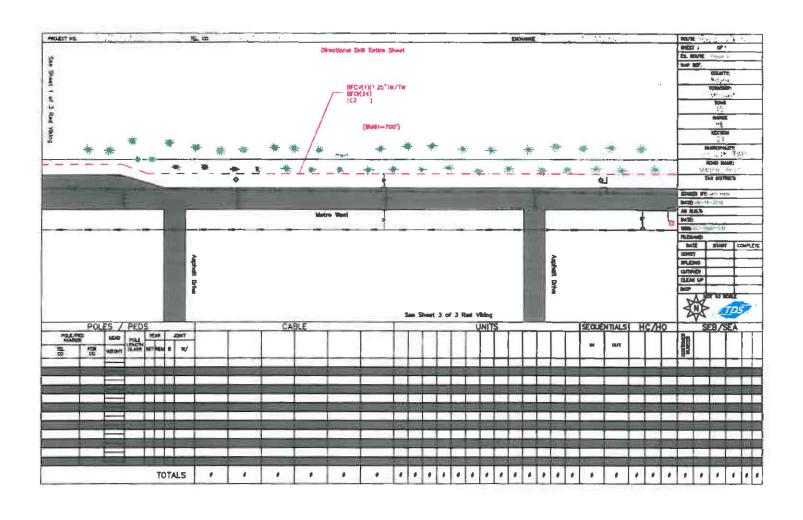
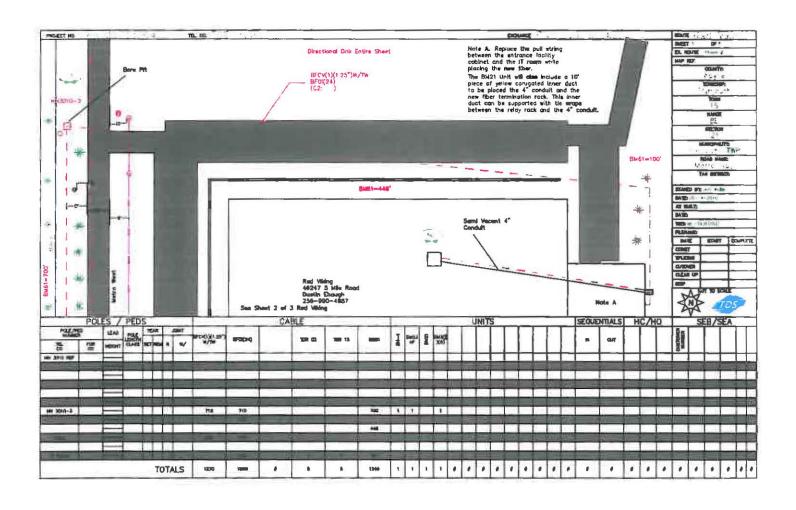


Exhibit 2.3A 3 Pages ROUTE SHEET! EX ROUTE UAP REF. PROJECT NO. Northville TWP
TWP IS / RNG BE / SEC 18 See Sheet 2 of 3 Meldon Technicol H 31 SECTION BW61=370" MMCPALTY AS BULLY DATED Fire Mile Reed UD(1x3-1.25°) W/TW UO(144) (C2: 1-144) F UD(1e3-1.25") W/T UD(144) (C2: 1-144) Ĩ Directional Scre Entire Sheet Plymouth TMP TMP 15 / RNG BE / Sec 21 105 See Sheet 2 of 3 Rad Vising POLES / PEDS CABLE SECUENTIALS HC/HO UNITS POLICED TANKS LEAD 1 2 F 11/ TOTALS 1 1 1 4 . . . 90 86 .









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Manaoni Muchenfee

ACORD 25 (2014/01)

The ACORD name and logo are registered marks of ACORD

Exhibit 3.4.2.6

2 Pages

Contractor Card Info

Neu, Jacob

Full Name:

R. Roese Contracting

Last Name:

Contracting

First Name:

R

Company:

R. Roese Contracting

Business Address:

Mr. Bob Woods, VP Operations

R. Roese Contracting 2674 S Huron Rd PO Box 158 (0158)

Kawkawiin, MI 48631-9107

Business: Mobile: Business Fax: (989) 684-5121 (989) 239-4328 (989) 684-5943

E-mall:

tds@rroese.com

E-mall Display As:

R. Roese Contracting (tds@rroese.com)

E-mail 2:

woods@rroese.com

E-mail2 Display As;

R. Roese Contracting (woods@rroese.com)

Note: Two e-mail addresses. Shannon Mose = Accountant

Denise J. Wolfe

Accounts Receivable Coordinator

wolfe@grosse.com

Kerry Stoner, General Manager of Operations for South/East 989.750.4009 (Cell)

Billy Leiner, General Manager of Operations for Mkd/West 989.239.9008 (Cell)



CERTIFICATE OF L	IABILITY INS	URANC	E	3/	8/2016
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION OF CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AND SELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTREPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE KOLDE	end, extend or alt itute a contract ir.	BETWEEN	Werage Afforded The Issums Insures	TE HO	LDER. THIS POLICIES JTHORIZED
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R. Rosse Contracting Co., Inc.	source continue	y Mation	il Insurance Cosp	STITY	30911
D.O. Box 150	MOUNTAIN P :				
2704 S. Euron Rd	HINCHES III				
Earkarlin, MI 40631	MARRIE F:				
COVERAGES CERTIFICATE NUMBER: 18/17 1	Master .		REVISION NUMBER:		
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CERTIFICATE HOLDER	CANCELLATION				
(608) 830-5582 marthur@tdstelecom.com	OMNORMANION				
TDS Telecommunications Corporation		I DATE THE	ESCRETED POLICIES ESE O. REZZA, MOTICS WILL I		
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F.O. Box 5156 Madison, WI 53705-0150	AUTHORIZED REPRESE	NTATIVE			
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LOCAL COMMUNITY STABILIZATION AUTHORITY

611 W. Allegan St., P.O. Box 30338, Laneing, MI 48909

April 4, 2016

Annette Olson TDS Metrocom, LLC 525 Junction Road, 5N, Route Acquisition Madison, WI 53717

Dear Annetie Olson:

Attached is the 2016 annual maintanance fee invoice for TDS Metrocom, LLC as required by the Metropolitan Extension Telecommunications Right-of-Way Oversight Act, 2002 PA 48. Please detach the bottom portion of the enclosed invoice, made payable to Local Community Stabilization Authority, PO Box 674905, Detroit, MI 48267 and return it with your payment in the amount of \$23,333,20 by April 30, 2016.

Your invoice was calculated at the ILEC per linear foot rate for each ILEC you reported footages.

ILEC Territory
AT&T Michigan

Linear Feet 466,664 ILEC Per LF Rate

Total \$23,333.20

Invoice Total: \$23,333.20

If you have questions or concerns, please do not hesitate to contact me at (517)/335-5448.

Sincerely,

Stephani Fleming

Acting LCSA Administrator

Michigan Municipalitiwa	All Fiber Linear Footage 2014	Fiber Linear Footage 2015	Fiber Limer Footoge 2018	2016 Changa Notes	Fiber Linear Footage 2017	Filter Linear Footzga 2018	Fiber Linear Footoge 2019
Charter Township of Meridian	528	528	528				
City of East Lansing	1,076	1,076	1,078				
Charter Township of Grand Repids	33,838	33,836	33333				
Township of Byron	26,513	26,513	26,513				
City of Wyoming	55,935	55,935	55,935			1	
City of Walker	32,933	32,933	32,933			7	
City of Kerstwood	33,595	33,695	33,603		A		
City of Grandville	12,640	12,640	12,540				
City of Grand Rapids	78,053	78,053	76,853	900 ADDTL FOOTAGE			
City of Lansing	10,427	10,427	10,427	MC-150599045			
Charter Township of Gaines	30,875	30,875	38,979		1		
Charter Township of Plymouth	17,320	17,320	17,320				
Charter Township of Northville	24,710	24,710	24,710	- XV			
Charter Township of Canton	30,335	30,335	33,335				
City of Westland	20,040	20,040	20,040				7
City of Plymouth	2,728	2,728	2,723				
City of Livonia	17,545	17,545	17,545				
City of Novi	25,425	25,425					
City of Farmington Hills	13,150	13,150	13,150				
Total	465,784	455,764	466,664				

(3/10/2016)
2016 NOTES:
TOTAL OF 194,885' DERIVED FROM INCLUDING ALL TOS METROCOM IN FIDER
THE ABOVE NUMBER IN RED IS ONLY CHANGE PER STEVE JAKUMEC/JEFF WELLS
NUMBERS SHOULD BE DERIVED FROM COUNTY, MUNICIPAL AND TOWNSMIP FIBER IN RAW
NO STATE SHOULD BE INCLUDED" AND ITS ONLY FIBER WE OWN NOT LEASED

CONTACT STEVE JAKUBIEC IF ANY QUESTIONS AND EA FOLLOWING YEAR TO GET AN UPDATE ON ANY NEW FIBER ADOED, PLEASE GIVE AT LEAST A WEEKS NOTICE VIA EMAIL

MICHIGAN DEPARTMENT OF LICENSING & REGULATORY AFFAIRS

LOCAL COMMUNITY STABILIZATION AUTHORITY

4/4/2016

201678

Invoice No.

Annual maintenance fee for period April 1, 2015 to March 31, 2016 as required by the Metropolitan Extension Telecommunications Right-of-Way Oversight Act, 2002 PA 48.

Payment must be received by the Local Community Stabilization Authority no later than April 30, 2016

Total Amount Due (Please Pay in Full)	\$23,333.20
Check No.	Check Date
A	(a) (r-a)
Detach here, retain top part for your records.	Please return bottom part with payment.
Company Address:	Please enclose a check or money order for:
TDS Metrocom, LLC 525 Junction Road, 5N, Route Acquisition.	\$23,333.20
Madison WI 53717	Invoice No.

Please send check or money order payable to:

LOCAL COMMUNITY STABILIZATION AUTHORITY
PO BOX 674905
DETROIT MI 48267-4905

Your prompt payment is appreciated.

Memo

To:

Nancy Conzelman, Clerk; Patrick Fellrath, Director of Public Utilities

From:

Kevin L. Bennett

Date:

September 22, 2016

Re:

TDS Metrocom Permit Application

The following is a summary of my review of the TDS Metrocom Permit Application.

Section 1

- TDS Metrocom, LLC is a Delaware company that is licensed by the Michigan Department of Licensing and Regulatory Affairs to conduct business in Michigan. TDS Metrocom was initially licensed in 2002, and has remained licensed since that time.
- TDS Metrocom did not provide its most recent financial statements, but such statements are not required if the applicant currently holds a license to provide basic local exchange service.
 TDS Metrocom is licensed by LARA as a Basic Local Exchange Provider.

Section 2

- TDS Metrocom did not provide a copy of authorizations it holds to provide telecommunications services in the Township. However, I independently verified that TDS Metrocom is licensed by LARA as a Basic Local Exchange Provider.
- TDS Metrocom proposes to provide telephone, television, and intranet [sic] services.
- The proposed route maps for its facilities are as follows:

Placing a new hand hole and fiber drop by means of directional drilling. Proceeding west from MH301 0 for roughly 370' until we proceed North up Centennial Drive which will be permitted with the Township of Northville. Proceeding South from MH3010 for 710' down Metro West placing a new HH301 0-3 which will provide service to Red Viking.

By using the term "directional drilling" it appears that the installation will be underground, but this, and the other provisions regarding the proposed route, should be verified by a qualified person.

The proposed system will be owned and maintained by TDS Metrocom.

Section 3

- The insurance requirements and certificate were reviewed by Craig Manser. His comments, with my comments following in italicized font:
 - The requirements in Section 3.4 are very weak. They do not list limits or require the Township to be named as additional insured, not even from the contractor that TDS is using. It would be great to have this changed, but I'm guessing that wouldn't be possible because it's not your form.

The Metro Act itself is silent as to insurance requirements; as such, the Township could require that the applicant name the Township as an additional insured. The Township Ordinance requires that the Certificate name the Township shall be named as an additional insured on all policies (other than worker's compensation and employer's liability); that all insurance policies shall provide that they shall not be canceled, modified or not renewed unless the insurance carrier provides thirty (30) days prior written notice to the Township; and that a Permittee shall annually provide the Township with a certificate of insurance evidencing such coverage. As such, The Township should require that it be listed as an additional named insured on the Certificate, and that the Certificate state that it shall not be canceled, modified or not renewed without the insurer providing 30 days prior written notice to the Township.

The certificate presented by TDS looks good on most parts except the
requirements call for Environmental Contamination coverage and that does
not show up on the certificate. Not sure if this is an issue for the Township,
but wanted to point it out.

This is an issue. The Application provides that the application must show the Applicant's insurance coverage, carrier and limits of liability for environmental contamination. The Township should require that TDS Metrocom provide coverage for environmental contamination. Further, the Township's Ordinance requires Commercial general liability insurance in the amount of \$5,000,000 (the Certificate provides for \$2,000,000); \$500,000 for accidental contamination (environmental); and automotive liability coverage of \$1,000,000 (\$5,000,000 is provided in the Certificate).

The certificate for the contractor looks good except for the same item
mentioned above, there is no Environmental liability coverage. The certificate
also does not list the Township as additional insured because it's not required
in the agreement.

Agreed. The Township should require that R. Roese Contracting Co., Inc.'s Certificate of Insurance comply with the requirement of the Ordinance by naming the Charter Township of Plymouth as an additional named insured, and that the Certificate state that it shall not be canceled, modified or not renewed without the insurer providing 30 days prior written notice to the Township. Further, the R. Roese

Contracting Co., Inc.'s Certificate of Insurance should explicitly provide for coverage in the amount of \$500,000 for accidental contamination (environmental).

Executive Summary

The Township should reject the TDS Metrocom Permit Application as administratively incomplete. TDS should resubmit the Application with the following additions:

- TDS Metrocom's Certificate of Insurance must name the Charter Township of Plymouth as an additional insured.
- TDS Metrocom's Certificate of Insurance must increase its general commercial liability coverage to five million dollars per occurrence.
- TDS Metrocom's Certificate of Insurance must explicitly provide for coverage in the amount of \$500,000 per occurrence for accidental (environmental) contamination.
- TDS Metrocom's Certificate of Insurance must provide that it "shall not be canceled, modified or not renewed without the insurer providing 30 days prior written notice to the Township."
- R. Roese Contracting Co., Inc.'s Certificate of Insurance must name the Charter Township of Plymouth as an additional insured.
- R. Roese Contracting Co., Inc.'s Certificate of Insurance must explicitly provide for coverage in the amount of \$500,000 per occurrence for accidental (environmental) contamination.
- R. Roese Contracting Co., Inc.'s Certificate of Insurance must provide that it "shall not be canceled, modified or not renewed without the insurer providing 30 days prior written notice to the Township."

Finally, the proposed route maps should be reviewed by a qualified person to ensure that they are feasible from an engineering perspective, and that they will not disrupt any other right-of-way facilities or activities.



Engineering & Surveying Excellence since 1954

September 22, 2016

Patrick J. Fellrath, P.E. Plymouth Charter Township Division of Public Services 9955 North Haggerty Road Plymouth, Michigan 48170

Re:

Proposed Conduit Construction by TDS Metrocom

TDS Metrocom #MC-160611031 Metro West and 5 Mile Road SD Job No.: PL16-147

Dear Mr. Fellrath:

We have reviewed the proposed construction work by TDS Metrocom at the above referenced location and have the following comments:

- 1. The plans were prepared by TDS Metrocom. The site is located in Section 21.
- The proposed work is located at the intersection of 5 Mile Road and Metro West Rd and continues south along Metro West Rd. The project consists of installing approximately 1200' of 1 ¼" diameter schedule 40 PVC containing 0.625" coaxial cable via directional boring. The minimum depth of bury is 48".
- There are no visible obstacles or conflicts for the proposed work based on observation of the project location.The proposed work will not cause negative visual impact to the work area.
- 4. The plans show and the township records confirm that there is an existing 20" water main located along the south side of 5 Mile Road, a 12" water main along the western side of Metro West Rd and an 8" water main that crosses Metro West Rd. at Red Viking facility. The proposed conduit crosses the existing 20" water main at 5 Mile Rd, the 12" water main and the 8" water main at the Red Viking facility. A note must be placed on the plans stating that a "Test Hole Required: Verify Depth to Maintain 18" Min. Vertical Clearance".
- 5. Township records indicate a sanitary sewer line along the west side of Metro West Rd. The proposed conduit crosses the sanitary line in front of Red Viking facility. A note must be placed on the plans stating that a "Test Hole Required: Verify Depth to Maintain 18" Vertical Clearance".
- 6. The plans indicate a storm sewer within the Metro West pavement. Add a note to the plans to verify the depth of the storm sewer and maintain a min. 18" vertical clearance.

Based on the comments noted above, the plans are approved as noted for the installation of the conduit as shown on the plans. If you have any questions or need any additional information, please do not hesitate to contact our office.

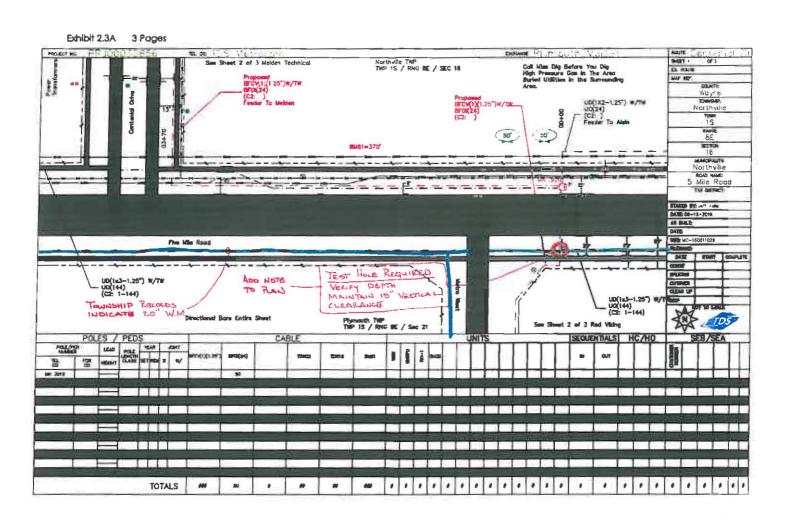
Sincerely.

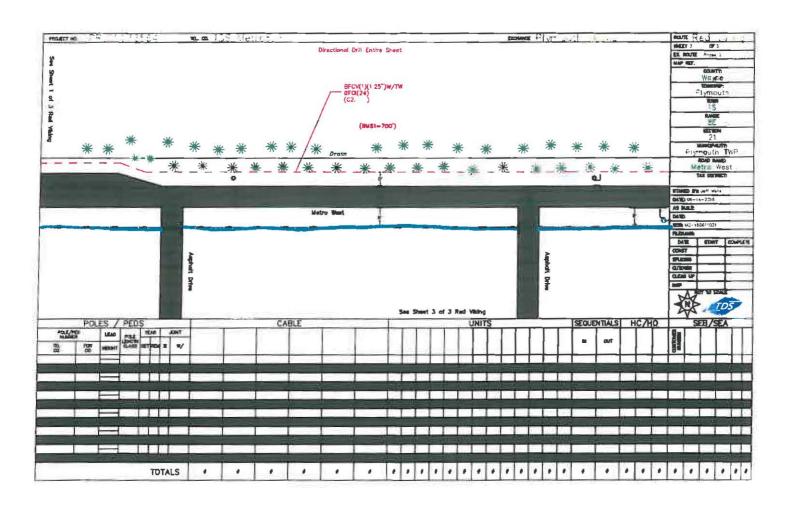
SPALDING DEDECKER ASSOCIATES INC

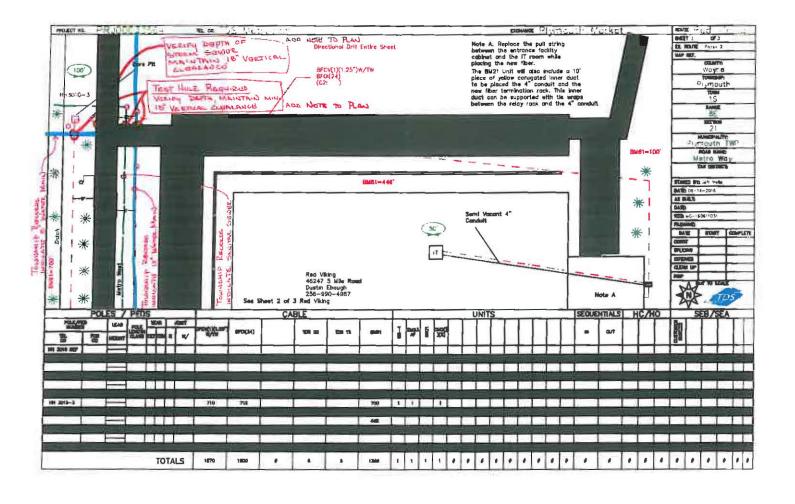
David E. Richmond, PE

Project Manager

cc. Sarah Visel, Administrative Assistant, Charter Township of Plymouth (via Email)









ATTACHMENTS:

CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM: Discussion regarding Open Space Park and Rec Survey
PRESENTER: Supervisor Shannon Price/Jana Radtke
OTHER INDIVIDUALS IN ATTENDANCE:
EXECUTIVE SUMMARY: The Township's Open Space and Recreation Plan expired, and the Township must submit a new/revised plan with the DNR. Last year the Board of Trustees instructed the Supervisor's office to have Township staff prepare a new survey, obtain public input, and develop a new plan in house. The Board of Trustees expressed their desire to not use professional services to survey and write the plan.
BACKGROUND:
ACION REQUESTED:
Approve
BUDGET/TIME-LINE:
IMPLEMENTATION PLAN:
RECOMMENDATION:
MODEL RESOLUTION:

	What is your home street a COMPLETE	address?	REQUIRE) – SURVE	Y WILL NO	T BE ACCE	PTED IF NO
				110-1			
	How many people in your	househol	d are:				
		1	2	3	4	5	6
	Less than 6 Years Old			2001			
	6 – 17 Years Old						
	18 – 24 Years Old						
	25 – 44 Years Old						
	45 – 64 Years Old						
	65 Years Old						
-	Yes No	5g 110		92 875			
F	rom the following list, ple	ase checl	k ALL of th	e activities	s that you	enjoy:	
	 Visiting Playgrounds Visiting Dog Parks Cycling Walking Running Fishing Tennis Picnicking Birding 						
	rom the following list, plea ou or members of your fa						ion facilitie
	Plymouth Township Pa Miller Family Park Lake Pointe Soccer Park Friendship Station/Sen Hilltop Golf Course Point Park	k		rk}			

6.	If you answered "None" in question 5, please check ALL of the reasons in the following list that keep you or other members of your household from using the Township's parks and recreation facilities:							
	Parks do not contain the facilities we need							
	Facilities do not have the right equipment							
	Security is insufficient							
	Hours of operation are not convenient							
	Facilities are not located near my home							
	Members of my household use facilities from other organizations							
	Poor customer service by staff							
	Facilities are not well maintained							
	We are too busy, or not interested							
	I do not know where the Township facilities are located							
	Rules are too restrictive							
	Not enough shade/trees Other:							
7.	Overall, how would you rate the physical condition of ALL of the Township's parks you have visited?							
	Excellent							
	Good							
	Fair							
	Poor, Please explain:							
8.	What do you do when you visit the Township's parks? From the following list, please check ALL of the activities in which you or members of your family participated within the last 12 months:							
	Walking, hiking, and biking trails							
	Nature trails							
	Playgrounds							
	Sprayscape							
	Fishing							
	Picnic shelters							
	Golf							
	Baseball							
	Soccer							
	Other:							
	None, we did not participate in any activities at the Township's parks or recreation facilities							
9.	From the following list, please check ALL of the recreational activities/facilities that you would like to see added or expanded:							
	Baseball/Softball Fields Playgrounds Disc Golf Course							
	Soccer Fields Picnic Facilities Sprayscape							
	Football Fields Natural Areas/Open Space Swimming							

	Basketball Courts Tennis Courts Shuffleboard Courts Pickelball Courts Sand Volleyball Dog Park	Walking/Running Trails Biking Trails Horseback Riding Cross-Country Skiing Canoe/Kayak Access Fishing Access	Workout Stations Horseshoe Pits Ice Skating Small-Venue Amphitheater Indoor Performing Arts Theater
10.	From the following list, please family have attended within the	check ALL of the Township event ne last 12 months:	ts that you or members of your
	Fourth of July Fireworks Fourth of July Good Old-Fa Christmas Tree Lighting Resident Appreciation Day None, we did not attend a	y at Hilltop Golf Course	
11.		ymouth Township establishing its or programming and organizing To	
	Yes No		
12.	If you answered "Yes" in quest to participate in Township recr	tion 11, please indicate whether yreation programs?	you would be willing to pay a fee
	Yes No		
13.	The San Committee of the San C	w how you feel the Parks budget from 1 through 4 (with 1 being t	
		nd preserving parks and greenspa on of existing parks, trails, and fac nd facilities	
L4.	**************************************	pay reasonable user fees for cert	tain facilities within the parks
	Yes No		

	Do you feel there are suffi home?	cient parks a	nd green sp	oace areas <u>w</u>	ithin walking	g distance of you	r
	Yes No						
16.	There is a need for more p	rograms for	the followi	ng ages:			
		Strongly Agree	Agree	Disagree	Strongly Disagree	Don't Know	
	Youth (2-8 Years Old)	3. 10					
	Youth (9-12 Years Old)		10.11.00				
	Teen	**					
	Young Adult	-	-				
	Adult		730 77				
	Senior						
18. /	parks. How important do y Very Important Important Not Important Please indicate which gree				most effectiv	e in achieving thi	S
-	goal. Reduce Mown/Irrigate Energy Saving Technique Increase Native Tree and Recycling Bins in Parks Increase Wildflower Area of Recycled Productions	ues (Solar Po nd Shrub Pla reas	wer, LED Li	ghts, Timers	, etc.)		
	rom the following list, plearly Plymouth Township.	ase check AL	L of the ite	ms that you f	feel are impo	rtant to have in	
-	Sports Parks Community Parks Neighborhood Parks Ice Arena Community Recreation Inclusive Programs Historical/Cultural Prog						

20. To what degree do you think that parks and recreation contribute to the Township being....

	Greatly	Somewhat	Does not	No Opinion
	Contributes	Contributes	Contribute	
A Physically Healthy				
Community				
An Environmentally				
Sustainable				
Community		2 - 20- AV		
A Socially Thriving				
Community				
An Economically	Y		-	
Sustaining	9			
Community				
An Accessible and				
Physically Connected				
Community				
A Community with a				
Sense of Place				
A Community with a				
High Quality of Life				

This concludes the survey. Thank you for your time and participation!



ATTACHMENTS:

CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

IT/Clemis Agreement
PRESENTER: Supervisor Shannon Price/Police Chief Tom Tiderington
OTHER INDIVIDUALS IN ATTENDANCE:
EXECUTIVE SUMMARY: Renewal of the IT/Clemis Agreement with Oakland County
BACKGROUND:
ACION REQUESTED:
Approve
BUDGET/TIME-LINE:
IMPLEMENTATION PLAN:
RECOMMENDATION:
MODEL RESOLUTION: I move authorize the Supervisor to sign the IT/Clemis agreement with Oakland County



Memorandum

To:

Chief Tiderington, Plymouth Township PD

From:

Kim McCabe, CLEMIS

RE:

IT / CLEMIS Agreements

Date:

February 1, 2016

Attached is a revised electronic copy of the Agreement for IT Services, CLEMIS Exhibit X with Addendum A, and any other exhibits that apply to your agency for your review and execution.

Your Public Body representative, Police Chief/Director and/or Fire Chief may sign Addendum A for CLEMIS Services if they are <u>authorized</u> to sign for your department. Also, if your jurisdiction includes both Police & Fire (FRMS) Members, services for both are included in this one agreement.

Notes:

 Please complete the section re: Crash Report Payment Amount & Enhanced Access Fee Disbursement.

Please print two copies. Get the appropriate signatures from your City / Twp Council / Board member and a witness, and date both copies of the contract. A copy of the Resolution or Minutes from your Public Body authorizing signatory permission to sign these documents is required.

Please return two originals, along with a certified copy of the resolution or minutes to the following:

Oakland County Information Technology - CLEMIS 1200 N Telegraph Road, Department 421 Pontiac, MI 48341-0421

Attn: Kim McCabe

One original will be returned to you after it is executed by Oakland County.

If you have any <u>legal</u> questions, please contact Jodi Hall of Oakland County Corporation Counsel at 248-858-0555.

AGREEMENT FOR I.T. SERVICES BETWEEN OAKLAND COUNTY AND

Township of Plymouth

This Agreement (the "Agreement") is made between Oakland County, a Municipal and Constitutional Corporation, 1200 North Telegraph Road, Pontiac, Michigan 48341 ("County"), and the Township of Plymouth, 9955 N Haggerty Rd, Plymouth, MI 48170 ("Public Body"). County and Public Body may also be referred to jointly as "Parties".

<u>PURPOSE OF AGREEMENT</u>. County and Public Body enter into this Agreement for the purpose of providing Information Technology Services ("I.T. Services") for Public Body pursuant to Michigan law.

In consideration of the mutual promises, obligations, representations, and assurances in this Agreement, the Parties agree to the following:

- 1. <u>DEFINITIONS</u>. The following words and expressions used throughout this Agreement, whether used in the singular or plural, shall be defined, read, and interpreted as follows.
 - 1.1. Agreement means the terms and conditions of this Agreement and any other mutually agreed to written and executed modification, amendment, Exhibit and attachment.
 - 1.2. Claims mean any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, judgments, deficiencies, liabilities, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are incurred by or asserted against County or Public Body, or for which County or Public Body may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened.
 - 1.3. County means Oakland County, a Municipal and Constitutional Corporation, including, but not limited to, all of its departments, divisions, the County Board of Commissioners, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons' successors.
 - 1.4. Day means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.
 - 1.5. Public Body means the Township of Plymouth, which is an entity created by state or local authority or which is primarily funded by or through state or local authority, including, but not limited to, its council, its Board its departments, its divisions, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons' successors. For purposes of this Agreement, Public Body includes any Michigan court, when acting in concert with its funding unit, to obtain I.T. Services.
 - 1.6. Public Body Employee means any employees, officers, directors, members, managers, trustees, volunteers, attorneys, and representatives of Public Body, licensees,

Page 1 of 11

concessionaires, contractors, subcontractors, independent contractors, agents, and/or any such persons' successors or predecessors (whether such persons act or acted in their personal, representative or official capacities), and/or any persons acting by, through, under, or in concert with any of the above who have access to the I.T. Services provided under this Agreement. "Public Body Employee" shall also include any person who was a Public Body Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity.

- 1.7. Points of Contact mean the individuals designated by Public Body and identified to County to act as primary and secondary contacts for communication and other purposes as described herein.
- 1.8. <u>I.T. Services</u> means the following individual I.T. Services provided by County's Department of Information Technology, if applicable:
 - 1.8.1. Online Payments mean the ability to accept payment of monies owed to Public Body initiated via a website maintained by County using a credit card, a debit card that functions as a credit card, or electronic debit of a checking account.
 - 1.8.2. Pay Local Taxes means the ability to accept payment of local property taxes owed to Public Body initiated via a website maintained by County using a credit card, a debit card that functions as a credit card, or an electronic debit of a checking account. (Does not apply to Public Bodies outside of Oakland County).
 - 1.8.3. Web Publishing Suite means the ability for Public Bodies to have and/or manage a public web presence using standard Oakland County technologies and platforms, template-based solutions, semi-custom website designs, content management, and/or support services.
 - 1.8.4. Internet Service means access to the Internet from Public Body's workstations.
 Access from the Internet to Public Body's applications, whether at County or at Public Body (hosting), is not included.
 - 1.8.5. Oaknet Connectivity means use of communication lines and network equipment maintained by County for the transmission of digital information whether leased or owned by County.
 - 1.8.6. Email Service means access to the designated application provided by County for sending and receiving electronic mail messages by Public Body.
 - 1.8.7. Health Portal means a portal where registered schools, community dispensing sites, nurses, district administrators and doctors can effectively communicate with the health department regarding reportable communicable diseases.
 - 1.8.8. Over The Counter Payments means the ability to accept payment of monies owed to Public Body initiated via a credit card reader attached to an on-premise computer with access to a website maintained by County using a credit card or a debit card that functions as a credit card.
 - 1.8.9. Data Center Use and Services means providing space for Public Body's equipment in County's Data Center and access to electrical power and backup power.
 - 1.8.10. CLEMIS means the Court and Law Enforcement Management Information System, an information management system comprised of specific software

Page 2 of 11

applications (CLEMIS Applications) operated and maintained by the CLEMIS Division of County.

- Service Center means the location of technical support and information provided by County's Department of Information Technology.
- 1.10. Exhibits mean the following descriptions of I.T. Services which are governed by this Agreement only if they are attached to this Agreement and incorporated in Section 2 or added at a later date by a formal amendment to this Agreement:

Exhibit I: Online Payments
Exhibit II: Pay Local Taxes
Exhibit III: Web Publishing Suite
Exhibit IV: Internet Service
Exhibit V: Oaknet Connectivity
Exhibit VI: Email Service

Exhibit VII: Health Portal

Exhibit VIII: Over The Counter Payments
Exhibit IX: Data Center Use and Services

Exhibit X: CLEMIS

2. COUNTY RESPONSIBILITIES.

- 2.1. County, through its Department of Information Technology, shall provide the I.T. Services described in IV,V,VI and X which are attached and incorporated into this Agreement.
- 2.2. County shall support the I.T. Services as follows:
 - 2.2.1. Access. County will provide secure access to I.T. Services for use on hardware provided by Public Body as part of its own computer system or as otherwise provided in an Exhibit to this Agreement.
 - 2.2.2. Maintenance and Availability. County will provide maintenance to its computer system to ensure that the I.T. Services are functional, operational, and work for intended purposes. Such maintenance to County's system will include "bug" fixes, patches, and upgrades, such as software, hardware, database and network upgrades. The impact of patches and/or upgrades to the applications will be thoroughly evaluated by County and communicated to Public Body through their Points of Contact prior to implementation in Public Body's production environment. County will reserve scheduled maintenance windows to perform these work activities. These maintenance windows will be outlined specifically for each application in the attached Exhibits.
 - 2.2.2.1. If changes to scheduled maintenance windows or if additional maintenance times are required, County will give as much lead time as possible.
 - 2.2.2.2. During maintenance windows, access to the application may be restricted by County without specific prior notification.
- 2.3. County may deny access to I.T. Services so that critical unscheduled maintenance (i.e. break-fixes) may be performed. County will make prompt and reasonable efforts to minimize unscheduled application downtime. County will notify the Points of Contact about such interruptions with as much lead time as possible.
- 2.4. Backup and Disaster Recovery.

Page 3 of 11

- 2.4.1. County will perform daily backups of all I.T. Services except for the I.T. Services described in Exhibit IX Data Center Use and Services. Copies of scheduled backups will be placed offsite for disaster recovery purposes.
- 2.4.2. County will maintain a Disaster Recovery ("DR") Toolkit that will be used to recover applications during a disaster or failure of County's computer system. All applications will be included in County's scheduled Disaster Recovery Test. DR Toolkit updates will be made by County as necessary.
- 2.5. Auditing. County may conduct scheduled and unscheduled audits or scans to ensure the integrity of County's data and County's compliance with Federal, State and local laws and industry standards, including, but not limited to, the Health Insurance Portability and Accountability Act (HIPAA) and Payment Card Industry Data Security Standard (PCI DSS.)
 - 2.5.1. In order to limit possibility of data theft and scope of audit requirements, County will not store credit card account numbers. County is only responsible for credit card data only during the time of transmission to payment processor.
- 2.6. Training and Information Resources. County may provide training on use of the I.T. Services on an as-needed basis or as set forth in an Exhibit to this Agreement.
- 2.7. Service Center. I.T. Service incidents requiring assistance must be reported to the Service Center, by the Points of Contact, to the phone number or e-mail provided below. The Service Center is staffed to provide support during County's normal business hours of 8:30 a.m. to 5:00 p.m., EST, Monday through Friday, excluding holidays. The Service Center can receive calls to report I.T. Service outages 24 hours a day, 7 days a week. Outages are defined as unexpected service downtime or error messages. Depending on severity, outage reports received outside of County's normal business hours may not be responded to until the resumption of County's normal business hours.

Service Center Phone Number	248-858-8812
Service Center Email Address	servicecenter@oakgov.com

- 2.8. County may access, use and disclose transaction information and any content to comply with the law such as a subpoena, Court Order or Freedom of Information Act request. County shall first refer all such requests for information to Public Body's Points of Contact for their response within the required time frame. County shall provide assistance for the response if requested by the Public Body's Points of Contact, and if able to access the requested information. County shall not distribute Public Body's data to other entities for reasons other than in response to legal process.
- 2.9. I.T. service providers require County to pass through to Public Body certain terms and conditions contained in license agreements, service agreements, acceptable use polices and similar terms of service, in order to provide I. T. Services to Public Body. Links to these terms and conditions will be provided to Public Body and will be listed on the County's website. County will provide notice when it becomes aware of changes to the terms and conditions of these agreements.

3. PUBLIC BODY RESPONSIBILITIES.

3.1. Public Body shall immediately notify County of any unauthorized use of the I.T. Services and any breach of security of the I.T. Services. Public Body shall cooperate with County in all investigations involving the potential misuse of County's computer system or data.

Page 4 of 11

- 3.2. Public Body is the owner of all data provided by Public Body and is responsible to provide all initial data identified in the attached Exhibits, in a format acceptable to County, and, for the CLEMIS Exhibit, as required by applicable statute, regulation, or administrative rule. Public Body is responsible for ensuring the accuracy and currency of data contained within its applications.
- 3.3. Public Body shall follow County's I.T. Services requirements as described on County's website. Public Body shall comply with County's minimum standards for each Internet browser used by Public Body to access I.T. Services as set forth in an Exhibit(s) to this Agreement. Public Body shall meet any changes to these minimum standards that County may reasonably update from time to time.
- 3.4. Public Body shall not interfere with or disrupt the I.T. Services provided herein or networks connected with the I.T. Services.
- 3.5. Public Body requires that each Public Body Employee with access to I.T. Services shall:
 - 3.5.1. Utilize an antivirus software package/system on their equipment and keep same updated in a reasonable manner.
 - 3.5.2. Have a unique User ID and password that will be removed upon termination of Public Body Employee's employment or association with Public Body.
 - 3.5.3. Maintain the most reasonably current operating system patches on all equipment accessing the I.T. Services.
- 3.6. If authorized by County, Public Body may extend I.T. Services to other entities which are created by or primarily funded by state or local authority. If County authorizes Public Body to provide access to any I.T. Services to other entities, Public Body shall require those entities to agree to utilize an antivirus software package/system on computers accessing the I.T. Services and to assign users of the I.T. Services a unique User ID and password that will be terminated when a user is no longer associated with the entity. Public Body must require an entity receiving I.T. Services under this Section, to agree in writing to comply with the terms and conditions of this Agreement and to provide County with a copy of this writing.
- 3.7. For each I.T. Service covered by an Exhibit to this Agreement, Public Body shall designate two representatives to act as a primary and secondary Points of Contact with County. The Points of Contact responsibilities shall include:
 - 3.7.1. Direct coordination and interaction with County staff.
 - 3.7.2. Communication with general public supported by Public Body.
 - 3.7.3. Following County's procedures to report an application incident.
 - 3.7.4. If required by County, attend training classes provided by County either online or at County's Information Technology Building in Waterford, Michigan or other suitable location determined by County.
 - 3.7.5. Providing initial support services to Public Body users prior to logging a Service Center incident with County.
 - 3.7.6. Requesting security changes and technical support from the Service Center.
 - Testing Applications in conjunction with County, at the times and locations
 mutually agreed upon by County and Public Body.

Page 5 of 11

- 3.7.8. To report a service incident to the Service Center, one of Public Body's Points of Contact shall provide the following information:
 - 3.7.8.1. Contact Name
 - 3.7.8.2. Telephone Number
 - 3.7.8.3. Email Address
 - 3.7.8.4. Public Body Name
 - Application and, if possible, the specific module with which the incident is associated.
 - 3.7.8.6. Exact nature of the problem or function including any error message that appeared on the computer screen.
 - 3.7.8.7. Any action the Points of Contact or user has taken to resolve the matter.
- 3.8. Public Body may track the status of the incident by calling the Service Center and providing the Incident Number.
- Public Body shall respond to Freedom of Information Act Requests relating to Public Body's data.
- 3.10. I.T. service providers require County to pass through to Public Body certain terms and conditions contained in license agreements, service agreements, acceptable use polices and similar terms of service, in order to provide I. T. Services to Public Body. Public Body agrees to comply with these terms and conditions. Public Body may follow the termination provisions of this Agreement if it determines that it cannot comply with any of the terms and conditions.

4. DURATION OF INTERLOCAL AGREEMENT.

- 4.1. This Agreement and any amendments shall be effective when executed by both Parties with resolutions passed by the governing bodies of each Party except as otherwise specified below. The approval and terms of this Agreement and any amendments, except as specified below, shall be entered in the official minutes of the governing bodies of each Party. An executed copy of this Agreement and any amendments shall be filed by the County Clerk with the Secretary of State. If Public Body is a Court, a signature from the Chief Judge of the Court shall evidence approval by the Public Body, providing a resolution and minutes does not apply.
- 4.2. Notwithstanding Section 4.1, the Chairperson of the Oakland County Board of Commissioners is authorized to sign amendments to the Agreements to add Exhibits that were previously approved by the Board of Commissioners but are requested by Public Body after the execution of the Agreement. An amendment signed by the Board Chairperson under this Section must be sent to the Election Division in the County Clerk's Office to be filed with the Agreement once it is signed by both Parties.
- 4.3. Unless extended by an Amendment, this Agreement shall remain in effect for five (5) years from the date the Agreement is completely executed by all Parties or until cancelled or terminated by any of the Parties pursuant to the terms of the Agreement.

PAYMENTS.

 I.T. Services shall be provided to Public Body at the rates specified in the Exhibits, if applicable.

Page 6 of 11

I.T. SERVICES - INTERLOCAL AGREEMENT

MR 15-213

- 5.2. Possible Additional Services and Costs. If County is legally obligated for any reason, e.g. subpoena, Court Order, or Freedom of Information Request, to search for, identify, produce or testify regarding Public Body's data or information that is electronically stored by County relating to I.T. Services the Public Body receives under this Agreement, then Public Body shall reimburse County for all reasonable costs the County incurs in searching for, identifying, producing or testifying regarding such data or information. County may waive this requirement in its sole discretion.
- 5.3. County shall provide Public Body with a detailed invoice/explanation of County's costs for I.T. Services provided herein and/or a statement describing any amounts owed to County. Public Body shall pay the full amount shown on any such invoice within sixty (60) calendar days after the date shown on any such invoice. Payment shall be sent along with a copy of the invoice to: Oakland County Treasurers Cash Acctg, Bldg 12 E, 1200 N. Telegraph Road, Pontiac, MI 48341.
- 5.4. If Public Body, for any reason, fails to pay County any monies when and as due under this Agreement, Public Body agrees that unless expressly prohibited by law, County or the Oakland County Treasurer, at their sole option, shall be entitled to set off from any other Public Body funds that are in County's possession for any reason, including but not limited to, the Oakland County Delinquent Tax Revolving Fund ("DTRF"), if applicable. Any setoff or retention of funds by County shall be deemed a voluntary assignment of the amount by Public Body to County. Public Body waives any Claims against County or its Officials for any acts related specifically to County's offsetting or retaining of such amounts. This paragraph shall not limit Public Body's legal right to dispute whether the underlying amount retained by County was actually due and owing under this Agreement.
- 5.5. If County chooses not to exercise its right to setoff or if any setoff is insufficient to fully pay County any amounts due and owing County under this Agreement, County shall have the right to charge up to the then-maximum legal interest on any unpaid amount. Interest charges shall be in addition to any other amounts due to County under this Agreement. Interest charges shall be calculated using the daily unpaid balance method and accumulate until all outstanding amounts and accumulated interest are fully paid.
- 5.6. Nothing in this Section shall operate to limit County's right to pursue or exercise any other legal rights or remedies under this Agreement or at law against Public Body to secure payment of amounts due County under this Agreement. The remedies in this Section shall be available to County on an ongoing and successive basis if Public Body at any time becomes delinquent in its payment. Notwithstanding any other term and condition in this Agreement, if County pursues any legal action in any court to secure its payment under this Agreement, Public Body agrees to pay all costs and expenses, including attorney fees and court costs, incurred by County in the collection of any amount owed by Public Body.

6. ASSURANCES.

- 6.1. Each Party shall be responsible for any Claims made against that Party by a third party, and for the acts of its employees arising under or related to this Agreement.
- 6.2. Except as provided for in Section 5.6, in any Claim that may arise from the performance of this Agreement, each Party shall seek its own legal representation and bear the costs associated with such representation, including judgments and attorney fees.
- 6.3. Except as otherwise provided for in this Agreement, neither Party shall have any right under this Agreement or under any other legal principle to be indemnified or reimbursed by the other Party or any of its agents in connection with any Claim.

Page 7 of 11

- 6.4. Public Body shall be solely responsible for all costs, fines and fees associated with any misuse by its Public Body Employees of the I.T. Services provided herein.
- 6.5. This Agreement does not, and is not intended to, impair, divest, delegate or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity for either Party.
- 6.6. The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.
- 6.7. Each Party shall comply with all federal, state, and local ordinances, regulations, administrative rules, and requirements applicable to its activities performed under this Agreement.

7. DISCLAIMER OR WARRANTIES.

- 7.1. The I.T. Services are provided on an "as is" and "as available" basis. County expressly disclaims all warranties of any kind, whether express or implied, including, but not limited to, the implied warranties of merchantability, fitness for a particular purpose and non-infringement.
- 7.2. County makes no warranty that (i) the I.T. Services will meet Public Body's requirements; (ii) the I.T. Services will be uninterrupted, timely, secure or error-free; nor (iii) the results that may be obtained by the I.T. Services will be accurate or reliable.
- 7.3. Any material or data downloaded or otherwise obtained through the use of the I.T. Services is accessed at Public Body's discretion and risk. Public Body will be solely responsible for any damage to its computer system or loss of data that results from downloading of any material.
- 8. <u>LIMITATION OF LIABILITY</u>. In no event shall either Party be liable to the other Party or any other person, for any consequential, incidental, direct, indirect, special, and punitive or other damages arising out of this Agreement.
- 9. DISPUTE RESOLUTION. All disputes relating to the execution, interpretation, performance, or nonperformance of this Agreement involving or affecting the Parties may first be submitted to County's Director of Information Technology and Public Body's Agreement Administrator for possible resolution. County's Director of Information Technology and Public Body's Agreement Administrator may promptly meet and confer in an effort to resolve such dispute. If they cannot resolve the dispute in five (5) business days, the dispute may be submitted to the signatories of this Agreement or their successors in office. The signatories of this Agreement may meet promptly and confer in an effort to resolve such dispute.

10. TERMINATION OR CANCELLATION OF AGREEMENT.

- 10.1. Either Party may terminate or cancel this entire Agreement or any one of the I.T. Services described in the attached Exhibits, upon one hundred twenty (120) days written notice, if either Party decided, in its sole discretion, to terminate this Agreement or one of the Exhibits, for any reason including convenience.
- 10.2. Early termination fees may apply to Public Body if provided for in the Exhibits.
- 10.3. The effective date of termination and/or cancellation shall be clearly stated in the written notice. Either the County Executive or the Board of Commissioners is authorized to

Page 8 of 11

- terminate this Agreement for County under this provision. A termination of one or more of the Exhibits which does not constitute a termination of the entire Agreement may be accepted on behalf of County by its Director of Information Technology.
- 11. SUSPENSION OF SERVICES. County, through its Director of Information Technology, may immediately suspend I.T. Services for any of the following reasons: (i) requests by law enforcement or other governmental agencies; (ii) engagement by Public Body in fraudulent or illegal activities relating to the I.T. Services provided herein; (iii) breach of the terms and conditions of this Agreement; or (iv) unexpected technical or security issues. The right to suspend I.T. Services is in addition to the right to terminate or cancel this Agreement according to the provisions in Section 10. County shall not incur any penalty, expense or liability if I.T. Services are suspended under this Section.
- 12. **DELEGATION OR ASSIGNMENT**. Neither Party shall delegate or assign any obligations or rights under this Agreement without the prior written consent of the other Party.
- NO EMPLOYEE-EMPLOYER RELATIONSHIP. Nothing in this Agreement shall be construed as creating an employee-employer relationship between County and Public Body.
- 14. NO THIRD PARTY BENEFICIARIES. Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right in favor of any other person or entity.
- 15. NO IMPLIED WAIVER. Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.
- 16. SEVERABILITY. If a court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then the term or condition shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
- 17. PRECEDENCE OF DOCUMENTS. In the event of a conflict between the terms of and conditions of any of the documents that comprise this Agreement, the terms in the Agreement shall prevail and take precedence over any allegedly conflicting terms in the Exhibits or other documents that comprise this Agreement.
- 18. <u>CAPTIONS</u>. The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural, any reference to gender, and any use of the nominative, objective or possessive case in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
- 19. FORCE MAJEURE. Notwithstanding any other term or provision of this Agreement, neither Party shall be liable to the other for any failure of performance hereunder if such failure is due to any cause beyond the reasonable control of that Party and that Party cannot reasonably accommodate or mitigate the effects of any such cause. Such cause shall include, without limitation, acts of God, fire, explosion, vandalism, national emergencies, insurrections, riots, wars,

Page 9 of 11

- strikes, lockouts, work stoppages, other labor difficulties, or any law, order, regulation, direction, action, or request of the United States government or of any other government. Reasonable notice shall be given to the affected Party of any such event.
- 20. NOTICES. Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (i) the date of actual receipt; (ii) the next business day when notice is sent express delivery service or personal delivery; or (iii) three days after mailing first class or certified U.S. mail.
 - 20.1. If Notice is sent to County, it shall be addressed and sent to: Director, Oakland County Department of Information Technology, 1200 North Telegraph Road, Pontiac, Michigan, 48341, and the Chairperson of the Oakland County Board of Commissioners, 1200 North Telegraph Road, Pontiac, Michigan 48341.
 - If Notice is sent to Public Body, it shall be addressed to: Shannon Price, Township of Plymouth, 9955 N Haggerty Rd Plymouth, MI 48170.
 - 20.3. Either Party may change the individual to whom Notice is sent and/or the mailing address by notifying the other Party in writing of the change.
- 21. GOVERNING LAW/CONSENT TO JURISDICTION AND VENUE. This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Agreement shall be brought in the 6th Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above.

22. ENTIRE AGREEMENT.

- 22.1. This Agreement represents the entire agreement and understanding between the Parties regarding the specific services described in the attached Exhibits. With regard to those services, this Agreement supersedes all other oral or written agreements between the Parties.
- 22.2. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Page 10 of 11

IN WITNESS WHEREOF, Shannon Price hereby acknowledges that he/she has been authorized by a resolution of the Township of Plymouth, a certified copy of which is attached, or by approval of the Chief Judge if the Public Body is a Court, to execute this Agreement on behalf of Public Body and hereby accepts and binds Public Body to the terms and conditions of this Agreement.

EXECUTED:	DATE:
Shannon Price,	
Township Supervisor	
WITNESSED:	DATE:
IN WITNESS WHEREOF, Michael J. Gingell, Chairperson, Commissioners, hereby acknowledges that he has been author County Board of Commissioners to execute this Agreement of accepts and binds Oakland County to the terms and conditions	rized by a resolution of the Oakland n behalf of Oakland County, and hereby
EXECUTED:	DATE:
Michael J. Gingell, Chairperson	
Oakland County Board of Commissioners	
WITNESSED:	DATE:
Oakland County Board of Commissioners	
County of Oakland	

Page 11 of 11

EXHIBIT IV I.T. SERVICES AGREEMENT Internet Service

INTRODUCTION

- County shall provide an I.T. Service enabling Public Body to access Internet service
 from its facilities and workstations via County's Internet Service Provider (ISP).
 County has sole control over the selection and retention of the ISP.
- 2. County may, in its sole discretion, block any device or network traffic from or to Public Body that has the potential to interfere with the County's ability to provide access to internet service, any other I.T. Services or County services of any type. County will advise Public Body Points of Contact of changes to ISPs, decisions to block any device or network traffic or other changes that could impact Public Body's daily operations.
- County shall only provide outbound access to the Internet, and shall not be obligated to
 provide any access for Internet devices to Public Body devices or services directly.
 County shall not provide an Internet routable address to the Public Bodyfor incoming
 Internet traffic.
- 4. Public Body shall abide by the Acceptable Use Policy (AUP) of the County's Internet Service Provider (ISP) or ISP's and all changes made to the AUP(s) by the ISP(s) used during the term of the Agreement. County will provide the URL to the applicable AUP. Public Body, through its points of contact will review the AUP and oversee compliance with the policy among Public Body employees and agents.
- Public Body shall designate two representatives to act as a primary and secondary Points of Contact with County and shall fulfill the responsibilities provided in Section 3.7 of the Contract.

SUPPORT

The I.T. Service will be supported by County's Information Technology (I.T.) Department.

SERVICE ACCESS

Service Center. I.T. Service incidents requiring assistance must be reported to the Service Center, by the Points of Contact, to the phone number or e-mail provided below. The Service Center is staffed to provide support during County's normal business hours of 8:30 a.m. EST to 5:00 p.m. EST, Monday through Friday, excluding holidays. The Service Center can receive calls to report I.T. Service outages 24 hours a day, 7 days a week. Outages are defined as unexpected service downtime or error messages. Depending on severity, outage reports received outside of County's normal business hours may not be responded to until the resumption of County's normal business hours.

Page 1 of 2

I.T. SERVICES - INTERLOCAL AGREEMENT

NOR# 12-133

INTERNET SERVICE EXHIBIT IV

Service Center Information

Service Center Phone Number	248-858-8812	
Service Center Email Address	servicecenter@oakgov.com	

SERVICE AND SUPPORT COSTS

County will provide access to Internet Service via its Internet Service provider without fee or cost. If County determines that, in order to maintain access to Internet Service for Public Body, it must charge a fee, County will promptly notify Public Body.

LICENSED USE AND ACCESS

County grants to Public Body a nonexclusive license to use the County developed software applications, if any, needed to receive this I.T. Service. This license cannot be provided to any other party without County's consent in writing.

Page 2 of 2

I.T. SERVICES - INTERLOCAL AGREEMENT

MR# 12-15)

EXHIBIT V I.T. SERVICES AGREEMENT OakNet Connectivity

INTRODUCTION

COUNTY RESPONSIBILITIES

- County shall provide, install, and maintain the network equipment and cable necessary to
 deliver the I.T. Service of OakNet Connectivity, which will allow Public Body to connect to
 the County's network (Oaknet) at Public Body's facilities and workstations. Oaknet
 Connectivity permits Public Body to access I.T. Services that County has made available to
 Public Body.
- County shall provide Public Body with a private IP address range, subnet mask, and gateway address for use by Public Body in configuring its internal network and to enable use of this I.T. Service.
- County shall provide a single port by which Public Body may connect its internal network to OakNet
- 4. County shall use reasonable means to provide the I.T. Service for the transmission of information 24 hours a day, 7 days a week.
- County and authorized Vendors shall present identification to Public Body for physical access to the OakNet Connectivity equipment for emergencey service and scheduled maintenance.
- 6. To the extent practicable, County shall notify Public Body sixty (60) days in advance of pending changes in its contract with its third party conection provider(s). If the County's connection provider(s) is increasing costs, County shall provide Public Body with sufficient information to determine if it wishes to continue receiving this I.T. Service.

PUBLIC BODY RESPONSIBILITIES.

- Public Body shall provide adequate space and electrical power for the County to place equipment, an equipment cabinet, and cable.
- 2. Public Body shall promptly provide County staff and authorized third party with physical access to County equipment for emergencey service and scheduled maintenance.
- 3. Public Body shall not mount any equipment in the County's equipment cabinet.
- Public Body shall be responsible for configuring and maintaining Public Body's internal network equipment and cabling. Internal network equipment shall include cables connecting Public Body and County equipment.

Page 1 of 3

I.T. SERVICES - INTERLOCAL AGREEMENT

MRJ 12-151

- Public Body shall configure Public Body workstations and other equipment to operate properly on the internal network, including assignment/configuration of the local IP addresses, Network Address Translation (NAT), or Domain Name Services (DNS) and as required to access this I.T. Service.
- If Public Body terminates this I.T. Service, Public Body shall pay any charges related to early termination of third party communication services provided by County on behalf of Public Body.
- 7. Public Body shall be responsible for all costs associated with the relocation, reconfiguration or removal of County equipment and cable, when any of these changes are initiated by or at the request of Public Body, for any reason, including but not limited to relocation of municipal offices, construction, renovation, and discontinuance of services
- 8. Public Body shall not attempt to access, configure, power cycle or connect to any County equipment unless specifically directed to do so by authorized County Department of Information Technology personnel or third party authorized by County.
- Public Body shall designate two representatives to act as a primary and secondary Ponts of Contact with County and shall fulfill the responsibilities provided in Section 3.7 of the Contract.

SUPPORT

The I.T. Service will be supported by County's Information Technology (I.T.) Department.

SERVICE ACCESS

Service Center. I.T. Service incidents requiring assistance must be reported to the Service Center, by the Points of Contact, to the phone number or e-mail provided below. The Service Center is staffed to provide support during County's normal business hours of 8:30 a.m. EST to 5:00 p.m. EST, Monday through Friday, excluding holidays. The Service Center can receive calls to report I.T. Service outages 24 hours a day, 7 days a week. Outages are defined as unexpected service downtime or error messages. Depending on severity, outage reports received outside of County's normal business hours may not be responded to until the resumption of County's normal business hours.

Service Center Information

Service Center Phone Number	248-858-8812
Service Center Email Address	servicecenter@oakgov.com

Page 2 of 3

I.T. SERVICES - INTERLOCAL AGREEMENT

MR# 12-153

SERVICE SUPPORT COSTS

County will invoice Public Body monthly for the cost of the communication lines. These charges will be based upon the rates set by the County's connection provider. County may choose to waive any fees for qualified law enforcement departments and for Public Bodies located within Oakland County.

LICENSED USE AND ACCESS

County grants to Public Body a nonexclusive license to use the County developed software applications, if any, needed to receive this I.T. Service. This license cannot be provided to any other party without County's consent in writing.

Page 3 of 3

I.T. SERVICES - INTERLOCAL AGREEMENT

MR# 12-153

EXHIBIT VI I.T. SERVICES AGREEMENT E-mail Service

INTRODUCTION

COUNTY RESPONSIBILITIES

- County shall provide an I.T. Service to enable Public Body to use email through the County's Internet Service Provider
- County shall provide Public Body with documentation for the configuration of email client(s) used by County.
- 3. County backs up the email on a regular basis for the sole purpose of system recovery in the event of hardware failure. The backups contain the emails existing in the system at the time of the backup and may not contain all emails sent or received. The backups are only retained for a short period of time.
- 4. County shall not provide:
 - 4.1. On-site assistance to configure Public Body's workstation(s) or Email client(s).
 - 4.2. Continuous archiving of email transmitted.

MUNICIPAL RESPONSIBILITIES

- Public Body shall have its Points of Contact act as an Email Administrator who shall be responsible for the creation, deletion, modification, maintenance, and forgotten password support of all email accounts for Public Body.
- 2. Public Body shall ensure that the I.T. Service provide herein will not be used for any of the following prohibited acts:
 - 2.1. Uploading, transmitting, or otherwise making content available that is unlawful, harmful, threatening, abusive, tortuous, defamatory, obscene, libelous, invasive of another privacy, hateful, or racially, ethnically, or otherwise objectionable.
 - 2.2. Harming minors in any way.
 - 2.3. Manipulating identities in order to disguise the origin of any content.
 - Displaying content that infringes any patent, trademark, copyright, trade secret or other proprietary rights.
 - 2.5. Making available any unsolicited or unauthorized materials such as "junk mail", "spam", "chain letters", or other forms of solicitation except those that are designated for legitimate business purposes of Public Body;
 - 2.6. Transmitting software viruses, computer code, or programs ("malware") designed to destroy or limit County's or other entities computer system(s); or acquiring any information to which the transmitting party is not entitled.

Page 1 of 2

I.T. SERVICES - INTERLOCAL AGREEMENT

MRJ 12-153

E-MAIL SERVICE EXHIBIT VI

- Violating any applicable International, Federal, State, or local laws except for transmissions used in connection with any legitimate governmental law enforcement purpose.
- Public Body shall be responsible for the costs of restoring, retrieving, or examining email
 undertaken by County at the request of Public Body. The cost shall be invoiced at the then
 current hourly rate, including benefits, paid by County to the person(s) capable of restoring,
 retrieving, or examining email mailbox contents.

SUPPORT

The I.T. Service will be supported by County's Information Technology (I.T.) Department.

Service Center. I.T. Service incidents requiring assistance must be reported to the Service Center, by the Points of Contact, to the phone number or e-mail provided below. The Service Center is staffed to provide support during County's normal business hours of 8:30 a.m. EST to 5:00 p.m. EST, Monday through Friday, excluding holidays. The Service Center can receive calls to report I.T. Service outages 24 hours a day, 7 days a week. Outages are defined as unexpected service downtime or error messages. Depending on severity, outage reports received outside of County's normal business hours may not be responded to until the resumption of County's normal business hours.

Service Center Information

Service Center Phone Number	248-858-8812
Service Center Email Address	servicecenter@oakgov.com

SERVICE SUPPORT COSTS

County will provide this I. T. Service to Public Body without a fee or cost.

LICENSED USE AND ACCESS

County grants to Public Body a nonexclusive license to use the County developed software applications, if any, needed to receive this I.T. Service. This license cannot be provided to any other party without County's consent in writing.

Page 2 of 2

I.T. SERVICES - INTERLOCAL AGREEMENT

MIN 12-153

EXHIBIT X I.T. SERVICES AGREEMENT CLEMIS

INTRODUCTION.

The Courts and Law Enforcement Management Information System (known as "CLEMIS") is a multifaceted, regional public safety information management system, operated and maintained by the Oakland County Department of Information Technology, CLEMIS Division. CLEMIS is comprised of many software applications.

CLEMIS was created in 1968 to address the inability of criminal justice/public safety agencies to electronically share data in a timely manner. The purpose of CLEMIS is to provide innovative technology and related services to criminal justice/public safety agencies to enable them to share data and to improve the delivery of criminal justice/public safety services. Public Bodies that use CLEMIS have realized lower costs and improved efficiency in providing criminal justice/public safety services. These benefits allow first responders additional time to serve and protect citizens.

The Parties agree to the following terms and conditions:

- <u>DEFINITIONS</u>. The following words and expressions used throughout this Exhibit, whether
 used in the singular or plural, shall be defined and interpreted as follows.
 - 1.1. <u>CLEMIS</u> is the Court and Law Enforcement Management Information System, an information management system, comprised of CLEMIS Applications operated and maintained by the CLEMIS Division with recommendations and counsel from the CLEMIS Advisory Committee.
 - 1.2. CLEMIS Advisory Committee (formerly known as the CLEMIS Advisory or Policy Board) is an advisory committee that leads the CLEMIS Consortium and that provides recommendations and counsel to the CLEMIS Division regarding the operation and maintenance of CLEMIS.
 - 1.3. <u>CLEMIS Applications</u> are the specific software applications that comprise CLEMIS. These software applications are listed and described on the CLEMIS Website and are included in the definition of I.T. Services under this Agreement.
 - 1.4. <u>CLEMIS Consortium</u> is a non-legal entity comprised of all CLEMIS Members. Its purpose is to empower criminal justice/public safety agencies to maximize the use of collected data, to enhance daily operations and engage in comprehensive planning. The Consortium is led by the CLEMIS Advisory Committee.
 - 1.5. <u>CLEMIS Division</u> is the division in the Oakland County Department of Information Technology responsible for the operation and maintenance of CLEMIS.
 - 1.6. <u>CLEMIS Fee</u> is the sum of costs for use of CLEMIS, CLEMIS Applications, and services provided by the CLEMIS Division. These costs are listed and itemized on the CLEMIS Website.
 - 1.7. <u>CLEMIS Member</u> means the Public Body that executes this Exhibit and compiles with this Agreement.

Page 1 of 9 EXHIBIT X

I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- 1.8. <u>CLEMIS Website</u> is the portion of the County's website dedicated to CLEMIS located at www.oakgov.com/clemis or www.clemis.org.
- 1.9. Criminal Justice Information Services ("CJIS") Security Policy is the effective security policy approved by the CJIS Advisory Policy Board setting forth security requirements, guidelines, and agreements for protecting transmission, access, storage, use, generation of, and sources of Criminal Justice Information ("CJI") as defined in the CJIS Security Policy.
- 1.10. <u>Fire Records Management System ("FRMS")</u> is a CLEMIS Application that provides an integrated technology system to participating fire departments, which is further described on the CLEMIS Website.

2. CLEMIS DIVISION RESPONSIBILITIES.

- 2.1. Provision of CLEMIS Applications. County shall provide Public Body with access to CLEMIS and the specific CLEMIS Applications and services marked on Addendum A, which may be changed from time to time. Addendum A is fully incorporated into this Agreement. Notwithstanding any provision in this Agreement, Addendum A and any changes thereto shall be signed by the CLEMIS Division Manager on behalf of County and the Chief of Police on behalf of the Township of Plymouth. The operational descriptions of the CLEMIS Applications and services are set forth on the CLEMIS Website.
- 2.2. Compliance with Laws, Rules, Regulations, and Policies. County shall comply with all applicable laws, rules, and regulations and the CJIS Security Policy in the delivery, operation, and maintenance of CLEMIS Applications and in the transmission, access, storage, and use of data through or in CLEMIS Applications.
- No Verification of Data. County does not verify or review data entered into and stored in CLEMIS for accuracy.

3. PUBLIC BODY RESPONSIBILITIES.

- 3.1. Execution of Exhibit V. Unless approved in writing by the CLEMIS Division, Public Body must execute Exhibit V to this Agreement (OakNet Connectivity) to provide connectivity for the use and operation of CLEMIS Applications. If Public Body receives approval from the CLEMIS Division not to use OakNet, such approval will be marked on Addendum A.
- 3.2. Execution of Management Control Agreement. Public Body shall execute a Management Control Agreement with County as required by and consistent with the CJIS Security Policy, which may be amended from time to time. The Management Control Agreement shall be executed by the persons authorized to sign Addendum A.
- 3.3. Compliance with Laws, Rules, Regulations, and Policies. Public Body and Public Body Employees shall comply with the CJIS Security Policy and all applicable laws, rules, and regulations when using CLEMIS and when generating, entering, and using data that is stored in CLEMIS.
- 3.4. Access to CLEMIS. Only Public Body Employees authorized by Public Body may access and use CLEMIS. Public Body shall keep a list of Public Body Employees authorized to access and use CLEMIS. Public Body shall review this list at least quarterly

Page 2 of 9 EXHIBIT X

I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- to ensure its accuracy. Upon written request of County, Public Body shall provide this list to County. Public Body shall not allow any individuals, who are not on this list, to access and use CLEMIS.
- 3.5. <u>Security/Background Checks.</u> Public Body shall provide for and pay for security/background checks for all Public Body Employees who access and use CLEMIS, as required by the CJIS Security Policy and any other applicable law, rule, and regulation.
- 3.6. <u>Data Entry.</u> Public Body is solely responsible for entering all data that is required by any CLEMIS Applications into CLEMIS.
- 3.7. <u>Data Ownership.</u> All data entered into CLEMIS by Public Body shall be and shall remain the data of Public Body.
- 3.8. <u>Data Accuracy.</u> Public Body is solely responsible for ensuring that all data entered into and stored in CLEMIS is accurate and complete. Accurate and complete means that the data does not contain erroneous information. Public Body shall <u>immediately</u> correct erroneous information upon discovery of error. To ensure accurate and complete data, Public Body shall conduct regular and systemic audits to minimize the possibility of generating, transmitting, and storing erroneous information.
- 3.9. <u>Data Update/Expungment/Redaction.</u> Public Body is solely responsible for updating, expunging, correcting, record locking, or redacting Public Body's data entered into or stored in CLEMIS, as required by law, rule, regulation, court order, or the CJIS Security Policy.
- 3.10. Access to Public Body Facilities. Public Body shall allow County employees access to Public Body facilities for maintenance of CLEMIS and to audit Public Body's use of CLEMIS.
- 3.11. Provision of Hardware/Equipment, The hardware/equipment needed to access and use CLEMIS shall be purchased, maintained, repaired and replaced by Public Body, unless otherwise agreed, in writing, by the Parties. The hardware/equipment shall meet the specifications and requirements set forth by the CLEMIS Division.
- 3.12. Changes or Alternations to Public Body Facilities. If Public Body is required to or decides to make changes or alternations to its facilities/buildings for any reason, then Public Body is responsible for all costs and expenses associated with moving or relocating hardware/equipment used to access CLEMIS or with moving or relocating the medium/connectivity, e.g., fiber, wireless connections, ISDN Lines, T1 Lines, etc., used to access CLEMIS.
- 3.13. <u>E-Mail Address.</u> Public Body shall create and monitor a generic CLEMIS email address. The CLEMIS Division will provide Public Body instructions on how to create this email address. This email address will be the main point of contact for scheduled maintenance, outages, alerts, etc.
- 3.14. <u>Cooperation.</u> Public Body shall fully cooperate with County concerning the performance of this Agreement.
- 4. PROVISION OF PUBLIC BODY DATA TO PUBLIC BODY OR THIRD PARTIES.

Page 3 of 9
EXHIBIT X
I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- 4.1. Request by Public Body for Public Body Data. Public Body may request in writing that County provide a copy of portions of Public Body's data to Public Body. County will provide such data in a format and time period determined by County, but will use its best efforts to provide the data in the format and time period requested by Public Body.
- 4.2. Freedom of Information Act Request/Court Orders to County for Public Body Data. County is required and will respond, pursuant to applicable law and/or court order, to Freedom of Information Act ("FOIA") requests and court orders addressed to it and received by it for Public Body data possessed by County. Before responding to a FOIA request or a court order concerning Public Body's data possessed by County, County will use its best efforts to inform Public Body of the request or order and give them an opportunity to provide County with information that could impact County's response to the FOIA request or court order.

4.3. Continuous Access to Public Body Data by Third Parties.

- 4.3.1. In Addendum A, Public Body may request that County provide continuous access to Public Body's data to a third party. Addendum A shall identify the third party and shall set forth any specific instructions regarding the provision of such data to the third party. The County shall determine the manner in which to provide access to Public Body's data.
- 4.3.2. County shall provide and shall continue to provide access to Public Body's data to the third party identified in Addendum A, until Public Body provides written notice to the CLEMIS Manager to stop or change such access. The written notice shall contain the date on which access to Public Body's data shall stop. Upon receipt of this notice, County shall promptly stop the third party's access to Public Body's data and shall use its best efforts to stop third party access to Public Body's data on the date requested by Public Body.
- 4.3.3. In order to effectuate the third party's continuous access to Public Body's data, County will require the third party to execute an agreement with County to govern delivery and/or access to Public Body's data. The CLEMIS Manager is authorized to sign this agreement on behalf of County.
- 4.4. Providing Public Body Data to Third Parties. County will not provide data to a third party, unless County is the recipient of a Freedom of Information Act request or court order or is directed in Addendum A to provide data to a third party. Notwithstanding any other provision, County shall provide Public Body's data to related Mugshots, Livescan, Michigan Incident Crime Reporting, and Crash/UD-10 traffic crash reports to the Michigan State Police.
- 4.5. Costs for Providing Public Body Data. If County incurs any costs in providing Public Body's data to a third party or to Public Body, then Public Body shall be responsible for those costs and shall reimburse County for those costs. The CLEMIS Division shall invoice Public Body for such costs. Public Body shall pay the invoice at the location and within the time period stated in the Agreement. The CLEMIS Division may waive these costs in its sole discretion.

Page 4 of 9
EXHIBIT X
I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- 4.6. Protected Health Information. If the data, to be provided to a third party, is Protected Health Information" or "PHI" (defined in 45 CFR 160.103) under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and under the changes to HIPAA made by the Health Information Technology for Economic and Clinical Health Act ("HITECH Amendment"), then County and Public Body shall execute a Business Associate Agreement.
- 4.7. County not Responsible for Third Party Use of Data. Public Body acknowledges and agrees that if it requests County to provide access to Public Body's data to a third party, County shall not be responsible for any actions of the third party and the third party's use of Public Body's data.

5. FINANCIAL RESPONSIBILITIES—CLEMIS FEE

- 5.1. Payment of CLEMIS Fee. Public Body shall pay the CLEMIS Fee to County for the CLEMIS Applications and services, which are marked on Addendum A. The amount of the CLEMIS fee and the costs that comprise the CLEMIS Fee are listed and itemized on the CLEMIS Website. The CLEMIS Division shall invoice Public Body on a quarterly basis for the CLEMIS Fee, unless otherwise specified. Public Body shall pay the invoice at the location and within the time period stated in the Agreement.
- 5.2. Establishment of CLEMIS Fee. The CLEMIS Division upon the recommendation and counsel of the CLEMIS Advisory Committee shall establish the CLEMIS Fee. The CLEMIS Fee shall be posted on the CLEMIS website and may be obtained from the CLEMIS Division.
- 5.3. Review of CLEMIS Fee. The CLEMIS Division and the CLEMIS Advisory Committee shall annually review the CLEMIS FEE.
- 5.4. CLEMIS and FRMS Funds. County has established and shall continue to have separate enterprise funds within the County budget for revenues, expenses, and operations of CLEMIS (hereinafter "CLEMIS Fund and FRMS Fund").
- 5.5. Deposit of CLEMIS Fee. All monies paid by Public Body to County pursuant to this Exhibit shall be deposited into the CLEMIS Fund or FRMS Fund, as applicable. Only revenues and expenses stemming from CLEMIS operations and maintenance are recorded in the CLEMIS Fund and FRMS Fund; no other County revenues and expenses are recorded in these Funds. Any equity in the CLEMIS Fund and FRMS Fund at the end of the County's fiscal year shall be rolled into the CLEMIS Fund and FRMS Fund for the next fiscal year. Surplus/equity in the CLEMIS Fund and FRMS Fund can only be used for CLEMIS operations and maintenance and not for the general operations of County or Public Body. Any County general fund contributions (transfers) to the CLEMIS Fund and FRMS Fund are strictly based on availability and official appropriation by County and cannot be deemed permanent on-going contributions.
- 5.6. Financial Statement for CLEMIS and FRMS Funds. The County Fiscal Services
 Division shall prepare financial statements for the CLEMIS Fund and FRMS Fund on a
 quarterly basis. These financial statements will be posted on the CLEMIS Website on a
 quarterly and year-end basis. The County Director of Management and Budget or his/her

Page 5 of 9
EXHIBIT X
I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- designee shall report the condition of the CLEMIS Fund and FRMS Fund to the CLEMIS Advisory Committee, on a quarterly basis.
- 5.7. Refund of CLEMIS Fee for Operational Problems. Subject to Section 18 (Force Majeure) of the Agreement, if any CLEMIS Applications are not operational for more than fourteen (14) consecutive calendar days, County shall refund the CLEMIS Fee, already paid by Public Body, for the days that the CLEMIS Applications were not operational.
- 6. COUNTY/PUBLIC BODY RESPONSIBILITIES FOR CLEMIS CITATION PAYMENT APPLICATION AND CLEMIS CRASH PURCHASE APPLICATION. If a Public Body uses the CLEMIS Citation Payment Application (hereinafter "Payment Application) and/or the CLEMIS Crash Purchase Application (hereinafter "Purchase Application"), then the following terms and conditions apply:
 - 6.1. Placement of URL. Public Body shall be responsible for placing the Payment Application and the Purchase Application URLs on its website; the URLs shall be provided by County. Public Body shall include this URL in printed or electronic communications to the general public regarding the Payment Application and the Purchase Application.
 - 6.2. Questions Regarding Payment of Tickets/Citations/Parking Tickets and Purchase of Crash/Accident Reports. County shall refer all questions that County receives to Public Body regarding the payment of citations/tickets/parking tickets and the purchase of crash/accident reports and regarding the amount of monies owed to Public Body.
 - 6.3. Security of Data. County shall secure and protect data received through the Payment Application and Purchase Application (including credit card information) according to law, County's contractual obligations, and reasonable business standards and practices.
 - 6.4. No Interference with Contract. Third-party service providers such as PayPal Inc. and Elavon, Inc. are required for the operation of the Payment Application and Purchase Application. Neither Public Body nor Public Body Employees shall act or fail to act, either directly or indirectly, in a manner to cause any purported breach in any term or condition in any agreement between County and such third party.
 - 6.5. Enhanced Access Fee. Persons or entities paying citations/tickets/parking tickets through the Payment Application or purchasing crash/accident reports through the Purchase Application shall be charged an Enhanced Access Fee, in addition to the monies owed to Public Body.
 - 6.6. Payment Transaction for Payment Application. When using the Payment Application, a person or entity paying a citation/ticket/parking ticket will authorize two transactions, at the time of payment: (1) one transaction for payment of monies owed to Public Body/Court and (2) one transaction for payment of the Enhanced Access Fee. The funds for the payment to Public Body/Court will be directed to the depository account designated and/or owned by Public Body/Court. The funds for the Enhanced Access Fee will be directed to a depository account designated and owned by County.
 - 6.7. Amount of Enhanced Access Fee for Payment Application. The Enhanced Access Fee charged to persons/entities paying citations/tickets/parking tickets through the Payment Application shall be in an amount established by the Oakland County Board of

Page 6 of 9 EXHIBIT X

I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

Commissioners, Miscellaneous Resolution # 07121 and as subsequently amended by the Oakland County Board of Commissioners. Public Body shall receive one dollar (\$1.00) of the Enhanced Access Fee collected for each citation/ticket paid through the Payment Application. Given the small amount of the Enhanced Access Fee for parking tickets, Public Body shall receive no portion of the Enhanced Access Fee collected for parking tickets paid through the Payment Application.

- 6.8. Amount of Enhanced Access Fee for Purchase Application. The Enhanced Access Fee charged to persons/entities purchasing crash/accident reports through the Purchase Application shall be in an amount established by the Oakland County Board of Commissioners, Miscellaneous Resolution # 09182 and as subsequently amended by the Oakland County Board of Commissioners. Public Body shall receive one dollar (\$1.00) of the Enhanced Access Fee collected for the purchase of each crash/accident report through the Payment Application.
- 6.9. Amount of Fee for Crash/Accident Report. Public Body shall set the fee for the purchase of the crash/accident report through the Purchase Application. The amount of this fee shall be listed in Addendum A.
- 6.10. Distribution of Enhanced Access Fees and Fees for Crash/Accident Reports. Public Body's portion of the Enhanced Access Fees, set forth in this Exhibit, and the fee for the crash/accident reports, set forth in Addendum A, shall be disbursed to Public Body pursuant to its written instructions. Public Body shall provide the written instructions, required by this section to CLEMIS Division.
- 6.11. Obligations and Responsibilities if Public Body is a Court.
 - 6.11.1. Access to Website. If Public Body is a Court, then County shall provide access to a password protected website where Public Body/Court can issue credits or refunds and view daily, weekly, and monthly transactions processed through the Payment Application.
 - 6.11.2. Contract for Credit Card Processing. If Public Body is a Court, then County shall establish, maintain, and pay for a separate contract for credit card processing services with the entities currently providing credit card processing services for County, i.e., PayPal Inc. and Elavon, Inc.
 - 6.11.3. Separate Depository Bank Account. If Public Body is a Court, then it shall maintain a corresponding depository bank account, with a depository financial institution acceptable to County, for the receipt of monies owed to Public Body/Court. Public Body/Court shall provide County with all necessary bank account numbers and routing number to give effect to this requirement.

7. CLEMIS ADVISORY COMMITTEE.

7.1. Establishment and Purpose of CLEMIS Advisory Committee. The CLEMIS Advisory Committee was established to obtain advice and guidance from CLEMIS Members concerning policy, technical, and operational questions for CLEMIS Applications. The purpose behind the CLEMIS Advisory Committee is to allow CLEMIS Members to provide input regarding the operation and management of CLEMIS. The CLEMIS Advisory Committee leads the CLEMIS Consortium and provides recommendations and

Page 7 of 9 EXHIBIT X

I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
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- counsel to the CLEMIS Division regarding the operation, maintenance, and budget for CLEMIS (including suggested security policies, development/operation/modifications to CLEMIS Applications, and actions regarding misuse of CLEMIS).
- 7.2. <u>Composition of CLEMIS Advisory Committee.</u> The composition of the CLEMIS Advisory Committee is posted on the CLEMIS Website.
- 7.3. CLEMIS Advisory Committee Meetings. The CLEMIS Advisory Committee meets at least four (4) times per year. CLEMIS Members are encouraged to attend.
- 7.4. CLEMIS Advisory Committee Officers. Every July, the CLEMIS Advisory Committee shall elect a Chairperson by majority vote. The Chairperson shall select and appoint a Co-Chairperson. The CLEMIS Division Manager shall serve as Executive Secretary to the CLEMIS Advisory Committee. The Executive Secretary shall prepare the agenda for CLEMIS Advisory Committee meetings. Prior to each meeting, the Chairperson and the Executive Secretary shall review the contents of each agenda.
- 7.5. CLEMIS Advisory Committee—Subcommittees. The CLEMIS Advisory Committee may create subcommittees as it deems appropriate. The subcommittees and their composition and responsibilities shall be posted on the CLEMIS Website. The CLEMIS Advisory Committee Chairperson shall appoint the chairpersons of the subcommittees, except for the Chairperson of the Strategic Planning subcommittee, whose Chairperson is the current President of Oakland County Chiefs of Police Association and except for the Chairperson of Fire Governance whose Chairperson is elected by the Fire Governance Committee members.
- 8. TRAINING. Public Body shall require all Public Employees who use or access CLEMIS to attend training classes required by the CLEMIS Division. The format of the training classes will be at the discretion of the CLEMIS Division, e.g., train the trainer, classroom training, or online/remote training. If the training classes are held at County facilities or held in an online/remote format, then such training classes are at no cost to Public Body or Public Employees. If the training classes are held at non-County facilities, there may be a charge to Public Body based on time, materials, and location of training classes.
- 9. SUPPORT AND MAINTENANCE SERVICES. County shall maintain and support the CLEMIS Applications. The CLEMIS Fee includes the costs for support and maintenance services for the CLEMIS Applications and other services provided by the CLEMIS Division, unless otherwise indicated on Addendum A. When providing support and maintenance services for CLEMIS, County has the authority to prioritize its resources, including, but not limited to, the order in which calls for support or maintenance will be resolved and allocation of time of its employees, agents, subcontractors, and equipment.

10. OBLIGATIONS & RESPONSIBITIES UPON TERMINATION/CANCELLATION.

- 10.1. <u>Use of CLEMIS & CLEMIS Applications.</u> Upon the effective date of termination or cancellation of this Exhibit, Public Body shall stop using CLEMIS and CLEMIS Applications and it shall not have access to CLEMIS and CLEMIS Applications.
- 10.2. <u>Use and Access to Public Body's Data.</u> Upon the effective date of termination or cancellation of this Exhibit, Public Body's data shall not be useable by or accessible to any other CLEMIS Member.

Page 8 of 9
EXHIBIT X
I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

- 10.3. Transition of Data upon Termination/Cancellation. Upon termination or cancellation of this Agreement, CLEMIS shall provide a copy of Public Body's data to Public Body in an electronic format and a time period determined by County. Upon written confirmation from Public Body that it received its data, County will purge Public Body's data from CLEMIS and any disaster recovery sites. If County incurs any costs in copying Public Body's data, then Public Body shall be responsible for those costs and shall reimburse County for those costs. The CLEMIS Division shall invoice Public Body for such costs. Public Body shall pay the invoice at the location and within the time period stated in the Agreement. The CLEMIS Division may waive these costs in its sole discretion.
- 10.4. Obligation to Pay CLEMIS Fee Upon Termination/Cancellation. Public Body's obligation to pay the CLEMIS Fee shall stop on the effective date of termination or cancellation. If the termination or cancellation date is other than the end of a quarter, any CLEMIS Fee, paid in advance to County, shall be refunded to Public Body on a pro-rated daily basis for the time period that Public Body paid in advance.

Page 9 of 9
EXHIBIT X
I.T. SERVICES - INTERLOCAL AGREEMENT
Approved by CLEMIS Strategic Planning Committee 07-08-15
Approved by CLEMIS Advisory Committee 07-16-15

ADDENDUM A

<u>I.</u>	CLEM	IS CATEGORIES / TIER	<u>s</u>				
below that a	The CL	EMIS Website describe	s each o	category/tier listed r, and lists the cost	below, describ	with the category/tier selected bes the CLEMIS Applications or categories. As used in this	
	Tier 1						
	0	16 or more FTE's	0	6 – 15 FTE's	0	1 – 5 FTE's	
	Tler 2	16 or more FTE's	0	6 – 15 FTE's	0	1 – 5 FTE's	
	Tier 2	.5 16 or more FTE's	0	6 – 15 FTE's	0	1 – 5 FTE's	
	Tier 3 Tier 4	16 or more FTE's Rescinded	0	6 – 15 FTE's	0	1 – 5 FTE's	
		Rescinded					
	0	(eCLEMIS) 19 or more FTE's	O ng Polni	6 – 18 FTE's	O Nenatch Cent	1 – 5 FTE's	
H	Tier 7 Public Safety Answering Point (PSAP)/Central Dispatch Center Tier 8 Jall Management (outside Oakland County)						
	Federal Departments, Offices or Agencies Inquiry Only In the State of Michigan (does not contribute any data)						
	Distric	t Court In Oakland Cou	nty (exc	cluding 52nd Distric	t Courts)		
	Pays CLEMIS Fee: receives ticket data. OPT-OUT of CLEMIS Citation Payment Application Does not pay CLEMIS Fee: receives ticket data load and must exclusively use CLEMIS						
	Citation Payment Application. District Court outside Oakland County						
	Pays CLEMIS Fee: receives ticket data.						
	0		Fee: re	Citation Payment A eceives licket data le	1.750.73	exclusively use CLEMIS	

Page | 1

Approved by SP Committee 07-08-15 Approved by CLEMIS Advisory Committee 07-16-15 Approved by BOC 8-13-15

Circuit Court (outside Oakland County - does not contribute any data)

FRMS Participant (Fire Records Management System)

Prosecutor Office (outside Oakland County, does not contribute any data)

IJ.	ADDITIONAL CLEMIS APPLICATIONS
	Body may select and shall receive any of the CLEMIS Applications, selected below, for a separate the cost for the CLEMIS Applications is set forth on the CLEMIS Website.
✓	Mobile Data Computers ("MDC") WITH County provided wireless CAD Only WITHOUT County provided wireless
\checkmark	<u>Livescan</u> O WITH printer ● WITHOUT printer
	Mugshot Capture Station and Investigative Investigative Only Jall Management CLEMIS Member located in Oakland County CLEMIS Member located outside Oakland County
	OakVideo (CLEMIS Member located outside Oakland County) Crime Mapping Application Vendor Name: The Omega Group, Inc. Address: 5160 Carroll Canyon Road, Suite 100, San Diego CA 92121 Contact: Chris Baldwin, Sales Executive Phone: (858) 349-2012 Email: chris@theomegagroup.com
	Pawn Application Fire Records Management System in Oakland County O Phase I Phase II Fire Records Management System Outside Oakland County
	Fire Department Data Extract (Provide third party vendor Information below) In Oakland County Vendor Name: Fire Modules LLC Address: PO Box 1681 Clarkson M: 46347 Contact: Drian Collins Phone: 248390 6905 Email: DCollins Clear Solutions Com CRASH Report Payment Amount: \$ 5.00
\	Enhanced Access Fee Disbursement Instructions Disbursement when Requested Disbursement Quarterly

TOWNSHIP POLICE DEPT.

PLYMOUTH

OPT-OUT of Exhibit V (OakNet Connectivity) OakNet connectivity is not needed

Make Check Payable to:_

CLEMIS Division Manager	Date
PUBLIC BODY:	<u> </u>
Title/Name: Chref up Police	
Signature: The Probable	9.9.3016
	Date

(to be completed by Public Body)

IT/CLEMIS Agreement Questionnaire

(Please complete this information and return to: mccabek@oakgov.com or FAX (248) 858-5140)

IT Services Agreement:

Public Body Name: Charter Township of Plymouth

Public Body Address: 9955 North Haggerty Rd Plymouth MI 48170

Title & Name of ONE person authorized to sign for the Public Body:

Township Supervisor Shannon Price

Contact Person # 1 Tom Tiderington Phone: 734-354-3236

Email:

ttiderington@plymouthtwppd.org

Contact Person # 2 Nancy Jowsey Phone: 734-354-3221

Email: njowsey@plymouthtwp.org

CLEMIS Exhibit X & Addendum A:

Public Body for Exhibit X & Addendum A: Plymouth Township Fire Department (could be Municipality / Police Dept / Fire Dept / Court, etc)

Title & Name of ONE person authorized to sign for the Public Body:

Police Chief/Dir: Chief Tom Tiderington Phone: 734-354-3536

Email: ttiderington@plymouthtwppd.org

Fire Chief: Fire Chief Daniel Phillips Phone: 734-354-3220

Email: dphillips@plymouthtwp.org

Third Party Information: (only if you would like your data forwarded to a third party)

Name of Third Party Vendor: Fire Modules LLC

Address of Third Party Vendor: PO Box 1681 Clarkston MI 48347

Contact Person: Brian Collins Phone: 2483906905

Email: bcollins@clearsolutions.com

Legal Questions? Contact Jody Hall @ halli@oakgov.com or (248) 858-0555

<u>Procedural</u>? Cathy Taylor at <u>taylorc@oakgov.com</u> (248) 452-9144 or Kim McCabe at <u>mccabek@oakgov.com</u> (248) 858-9390

2/23/16 - AgreementQuestlonnaire.doc



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM:

Approve the Board Resolution to adopt the amendments to the Adoption Plan

PRESENTER: Ron Edwards, Treasurer

OTHER INDIVIDUALS IN ATTENDANCE: None anticipated.

<u>BACKGROUND</u>: Amendments to the plan are proposed in regards to vesting and normal retirement age. The normal retirement age is currently 65 but the board approved for Dispatchers the age of 60 for their Defined Contribution plan through MERS. Also the normal retirement age for Police, Dispatchers and Fire officers for the defined benefit plan is 60. This will make normal retirement age consistent with all employees.

As to the vesting amendment, there has been a movement of making retirement benefits portable. Currently the Township has a five year vesting period for employees in the Defined contribution plan. In contrast the MERS Defined benefit plan has a 10 year vesting schedule. The difference is that an individual in MERS can leave after 6 years find employment at another MERS member work 4 years and have 10 years of service and not forfeit any retirement benefits. If you leave before five years of service under the Defined contribution plan and go to work for another community you lose part of your benefit.

ACTION REQUESTED:

Approval of the Board Resolution

BUDGET/ACCOUNT NUMBER:

RECOMMENDATION: Approve

MODEL RESOLUTION: I move to approve Board Resolution 2016-09-27-23 approving the amended and restated Plymouth Charter Township Governmental Non-ERISA Retirement Plan in the form of the attached Adoption Agreement.

Part III - Administrative, Procedural, and Miscellaneous

Application of the Normal Retirement Age Requirements to Governmental Plans

Notice 2012-29

I. PURPOSE

The IRS and the Treasury Department anticipate issuing guidance relating to the applicability of the normal retirement age rules to governmental plans (as defined in § 414(d)). This notice describes and invites public comment on the guidance under consideration, which (a) would clarify that governmental plans that do not provide for inservice distributions before age 62 do not need to have a definition of normal retirement age and (b) would modify the age-50 safe harbor rule for qualified public safety employees. The notice also provides that the IRS and Treasury Department intend to extend the effective date of the regulations relating to distributions from a pension plan upon attainment of normal retirement age for governmental plans.

II. BACKGROUND

Section 414(d) of the Code provides that the term governmental plan generally means a plan established and maintained for its employees by the Government of the United States, by the government of any State or political subdivision thereof, or by any agency or instrumentality of any of the foregoing. See sections 3(32) and 4021(b)(2) of

the Employee Retirement Income Security Act of 1974 (ERISA) for definitions of the term governmental plan, which govern for purposes of title I and title IV of ERISA, respectively.¹

Section 401(a) sets forth the qualification requirements for a trust forming part of a stock bonus, pension, or profit-sharing plan of an employer. Several of these qualification requirements are based on a plan's normal retirement age. Section 411(a)(8) defines the term <u>normal retirement age</u> as the earlier of (a) the time a participant attains normal retirement age under the plan or (b) the later of the time a plan participant attains age 65 or the 5th anniversary of the time a plan participant commenced participation in the plan. However, under the statutory framework, the definition of normal retirement age under § 411(a)(8) does not apply to a governmental plan that is not subject to § 411(a) through (d) (provided that the governmental plan satisfies the requirements in § 411(e)(2)). Under § 411(e)(1), the provisions of § 411, other than § 411(e)(2), do not apply to a governmental plan within the meaning of § 414(d).²

Section 401(a)(36) provides that a "trust forming part of a pension plan shall not be treated as failing to constitute a qualified trust under this section solely because the

¹ The definition of the term <u>governmental plan</u> also includes special rules relating to (a) plans to which the Railroad Retirement Act of 1935 or 1937 (49 Stat. 967, as amended by 50 Stat. 307) applies, (b) plans of an international organization that is exempt from taxation by reason of the International Organizations Immunities Act (59 Stat. 669), and (c) certain plans that are established and maintained by an Indian tribal government (as defined in § 7701(a)(40)), a subdivision of an Indian tribal government (determined in accordance with § 7871(d)), or an agency or instrumentality of either. See REG-157714-06 and REG-133223-08, which are advance notices of proposed rulemaking (ANPRMs) relating to the determination of governmental plan status and Indian tribal governmental plans. The ANPRMs were published November 8, 2011 in the **Federal Register** (76 FR 69172 and 69188).

² Section 411(e)(2) states that governmental plans "shall be treated as meeting the requirements of [§ 411], for purposes of section 401(a), if such plan meets the vesting requirements resulting from the

plan provides that a distribution may be made from such trust to an employee who has attained age 62 and who is not separated from employment at the time of such distribution."

On May 22, 2007, final regulations on distributions from a pension plan upon attainment of normal retirement age were published in the **Federal Register** as TD 9325 (72 FR 28604) (2007 NRA regulations). Section 1.401(a)-1(b)(1) of the 2007 NRA regulations requires that a pension plan be established and maintained primarily to provide systematically for the payment of definitely determinable benefits over a period of years, usually for life, after retirement. The 2007 NRA regulations describe two exceptions to this rule. First, a plan is permitted to commence payment of benefits to a participant after the participant reaches normal retirement age even if the participant continues employment with the employer. Second, a plan does not fail to provide definitely determinable benefits to employees after retirement or attainment of normal retirement age merely because the plan, pursuant to § 401(a)(36), provides that a distribution may be made from the plan to an employee who has attained age 62 and who is not separated from employment at the time of the distribution. Thus, there are two exceptions to the prohibition against the payment of benefits from a pension plan during employment: (1) payments can commence after attainment of normal retirement

application of section 401(a)(4) and 401(a)(7) as in effect on September 1, 1974."

³ This rule was also reflected in pre-ERISA regulations. See § 1.401-1(b)(1)(i) of the regulations, which was adopted prior to the enactment of ERISA and provides that for pre-ERISA plans a qualified pension plan is a "plan established and maintained by an employer primarily to provide systematically for the payment of definitely determinable benefits to his employees over a period of years, usually for life, after retirement."

age (as defined in the 2007 NRA regulations); and (2) payments can commence after an employee reaches age 62.

Section 1.401(a)-1(b)(2)(i) of the 2007 NRA regulations provides that, as a general rule, the normal retirement age under a plan must be an age that is not earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed. Section 1.401(a)-1(b)(2) provides various safe harbors for determining normal retirement ages that are deemed to be not earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed. Under § 1.401(a)-1(b)(2)(v) of the 2007 NRA regulations, in the case of a plan in which substantially all of the participants are qualified public safety employees (within the meaning of § 72(t)(10)(B)), a normal retirement age of age 50 or later is deemed to be not earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed.

Notice 2007-69 (2007-2 C.B. 468) asked for comments "on whether and how a pension plan with a normal retirement age conditioned on the completion of a stated number of years of service satisfies the requirement in § 1.401(a)-1(b)(1)(i) that a pension plan be maintained primarily to provide for the payment of definitely determinable benefits after retirement or attainment of normal retirement age and how such a plan satisfies the pre-ERISA vesting rules." Comments were received on a variety of issues, including comments that the guidance should (1) clarify that governmental plans are not required to define normal retirement age and (2) provide that the age-50 safe harbor rule in § 1.401(a)-1(b)(2)(v) for qualified public safety

employees can apply to these employees even if less than substantially all of a plan's participants are qualified public safety employees.

Notices 2008-98 (2008-44 IRB 1080) and 2009-86 (2009-46 IRB 629) provided that the IRS and the Treasury Department intend to amend the 2007 NRA regulations to change the effective date of the 2007 NRA regulations for governmental plans to January 1, 2013.

III. GUIDANCE UNDER CONSIDERATION

The IRS and the Treasury Department are currently considering guidance relating to the applicability of the 2007 NRA regulations to governmental plans, as described in this Part III. For governmental plans, the definition of normal retirement age may be used in a variety of different circumstances relating to plan qualification, e.g., in applying the pre-ERISA vesting rules or to specify circumstances in which inservice benefit payments are permitted. The definition of normal retirement age may also be relevant to participant eligibility for certain favorable tax treatment, including § 402(I) of the Code (providing an income exclusion of up to \$3,000 annually for certain distributions for health insurance and long-term care insurance premiums to eligible retired public safety officers who separate from service by reason of disability or attainment of normal retirement age) or the special catch-up provisions under § 1.457-4(c)(3)(v)(A).

For plans that are required to comply with § 411(a) through (d) of the Code

⁴ Section 1.457-4(c)(3)(v)(A) provides that, for purposes of the special § 457 catch-up in § 1.457-4(c)(3), a plan must specify the normal retirement age under the plan. It further provides that a plan may define normal retirement age as any age that is on or after the earlier of age 65 or the age at which participants have the right to retire and receive, under the basic defined benefit pension plan of the State, immediate

(including any governmental plans not satisfying the requirements of § 411(e)(2)), the definition of normal retirement age is used for a variety of additional purposes relating to plan qualification. The definition of normal retirement age is important in applying the accrual rules under § 411(b), rules relating to suspension of benefits under § 411(a)(3)(B), plan offset rules under § 411(b)(1)(H)(iii), and the minimum benefit rules for non-key employees in a top-heavy defined benefit plan under § 416.

In response to comments received with respect to Notice 2007-69, the IRS and the Treasury Department intend to modify provisions of the 2007 NRA regulations as applied to governmental plans in two ways. First, the regulations would be modified to clarify that a governmental plan that is not subject to § 411(a) through (d) and does not provide for the payment of in-service distributions before age 62 will not fail to satisfy the requirement that the plan provide definitely determinable benefits to employees after retirement or attainment of normal retirement age merely because the pension plan does not have a definition of normal retirement age or does not have a definition of normal retirements of the 2007 NRA regulations.

Second, the IRS and the Treasury Department intend to modify the 2007 NRA regulations with respect to the age-50 safe harbor rule for qualified public safety employees (within the meaning of § 72(t)(10)(B)). Under the 2007 NRA regulations, in the case of a plan in which substantially all of the participants are qualified public safety employees, a normal retirement age of 50 or later is deemed to satisfy the requirement

retirement benefits without actuarial or similar reduction.

⁵ Further modifications to the 2007 NRA regulations may be made after consideration of comments not addressed in this notice, as well as future comments received in response to the request for comments in Part IV of this notice.

that a pension plan's normal retirement age be an age that is not earlier than the earliest age that is reasonably representative of the typical retirement age for the industry in which the covered workforce is employed. It has come to our attention that a requirement that qualified public safety employees be in a separate plan, rather than a separate group within a larger plan containing other employees with higher NRAs, may impose inappropriate administrative burdens on state and local governments.

Accordingly, the IRS and the Treasury Department intend to modify the 2007 NRA regulations to provide that the rule deeming age 50 or later to be a normal retirement age that satisfies those regulations will apply to a group of employees substantially all of whom are qualified public safety employees, whether or not the group of qualified public safety employees are covered by a separate plan. Thus, a governmental pension plan could satisfy the normal retirement age requirement using a normal retirement age as low as 50 for a group substantially all of whom are qualified public safety employees and a later normal retirement age that otherwise satisfies the 2007 NRA requirements for other participants.

The IRS and Treasury intend to amend the 2007 NRA regulations to change the effective date for governmental plans to annuity starting dates that occur in plan years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is 3 months after the final regulations are published in the **Federal Register**. Governmental plan sponsors may rely on this notice with respect to the extension until such time as the 2007 NRA regulations are so amended. This extension will provide additional time for the IRS and Treasury to consider and

respond to comments on the guidance under consideration that is described in this notice.

IV. COMMENTS REQUESTED

Comments are requested regarding the guidance under consideration that is described in Part III of this notice. The IRS and the Treasury Department specifically request comments regarding whether, because qualified public safety employees generally tend to have career spans that commence at a young age and continue over a limited period of years, an additional rule should be provided under which retirement after 20 to 30 years of service may be a normal retirement that is reasonably representative for qualified public safety employees. Comments are also requested on whether there is information indicating that there are other categories of governmental employees who have career spans similar to qualified public safety employees that would justify a similar rule. In addition, any information that governmental plans have on the overall retirement patterns of other employees in government service is requested in order to assist the IRS and Treasury in determining the earliest age that is reasonably representative of the typical retirement ages for such employees.

Written comments should be submitted by July 30, 2012. Send submissions to CC:PA:LPD:PR, (Notice 2012-29), Room 5203, Internal Revenue Service, PO Box 7604, Ben Franklin Station, Washington, D.C. 20044. Comments may also be hand delivered Monday through Friday between the hours of 8 a.m. and 4:00 p.m. to: Internal Revenue Service, CC:PA:LPD:PR, (Notice 2012-29), Courier's Desk, Internal

⁶ See section 4(j) of the Age Discrimination in Employment Act.

Revenue Service, 1111 Constitution Avenue, N.W., Washington DC. Alternatively, comments may be submitted via the Internet at notice.comments@irscounsel.treas.gov (Notice 2012-29). All comments will be available for public inspection.

V. EFFECT ON OTHER DOCUMENTS

Notices 2008-98 and 2009-86 are modified.

DRAFTING INFORMATION

The principal authors of this notice are Sarah R. Bolen and Pamela R. Kinard of the Office of the Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this notice, contact Ms. Bolen and Ms. Kinard at (202) 622-6060 (not a toil-free number).

The Evolving Role of Defined Contribution Plans in the Public Sector



A joint research project of the Arthur N. Caple Foundation and the National Association of Government Defined Contribution Administrators conducted by the Center for State and Local Government Excellence.

September 2012







About the Authors¹
Paula Sanford, Ph.D., Is public service and outreach faculty at the Carl Vinson Institute of Government, University of Georgia.
Joshua M. Franzel, Ph.D., is vice president of research at the Center for State and Local Government Excellence.
Solidi isi sidisi dila Essai governinoni Executatio.
This document has been created for general information purposes. It is not intended to give financial or professional advice.

The Evolving Role of Defined Contribution Plans in the Public Sector

PAULA SANFORD AND JOSHUA M. FRANZEL

Introduction

The role of defined contribution plans for state and local government employees is evolving. This change is being driven by several factors including flat government revenues, increased demand for services, economic uncertainties, concern about future benefit costs and risk exposure, and a wide range of related political debates. Traditional defined benefit public sector retirement plans are under pressure to make structural changes with governments making a range of changes that seek to reduce or control employer contributions and address unfunded liabilities. State and local government defined benefit plans have historically offered a reliable and adequate level of retirement income. Defined contribution plans have played a useful role as supplemental saving vehicles, but, with some exceptions, have not focused on becoming the primary income replacement resource.

As public sector employees face greater financial pressures and employers continue to make changes to primary pension plans, it is time to review the role and design of defined contribution plans in the public sector.² This report focuses on several central questions about public sector retirement plans including:

- What does the current environment look like?
- What does the future hold for defined contribution plans?
- · What are effective defined contribution designs?
- What role can annuities and other guaranteed retirement income features play?
- How are financial literacy and counseling initiatives and defined contribution plans linked?
- How can structural change, if adopted by a government, be implemented to minimize costs,

- risks, and help employees assume more personal responsibility?
- What should be considered when assessing and potentially altering the role of defined contribution plans?

The purpose of this report is not to suggest that defined contribution plans will or should replace traditional defined benefit plans. Instead, it seeks to focus on the increasing role of defined contribution plans in state and local government and for employee retirement security.

Methodology

To conduct this research, the authors relied on a variety of literary and data sources and extensive interviews. The literary sources include academic journals, books, private sector interests such as company-produced briefs, and federal agencies. The authors interviewed seventeen people with significant defined benefit and defined contribution public sector retirement plan experience using a survey instrument that covered several different aspects of defined contribution plans. Examples of topics included the objective of public sector retirement benefits, the future of defined contribution plans in the public sector, design elements of an "ideal" core defined contribution plan, improving education for retirement savings, and annuities.3 Ten of those interviewed represented public retirement systems or governments; six represented the retirement/insurance industry; and one represented academia. They are located across the country with eight people from the West, three from the East, four from the South, and two from the Midwest. Except for the academic, all of the seventeen people interviewed are affiliated with organizations that are members of NAGDCA. For the structural change chapter, the authors interviewed two

additional individuals⁴ and the foci of these discussions were on learning how their governments implemented recent retirement plan reforms.

The Current Environment

For the greater part of the last century through today, employer-provided,5 employer-provided retirement benefits have been a key element in the economic security of most6 full-time state and local government employees. Between 1909 and 1976,7 all 50 states had adopted some form of defined benefit pension plan for their general employees, which often covered local government employees as well. These retirement benefits have undergone unprecedented changes over the past decade; changes which have increased in scope and intensity in the wake of the 2008 stock market downturn and subsequent recession.

Today, for the vast majority of state and local government employees, the bulk of their retirement income comes from a defined benefit plan and Social Security, if eligible. Employees may also have supplemental savings from a defined contribution plan among other sources. But, continued fiscal pressures from the 2008 and 2009 economic downturn, an aging public sector workforce, and strains on state and local government revenues have led governments across the country to consider changes to the retirement benefits they offer to their employees.

Current Public Retirement Plan Participation

As of March 2011, 90 percent of all state and local government employees had access to a retirement benefit of some kind. Eighty-four percent of these employees had access to a defined benefit8 retirement plan with 78 percent participating. For state employees, 87 percent had access to a defined benefit plan with 78 percent participating. Eighty-three percent of local government employees had access to a defined benefit plan with 79 percent participating.9 These levels of participation have decreased some over the past few decades (for example, in the 1990s, the participation rates ranged from 91 to 87 percent). 10 Thirty percent of state and local government workers also had access to a defined contribution plan with 17 percent participating. Defined contribution participation levels have almost doubled for all state and local government workers since the early-to-mid 1990s (when they were 9 percent)." While state and local government defined benefit coverage levels are rela-

Types of Retirement Plans

"A defined benefit plan promises a specified monthly benefit at retirement. The plan may state this promised benefit as an exact dollar amount...Or, more commonly, it may calculate a benefit through a plan formula that considers such factors as salary and service."

"A defined contribution plan...does not promise a specific amount of benefits at retirement. In these plans, the employee or the employer (or both) contribute to the employee's individual account under the plan...These contributions generally are invested on the employee's behalf. The employee will ultimately receive the balance in his or her account, which is based on contributions plus or minus investment gains or losses."

"A cash balance plan is a defined benefit plan that defines the benefit in terms that are more characteristic of a defined contribution plan. In other words, a cash balance plan defines the promised benefit in terms of a stated account balance. In a typical cash balance plan, a participant's account is credited each year with a 'pay credit' (...percent of compensation...) and an 'Interest credit' (...fixed rate or a variable rate...linked to an index...). Increases and decreases in the value of the plan's investments do not directly affect the benefit amounts promised to participants...When a participant becomes entitled to receive benefits under a cash balance plan, the benefits that are received are defined in terms of an account balance."

Source: US Department of Labor: Types of Retirement Plans [http://www.dol.gov/dol/topic/retirement/typesofplans.htm]. Also see Center for State and Local Government Excellence: "What Are Hybrid Retirement Plans?" [http://www.slge.org/wp-content/uploads/2011/12/Hybrid-primer.pdf]

tively the same across the levels of government, there is more variation in defined contribution offerings. Forty-three percent of state workers have access to a defined contribution plan with 26 percent participation while 26 percent of local workers have access with 14 percent participation.¹²

While the vast majority of states continue to offer defined benefit plans as the primary retirement savings vehicle for employees, a few states have adopted a primary or core defined contribution plan. For example, state employees in Alaska and Michigan hired after a specific date participate in a primary defined contribution plan. Other states, including Georgia, Oregon, Rhode Island, Washington, and Utah have adopted combination defined benefit/defined contribution

plans, often referred to as hybrid plans.13 Utah, Florida, and Ohio offer employees the option of participating in either a defined benefit or defined contribution plan. New York, Vermont, and North Dakota maintain a defined contribution plan for elected officials or other specific categories of shorter-tenured workers. Recently, Kansas and Louisiana adopted a cash balance plan for new hires. Reforms have not taken a "one-sizefits-all" approach. Although the redesign trend has been to keep defined benefit plans as the core benefit, changes made to these plans result in reduced income replacement. In the few instances where government employers have moved to a primary defined contribution arrangement, the focus of these plans should be on income replacement strategies rather than supplemental savings.

About one-third of state and local government employees—mostly public safety and education workers—do not participate in the Social Security system. General employees in Alaska, Colorado, Louisiana, Maine, Massachusetts, Nevada, and Ohio¹⁴ are also not covered by Social Security. Most states and localities that do not participate in the federal system compensate with a retirement benefit structure that replaces Social Security retirement and disability benefits.

An Aging Workforce

Public sector workers are generally older than their private sector counterparts. As of March 2011, 36 percent of state and 36 percent of local government employees were over the age of 50 compared to 26 percent of private sector wage/salary employees. Twenty-six percent of private wage/salary workers were under 30 years of age while only 17 percent and 14 percent of state and local government workers, respectively, were under 30 years of age.15 The aging public sector workforce is further stressed by the continued use of hiring freezes in many governments along with many eligible employees delaying their retirement. In recent years, some employees have delayed their retirement to make up for investment losses experienced during the 2008-2009 economic downturn and to save more for out-of-pocket retiree health care costs, given increased employer to employee/retiree health care cost shifting.16

Given all of these points, between 2005 and 2009, the average number of separations in the U.S. workforce including retirements, transfers to other locations, deaths, and due to disability¹⁷ was 527,000 per year, not going above 540,000 for state and local government employees. In 2010 and 2011, the number of separations was 652,000 and 627,000, respectively.¹⁸

Defined Benefit Plan Funding Levels

The financial condition of the defined benefit plans that most current public employees will depend on in retirement varies greatly. In the aggregate in 2011, state and local public pension plans were 75 percent funded on an actuarial basis, meaning the plans have 75 percent of the assets needed to cover the liabilities or benefits to be paid to employees and retirees. These current funding levels are below where they were in the late 1990s when most plans were 100 percent funded and for most of the 2000s when they were above 80 percent funded. In 2011, only 6 percent were 100 percent funded and 30 percent were 80 to 99 percent funded.19 Even with improvements in equity markets since 2010, the aggregate funding ratios are expected to improve at a slower pace because asset gains and losses are smoothed over 3 to 5 years. As a result, losses in 2008 and 2009 are still being phased into asset figures in 2012.

Adding to the financial difficulties, many state and local governments continue to have flat or slow-growing revenues while demand and costs for services continue to increase. Because of these factors, many governments are struggling to make their annual required contributions (ARC) that pay for the retirement benefits earned by employees for the current year and an amortized portion of any unfunded liability associated with the plan. In 2001, state and local governments were paying 100 percent of their ARCs; through the middle part of the decade the percentage dropped to between 83 and 95 percent. In 2011, state and local governments paid an estimated 79 percent of their ARCs.

Current Pension Reforms

Given these demographic, financial, and economic realities, state and local governments have implemented many pension changes over the past decade. Between 2009 and 2011, 43 states implemented substantial pension reform.20 A 2012 survey of state and local governments conducted in early 2012 (with 82 percent of the respondents from local governments) reported that 37 percent had made changes to retirement benefits in the past year, an increase from 21 percent in late 2009.21 Most of these changes have been made to achieve financial sustainability and reduce employer risk. Other reasons for recently implemented changes include a workforce preferring the mobility of a defined contribution plan or elected and appointed officials seeking to equalize the types of benefits offered in the public and private sectors.

Plan changes fall into five categories:

- Increasing current and/or new employee contribution levels
- Increasing the age and/or length of tenure required to be eligible for normal retirement
- Reducing or eliminating cost-of-living adjustments (COLA) for new and/or current employees
- Changing the way pension formulas are calculated to reduce pension benefits
- Offering a hybrid and/or defined contribution plan instead of a traditional defined benefit plan.²²

Many of these changes, individually or in combination, will ultimately lead to lower levels of retirement income through traditional defined benefit plans for eligible public employees. In some cases, for public workers with short tenures, the changes will eliminate the opportunity to receive the benefit. With lower or no pension income, employees may face significant financial challenges, becoming more dependent on Social Security or other government programs and/or relying more on other retirement savings, such as defined contribution plans.

The Future of Defined Contribution Plans in the Public Sector

The current environment within which public sector retirement plans are operating suggests that changes will continue to occur with the responsibility for financing retirement benefits shifting more to employees. Some experts argue that defined benefit plans will replace less income in retirement due to increased employee contributions, higher vesting requirements, more years to calculate the benefit formula, and later retirement ages.23 Cost-of-living increases and perhaps even benefit multipliers will decrease. These changes will, in many instances, reduce pension benefits, increase employees' risk, and push more of the responsibility to employees to fund their retirement by contributing more money to supplemental defined contribution plans. At a minimum, supplemental defined contribution plans will play an increasingly important role in "filling the gap" created by changes to defined benefit plans. Though still legally supplemental and not mandatory in most cases, increased participation in defined contribution plans will be necessary for employees to maintain the standard of living in retirement they had while working. These additional savings become particularly important when governments reduce or eliminate cost-of-living increases for the defined benefit plan and when retirees need to pay for rising health care costs.

Rise of Hybrid Plans

The research of this report indicates openness toward hybrid pension plan design for state and local government employees.24 A few respondents further argued that once hybrid plans are adopted, governments may then begin offering core defined contribution plans in order to further reduce liabilities.25 The vast majority of hybrid plans have what is referred to as a "parallel" structure where employees contribute to both a defined benefit and a defined contribution plan from the first dollar earned.26 However, some argue that a "stacked" hybrid model is more desirable.27 The "stacked" plan provides a defined benefit up to a salary cap with a defined contribution portion applying to earnings above the cap. Employees with more modest earnings receive the full benefit of a defined benefit plan and have relatively less need to contribute to a supplemental defined contribution plan.28 However, like traditional defined benefit plans, the "stacked" hybrid plan would be less portable for lower-earning employees than the "parallel" plan. While hybrid and even core defined contribution plans can provide sufficient retirement income that result depends on plan structure, funding and contribution levels, investment outcomes, and education.

These changes also need to be considered in light of public employees' reliance on Social Security and potential future benefit changes.²⁹ While it is unlikely that Social Security will end, reduced benefits could have serious ramifications for the importance of individual savings and supplemental defined contribution plans.

Drivers of Benefit Plan Changes

Managing long-term risk and cost are the primary drivers for a shift toward depending more on defined contribution plans. Governments are looking for ways to reduce costs to overcome the short-term impacts of the recession, reduce investment risk, 30 and to provide long-term financial stability. Many public officials are concerned with the long-term costs of their current defined benefit programs and will continue to redesign these plans and consider alternative retirement arrangements. However, most of the changes implemented to date, including switching to hybrid and core defined contribution plans, usually affect new employees.

Therefore, cost savings will occur in the future based on workforce turnover.

Research also shows that moving to defined contribution plans may have strong political impetus. According to Munnell et al.,³¹ the most important explanation for when a state introduced some form of defined contribution plan is party affiliation. Research for this report found³² the reforms reflect the public's current anti-government, anti-tax sentiment. This view is supported by other research³³ which states that political ideology is one of the few consistently, statistically significant variables for an individual's position on retirement plans.

Historically, pension benefits were considered "deferred compensation" and intended to compensate government employees for the salary difference between the public and private sector.34 With decreasing benefits, will public sector employees' compensation packages begin to resemble the private sector? Many would answer "no." The strong culture within many governments of taking responsibility for their employees' long-term well-being, which is at the foundation of public sector plans, will most likely be continued by providing a defined benefit floor. Research for this report suggests that, in the short term, lower benefits and flat salaries for public employees will likely be the norm.35 Over the long term, public sector salaries will rise somewhat; however, to what extent depends upon the demand for labor. As a result, pay increases will probably be uneven, reflecting competition for personnel in the private sector (e.g., information technology specialists), the influence of labor unions, and government pay scales. For example, pay may increase for mid-level employees, but senior executives are unlikely to receive compensation similar to counterparts in the private sector. Rather than governments mimicking the private sector, one respondent would like to see the opposite—the private sector offering stronger retirement benefits and lower salaries because of the societal issues that emanate from large segments of the population having insufficient retirement income.

Increased Role for Defined Contribution Plans In the Public Sector

With the trend toward an increasing role for defined contribution plans in the public sector, it is important to consider whether the purpose of a retirement benefit will be met with these reforms. Experts typically cite two goals for a retirement benefit: to attract and retain good employees and to allow employees to retire with adequate income on which to live.³⁶ The first goal

focuses on the needs of the employer and implies a transaction between the employer and employee.

The second goal involves a workforce planning component to ensure an orderly transition of staff out of the workforce as well as a level of concern for employee well-being. This interest in employee welfare after they leave service could be considered beyond the scope of an employer's responsibility. In the transactional model, an employer's primary goal is to provide a compensation package that attracts and retains quality employees at the most efficient price. The quality of an employee's life after he or she leaves the workplace may be beyond the interest or obligation of the employment contract. However, even if employers have no moral responsibility to fund employee retirements under this philosophy, retirement benefits are an important part of the compensation package and are necessary for employee recruitment and retention. One could argue that the traditional design of core defined contribution plans with employees having total control over the assets fit into this general model because responsibility for retirement income is borne by the employee.

So, can a defined contribution plan be successful in meeting the goal of attracting and retaining quality employees? The answer depends on a number of considerations including who the government is trying to attract. Research³⁷ and anecdotal evidence indicate that core defined contribution and hybrid plans can be very effective in attracting younger professionals known as the Millenials or Gen Ys. This generation expects to take on several different jobs in their careers and is attracted to the portability of a defined contribution plan. For example, Gwinnett County, Georgia found that the young professionals they were seeking to attract preferred a defined contribution plan.38 This finding was an important consideration in the government's decision to close its defined benefit plan and open a core defined contribution plan for new hires. In order for a defined contribution plan to be effective in attracting and retaining quality personnel, it needs to be competitive with other governments and (in some cases) with the private sector. Key factors include the employer contribution rate, vesting schedule, and investment results on which employees can build a secure retirement.

How have defined contribution plans fared in providing for an adequate retirement income? Many believe that defined contribution plans can support employees in reaching their retirement goals *if* they contribute early and diligently and are invested appropriately. Furthermore, plan structure can contribute to a

positive outcome. Because of the importance of defined contribution plan structure to retirement income sufficiency, a substantial section of this report is dedicated to this topic.

An argument can be made that governments should be concerned with their employees achieving an adequate retirement income because of the community-wide consequences of residents with inadequate retirement resources. Retirees without sufficient income are unable to spend money which results in fewer sales tax dollars to state and local governments.39 Given that many individuals retire in their home communities, having employees with sufficient retirement income can result in financially positive effects for the government. Furthermore, a large low-income elderly population leads to greater demands for social services such as food stamps and Medicaid.40 To paraphrase one respondent, the government pays for its employees in retirement, either through a strong retirement benefit or through social services. Obviously, the former is a more desirable approach for both economic and moral reasons.

The Definition of Income Adequacy In Retirement

Income adequacy is a very general term which does not provide much direction to employees or governments about how to save for retirement. Human resources and retirement professionals have relied on rules of thumb to guide governments in establishing retirement benefit plans and employees in making savings decisions. The most frequently cited estimate is 80 to 85 percent of working salary in retirement income is needed to maintain a similar standard of living during retirement. The research of this report suggests this benchmark may not continue to be accurate. Research by Georgia State University41 shows that the replacement income needed depends upon the actual income level because of the impact of federal and state taxes and work-related expenses. Those with the lowest earnings, such as \$20,000, are generally expected to need a higher replacement ratio (88 percent to 94 percent based on marital status); however, relatively more of their income will come from Social Security because the program is progressively redistributive. Those with the lowest replacement ratios are married, single-earner households making \$80,000 or more annually. This group is expected to need 76 percent of working salary to provide adequate retirement income.

This report's interviewees offered a wide range of optimal replacement ratios that considered the financial condition of the employee and the larger economic and political environment. The majority agreed that an 85 percent replacement goal was still reasonable; however, several added that this figure was predicated on the retiree having no debt and having relatively low health care costs. A few others believed a 70 percent ratio could be appropriate if the individual did not have any debt, was Medicare eligible, in good health, did not have children living in the household, and wanted a simple lifestyle with limited travel and low-cost hobbies. Finally, some respondents stated that to have a standard of living in retirement similar to during work years, employees should plan on a 90 to 100 percent income replacement ratio. The higher figure may be needed because retirees are often not in a strong financial position in regard to debt, have older children or grandchildren living with them, and are facing rising health care costs.

What these different responses indicate is that a single income replacement percentage to determine an adequate retirement for all is not appropriate. While replacement income benchmarks may be helpful in the early years of retirement savings, retirement planning and income requirements must be individualized for those within 15 years of retirement because of the many lifestyle considerations that retirees face. In addition, retirement goals vary greatly and help drive the appropriate replacement ratio. The lack of a "onesize-fits-all" method for retirement planning also means that employees must become more actively engaged in this process. Individuals nearing retirement must now also plan for increasing health care costs and increasing longevity. Fortunately, many are starting to think about these issues, if not act on them. 42 For example, a survey of higher education employees aged 50 to 70 found that 73 percent of the participants were either very or somewhat concerned about being unable to afford good health care in retirement. 43 These concerns also demonstrate the growing role for defined contribution plans. With flat pension benefits and rising income needs caused by socio-economic and demographic changes, individuals will have to fill this gap through personal savings such as a supplemental defined contribution plan. As a result, employees should be increasingly focused on determining what an appropriate replacement goal is for them and develop a savings plan that considers both desired goals, such as travel, and harsh realities, such as rising health care costs.

What can and should governments as employers do to assist their employees in reaching their retirement goals? Answers to this question⁴⁴ reflect both personal values and the economic realities facing governments. Many of the respondents interviewed for this report stated that governments have been culturally paternal-

istic toward employees, including helping to provide a secure retirement for employees through financial contributions. However, there was a lack of consensus about the level of contributions a government should provide. Some supported an equal split of contributions between the employer and employee while others suggested a tiered approach in which the government contributes more for lower-paid positions. Others stated that a government's contribution should be predicated on what it can afford, with employees making up the difference. As stated earlier, state and local governments have a vested interest in assisting employees in achieving income security both from a transactionalemployer perspective and to prevent larger, more damaging societal costs as well. However, governments need to balance the needs of employees with those of taxpayers, creating an ongoing challenge in determining what an appropriate retirement benefit should be.

In the effort to balance competing needs, many governments are modifying their attitudes towards retirement benefits toward a more partnership approach which lies between the extremes of the paternaltransactional model continuum. Under it, governments and employees each have a role to play in ensuring the continued financial viability of the retirement plan. This shift is due to internal and external factors including the need to better manage future obligations and to respond to taxpayer attitudes about the cost of government. Employees take on a greater responsibility to save and be financially prepared for retirement. Likewise, government employers need to provide adequate contributions to the retirement arrangement and pay employees sufficiently so that they have the financial capacity to save for retirement.

Regardless of the level of financial assistance afforded employees for retirement, public employers must take extra steps to educate employees about retirement benefits, investment choices, and healthy living provided by knowledgeable retirement counselors and other professionals. These efforts are relatively low-cost yet can be extremely valuable in promoting retirement readiness. Some even argue that governments, as employers, have a role in forcing employees to save for their retirement because employees are lax in saving voluntarily. Under this view, governments would institute mandatory contributions or automatic deferrals from pay checks.

Retirement goals are best met through diligent savings throughout an employee's career. So how much should a public employee save? Making that decision can be difficult, particularly when considering current expenditure demands. But under-saving results in individuals either needing to continue working (if able) or living a less than preferred lifestyle in retirement. A 2011 study by the Center for Retirement Research⁴⁶ found the median income replacement rate for a household with a state-local government retiree is 60.2 percent, including Social Security, pension, and other financial assets. The amount increased to 72.7 percent for individuals who spent more than 50 percent of their career in government, but this figure is still far less than the generally accepted 85 percent replacement goal.

The appropriate plan contribution rate⁴⁷ depends largely on the type of retirement plan. In a defined benefit environment, employees are able to calculate their benefit based on their plan's formula, factor in Social Security (if applicable), and then estimate the extent to which supplemental savings are needed. For a core defined contribution plan, the general consensus on what constitutes an appropriate employer-employee contribution rate is 12 to 15 percent of salary with Social Security and closer to 18 to 20 percent without Social Security. When including Social Security benefits, retirement contributions in the range of 12 to 15 percent over a career, appropriately invested, are projected to generate replacement income of 70 percent. 49

Effective Defined Contribution Plan Design in the New Retirement Environment

Research and practice indicate that the growing role of defined contribution plans in the public sector has led to a simultaneous push to make them look more like defined benefit plans in order to increase retirement savings. There is also greater appreciation of behavioral economics research which has found that individual freedom and responsibility for retirement savings may make achieving retirement goals more difficult for a majority of the population. This chapter reviews how governments are using behavioral economics and the knowledge gained from the 401(k) world to design retirement plans that overcome the limitations of human nature. It also explores strategies for improving management and oversight of defined contribution plans to make them less expensive and easier for employees to navigate.

Behavioral Economics and Retirement Savings

Behavioral economics for retirement savings explores why people do not save enough for retirement. Herbert

Simon's "bounded rationality" posits that people are limited in their ability to consider all issues and facets for a complex problem.50 In regard to retirement planning, people have difficulty predicting factors such as investment returns, cash flows, tax rates, and longevity51, which leads them to be more likely to accept a default option when making decisions about their retirement savings. Bounded rationality is compounded by "bounded self-control," which is a lack of will power when it comes to savings. Simply put, people do not save enough because they have a much higher near-term discount rate, almost hyperbolic, compared to future discount rates. In other words, they value immediate consumption far greater than delayed consumption, and the longer the delay, the larger the difference. Individuals can be greatly influenced in their decision making by how an issue is framed.52 For example, framing a savings decision in a way that requires less effort may lead to increased willingness to save.53

Research has found several similar behavioral characteristics that can negatively influence investing decisions. Many individuals lack firm preferences for investing, including making the tradeoff between risk and return. ⁵⁴ Therefore, the framing of investment decisions can greatly affect choices about investment portfolios. For example, having relatively more funds within a particular asset class will lead investors to continue to choose that type of investment, regardless of whether it will produce the best return. Inertia also affects investment decision making. Once an individual makes an investment decision, he or she is likely to leave it unchanged. ⁵⁵

Other undesirable retirement investment practices include chasing returns, loss aversion, and narrow framing.56 When chasing returns, individuals rely only on past performance to make investment choices, rather than studying expected returns and risk. This may be because past performance is readily available, even though it is often a less accurate predictor of outcomes. Loss aversion causes individuals to invest too conservatively, which minimizes opportunities for growth. Research has found that individuals view losses as 2.5 times more painful than an equivalent gain.57 Finally, loss aversion can be heightened through narrow framing, which looks at investment decisions as isolated events rather than a recurring process. If individuals looked at their choices in a larger context, they might begin to value losses and wins equally, leading to better investing decisions.

Outcome-Based Defined Contribution Plan Design

To overcome the widespread shortfalls in retirement savings, experts have begun promoting an outcome-based

approach to defined contribution plan design. Under this model, the framework for designing plans and communicating with employees is retirement adequacy and an acceptance of participant behavior.58 This approach may be a good fit for state and local governments because it aligns well with their historic tendency to utilize retirement benefits to promote long-term relationships with employees that governments have typically valued. Design features specifically seek to increase savings during employment by selecting appropriate investment strategies, limiting leakage, and fostering communication. The more common examples include auto enrollment, auto escalation, and target date funds. 59 These features are particularly important when the defined contribution plan is the primary retirement savings program.

Key Tenets for Supplemental Defined Contribution Plans

The purpose of a supplemental defined contribution plan is to encourage retirement savings for use in addition to Social Security and income from a defined benefit plan. Key tenets of an effective supplemental defined contribution plan to achieve increased retirement savings are:⁶⁰

- Making participation and decision making as simple as possible for employees
- Ensuring that plan administration and costs are as transparent as possible
- Minimizing costs to enable greater savings for employees
- Providing tools, education, and retirement counseling for informed decision making.

Achieving these tenets is easier said than done and the pathway is not always clear, particularly when it comes to making participation as simple as possible. A 2012 NAGDCA survey found that the average 457 plan participation rate for respondents was 26 percent in 2011, which is only two percent higher than 2007.61 The most frequently used tools to encourage participation are employer contribution matches and education. Employees are more likely to save when there is an employer match,62 but many governments cannot afford this extra cost while maintaining full pension benefit plans. Typical venues for educating employees about retirement plans include new employee orientations, on-site meetings, and employee fairs; but their effectiveness is uneven. 63 Some governments promote peer relationships to encourage savings and create a culture where plan participation is the norm.64 However, in order to create such a culture, employers first need high

levels of sustained participation; and achieving that can be a challenge. To the extent these traditional outlets are not available or not achieving desired results, plan administrators are considering new design tools including automatic enrollment and automatic escalation.

Automatic Enrollment and Automatic Escalation in Public Sector Plans

Research has shown that auto enrollment is effective at encouraging employees to save. ⁶⁵ Furthermore, increasing the default contribution rate for auto enrollment does not decrease participation. For example, Choi et al. (2004) found that opt-out rates were the same for employees whether default contribution was set at 3 percent or 6 percent. ⁶⁶ However, most research has focused on private sector 401 (k) plans and, to a lesser extent, public 401 (k) and 401 (a) plans, but rarely on supplemental public sector defined contribution plans. Currently, only a small percentage of supplemental plans use auto enrollment, and there are differing opinions on its viability. ⁶⁷

One argument posits that public employees will need income from a well-funded supplemental defined contribution fund to offset decreases in retirement benefits such as reduced or eliminated cost of living adjustment (COLAs) or increases in health care costs. When employers reduce their defined benefit multipliers, employees may need a supplemental fund to reach the desired 85 percent replacement benchmark. For example, Houston, Texas reduced its defined benefit multiplier from 2.5 percent to 1.8 percent for new employees hired after July 1, 200868, with the expectation that affected employees would contribute to a supplemental defined contribution fund. City officials believed employees would have the resources to make these contributions since they did not contribute to the defined benefit fund. Under circumstances where the defined benefit was not intended to be the primary source of retirement income, automatic enrollment may make sense to ensure sufficient employee savings.

However, in some cases, auto enrollment may not always be appropriate. Public employees participating in plans with higher employee contributions and defined benefit levels may not feel as much pressure to participate in a supplemental fund. In instances when employers institute a low auto enrollment contribution because of concerns with employee resistance, administrative fees may need adjusting due to the imbalance of relatively small account balances and relatively inflexible administrative costs. In some states, legislation may be required before auto enrollment could be implemented. Finally, auto enrollment could be admin-

istratively challenging in governments with unions that have pension plan agreements. Some consensus with the unions about auto enrollment would be needed before implementation, and that may be difficult to achieve. As a result of these issues, the decision to use auto enrollment for supplemental defined contribution plans should be considered on a plan-by-plan basis.

Automatic escalation is almost nonexistent for supplemental defined contribution funds and will likely stay that way for the time being. Because supplemental funds today typically are not expected to have significant asset accumulation, the need to escalate contributions annually does not appear necessary. Rather, auto escalation may be more appropriate for core defined contribution plans or hybrid plans but with a lower cap.

Investments and Record Keepers

Selecting an investment portfolio and record keeper are extremely important fiduciary roles for plan sponsors and can have serious financial impacts for participants. The selection of investments is at the core of supplemental defined contribution plan management because it establishes the vehicles used to drive investment gains for participants. Furthermore, to guide trustees responsible for making these decisions, a written investment policy statement can be extremely valuable. One of the basic considerations in selecting funds is to limit the number so that participants are not overwhelmed by the choices.72 This thinking reflects both findings from behavioral economic research and observed results. However, the appropriate number of funds is open to debate. From this report's research interviews, the ideal number of funds ranged from as few as six (plus targetdate funds) to as many as twenty.73

For employees who want more choice, a brokerage window might be the logical option. According to the NAGDCA 2012 survey, 57 percent of the responding governmental plans offer a brokerage window.⁷⁴ Though the availability is widespread, participation is limited to just a small percentage of employees on average.⁷⁵ This small number further demonstrates some reluctance to venture further into the vast choice, investor driven model. Plan sponsors may find it appropriate to place controls on brokerage accounts to keep the supplemental fund's purpose intact—promoting retirement savings rather than playing the stock market. For example, a plan may require a minimum balance in the main account, and the window can be limited to mutual funds rather than individual stocks.

The challenge in having a limited pool of funds is ensuring a sufficiently diverse fund selection to maximize returns. The goal is to have investment choices that include all the major asset classes and accommodate participants' varying ages and risk thresholds.76 Some administrators like mutual funds with high name recognition in order to maintain employee satisfaction and encourage participation.77 These funds can be researched on the Internet and may make employees feel more comfortable about their selections. Index funds also receive strong support because of their low cost and simplicity. These funds may work best for employees who prefer not to move their money and have the patience to stay with a fund over the long term, such as young employees.78 However, employees invested in these types of funds will likely need to take responsibility for transferring the proportion of their equity index funds to more conservative investments over time.

One of the most popular fund choices is the target date fund.⁷⁹ When auto enrollment is used, target date funds are the preferred default fund choice. In fact, 90 percent of auto-enrolled employees are defaulted into target date funds, according to Vanguard Group.⁸⁰ Plan administrators like these funds because they can help ensure proper asset allocation for employees as they age yet don't require active participant management.

However, target date funds require effort and focused fiduciary responsibility for the plan sponsor. Because all target date funds are not the same, they can produce significant differences in asset returns over time. For example, target date funds, when controlling for age, can vary by as much as 30 percent in the amount of equity exposure.81 Likewise, funds will differ in whether they freeze equity exposure when the participant reaches age 65 or continue to decline holdings as the person ages.82 One additional concern with these funds is their level of diversification. In testing against benchmarks, it may be useful to perform stress tests for glide paths to determine income replacement at retirement or even through a certain age in retirement (i.e., longevity).83 Management costs for these funds also vary considerably. Finally, there are concerns about liability when using target date funds as a default because they tend to be actively managed and returns can be volatile. As a result, some plan sponsors favor using stable value funds as the default on automatic enrollment contributions.

Another fund option is to permit employees to invest (through their defined contribution plans) in the government's defined benefit fund or in a fund that mirrors it. The states of Idaho, Oregon,⁸⁴ and Washington permit this type of investment.⁸⁵ Benefits of this option include low cost, professional management, and

a more diverse investment portfolio than typically available in a defined contribution environment.

Issues and difficulties with employees investing in pooled assets exist and are worth considering. The first is education. Employees need to understand that the fund's portfolio is for a large investor and may have risks that are inconsistent with the individuals' needs and risk tolerances. They would have to be responsible for appropriately divesting themselves of this fund as they neared retirement. Furthermore, employees could incorrectly think that by investing in the defined benefit fund (or one that mirrored it), they would have sufficient assets upon retirement to generate an income stream similar to the one given through the defined benefit plan.86 There are also concerns about how to establish an accurate value for the fund so that employees can fairly buy and sell their "shares." This occurs because defined benefit funds typically invest in non-liquid holdings such as real estate and individual companies. Because the actual value of a "share" is unknown until the fund's assets are sold, the plan sponsor or government would be required to establish a price that may ultimately be over or under its true value. For example, in Washington, the fund's prices are set quarterly.

To help with the administration of defined contribution funds, the vast majority of plan sponsors hire private-sector record keepers. Research strongly supports hiring one (but no more than three) record keepers in order to reduce complexity for participants and administrative expenses.⁸⁷ The primary concern with multiple vendors is the risk that they may encourage employees to select their own investments, making coordination more difficult. With a single vendor, plan sponsors can still provide a diversity of investment choices to participants but with a "much simpler and more cohesive experience [for participants]."⁸⁸

After deciding upon the number of record keepers, the next question is whether to bundle or unbundle⁸⁹ services. For smaller plans or governments without the expertise to review and select their own investments, using fully bundled services may make the most sense. Bundled services with a single provider allows for streamlined implementation, simplified data processing, consolidated reporting, and greater direct accountability.⁹⁰ Borland and Frost discuss the benefits of a "best in class" approach in which the government awards multiple contracts based on the various facets of fund management.⁹¹ The hoped-for benefits in this approach are reduced costs, deeper domain expertise, and diversified business risk. Larger governments have

more options when it comes to contracting for services or providing them "in house." For example, several larger plans have their own investing capabilities either internally or through a governmental agency. Furthermore, some plans provide their own education and call centers while others bundle all services except for investments. There can be cost advantages to providing services "in house," but that depends on several issues including achieving economies of scale, the complexity of the record keeping (e.g., number of payrolls), ability to select and manage investments, and staff to provide retirement education and counseling to participants.

Availability of Loans and Withdrawals

Another important policy decision related to supplemental defined contribution plans is whether to allow loans and withdrawals on participant accounts. In looking after the long-term interests of the employee, the trend in government has been to discourage loans. However, several respondents believed that allowing loans offered an incentive to participation. Generally, loans are seen as reasonable, particularly for supplemental plans because they are voluntary and not part of core retirement. The argument against loans or withdrawals is that they are contrary to the fund's purpose which is to save exclusively for retirement. To the extent supplemental defined contribution funds become an integral part of an employee's retirement income, governments may want to impose greater limits on loans and withdrawals, such as how much can be taken from the account or how often. For example, employers may choose to prohibit future loans after a default. Other ideas to limit leakage include extending repayment periods, allowing loan repayment even if the employee leaves service, and increasing educational efforts about the financial impact of withdrawals and loan defaults.92

Other Administrative Issues

There are three additional issues with defined contribution fund management that merit attention within the scope of this report—revenue sharing, fee disclosure, and automation.

Revenue Sharing. This occurs when a portion of the investment-related fees collected from participant accounts is returned to the plan sponsor. It is relatively common practice with plans that use private-sector investment funds. There is some debate about what do with the money that comes from revenue sharing such as using it to offset administrative expenses or returning it to participant accounts, with the former being more common. One concern with revenue sharing is that it may not occur with all funds in equal proportions. Index funds are an example. To the extent that the revenue sharing dollars offset plan expenses, participants who do not invest in funds with revenue sharing receive a disproportionate benefit. Best practice would call for allocating dollars proportionally to accounts, provided the administrative cost of doing so does not exceed the total amount of money received. With the increasing importance of defined contribution funds, which will result in more assets in these accounts and the new U.S. Department of Labor fee disclosure requirements, 93 revenue sharing will receive greater attention in the near future.

Fee Disclosure. The new Department of Labor fee disclosure regulations cover several areas including general plan structure, fees related to administrative expenses, benchmark and performance data for investments, and investment fees. 4 Uncertainties abound in regard to implementation of the regulations and their applicability to public sector plans. NAGDCA is already playing an important role in explaining the regulations, and members will likely seek more assistance in the coming months, including how to best present the data and how much to offer electronically versus in paper format.

Automation. With new fee disclosure requirements and a desire to keep employees informed, plan sponsors and record keepers will be searching for ways to communicate with employees other than through the mail. One option may be to shift from traditional paper to emailing quarterly reports. Unfortunately, some of these automation options may be more difficult for local governments to implement because of the relatively high number of employees without access to computers at work, such as public works employees. This may require employers to maintain employees' personal email addresses as part of their contact information, which could be difficult to track, particularly after they leave employment.

Core Defined Contribution and Hybrid Plan Design

As previously indicated, the number of public hybrid and core defined contributions plans are slowly increasing. Governments and plan sponsors following this path have an opportunity to learn from private sector experience —what to do and what not to do—to create the best possible defined contribution plans for their workforce. This section focuses on what research indicates

ideal core defined contribution and hybrid plans should look like and gives some justification as to why. Of course, what constitutes an ideal plan is normative and therefore open to debate.

When analyzing a core defined contribution plan, it is important to appreciate its impetus and goals. Policy makers sometimes have multiple goals when reforming a retirement benefit: recruit and retain employees, provide adequate retirement income for employees, and save money. The last reason is often the impetus for adopting a core defined contribution plan. For the purposes of creating an "ideal" plan, this report considers employees earning an adequate retirement income as the primary goal. This qualification is important when it comes to deciding upon contribution levels and using design tools that mirror defined benefit plans.

Recommended Core Defined Contribution Plan Components

The following section provides a proposed summary of recommended core defined contribution plan components based on research% and responses from the people interviewed for this report. This proposed plan summary is meant to open a dialogue about improving plan design rather than criticize plans that differ from it. In reality, state and local governments and plan sponsors must deal with multiple plan goals, legal restrictions, and diverse interests in plan design.

- Employee contributions are mandatory and begin immediately. A state or local government may want to have a brief waiting period (less than three months) before starting contributions due to turnover.
- Total contribution level is 12 to 15 percent with Social Security and 18 to 20 percent without Social Security.
- The employer contributes half or approximately the amount contributed to the defined benefit plan for employees.
- Employee contributions are set at the full amount immediately so that auto escalation is not needed.
- · Contributions are defaulted into a target date fund.
- A 10–15 fund menu is offered (excluding target date funds) and includes all major asset classes and varying levels of risk.
- A limited brokerage window is allowed for employee contributions only. A minimum balance must be kept in the main account.
- · There is one record keeper.
- Loans from employee contributions are allowed only for hardships and at the discretion of the

employer. No loans are available from the employer portion. A dollar limit on the amount of loan may also be appropriate.

- Vesting in employer contributions is one year or less.
- An option to annuitize part or all of the fund balance is allowed at or near retirement and /or offer a deferred annuity investment option.
- Availability of plan-sponsored, objective retirement counseling and education to help employees make informed retirement (versus investing) decisions.

Overall, the plan presented above has several behavioral tools to force retirement savings and simplify decision making, similar to defined benefit plans. Specific provisions that mimic a defined benefit plan include mandatory participation, default target date fund, limited pool of investment choices, restrictions with the brokerage window, limited loans, and an annuity option. Public employers typically require employee contributions and control contributions within defined benefit plans, making it logical to argue for a similar prerogative in defined contribution plans. This control can be taken to further extremes, including directing investments. However, by taking on this responsibility, the state or local government may also face greater fiduciary risk or at least high levels of employee resistance since the employees bear the risk if the investments do not produce well. So, the issue is not whether employers can mandate participation and employee contributions but at what level.

The retirement contribution involves two critical issues: who contributes and how much. The total recommended contribution reflects the numbers typically stated as being necessary to reach replacement income of 80 to 85 percent. The amount of employer contribution is based on the assumption that defined contribution plans are not primarily adopted for cost savings and can be expected to treat participation the same as employees in defined benefit plans. One can also reasonably argue that as a matter of personal responsibility, employees can be expected to contribute to their retirement as well. Finally, rather than ratchet up employee contributions through automatic escalation, it may be easier to require the full contribution as a condition of employment. Therefore, employees come into the plan expecting to pay and are not budgeting for increases over time.

The investment portfolio and its management would generally resemble best practice for a supplemental fund. This includes limited fund choices and using one record keeper. Having 10 to 15 funds was chosen because that was the median response from this report's research interviews. However, brand name funds would not be necessary to encourage participation. Instead, a core defined contribution plan would utilize less expensive index funds and managed accounts when necessary to ensure all major asset classes were included in the plan's investment fund menu (e.g., small cap fund). This fund may be able to offer a wider array of investment choices, such as a real estate fund. Like the supplemental fund and for the same reasons, the default fund would be a target date fund.

One investing difference between core and supplement funds would be the availability of a brokerage window. Though this report's research showed that having one is important, it may be prudent to limit its use because of the serious implications if employees make poor choices. In addition to limiting investments to mutual funds as suggested with supplemental plans, core defined contribution plans could prohibit using employer contributions. The argument for doing so is to prevent employees from harming themselves. This thinking is in keeping with the fund's goal to provide adequate retirement income.

The proposed fund would also limit loans in order to ensure sufficient retirement income. The research of this report showed overall support for hardship loans although a strong argument can be made to prohibit any loans, just as they are prohibited in defined benefit plans. Allowing hardship loans from employee contributions provides a middle ground.

Literature on ideal defined contribution plans generally argues for vesting within one year of service. 98 However, the vesting period offers a small incentive to stay with an organization if it is not too long. In addition, a vesting period is a source of savings for state and local governments because contributions are returned for employees who do not vest. However, this plan model is predicated on employee retention and cost savings being secondary to providing an adequate retirement income. Because retention and cost savings are important considerations in practice, a longer vesting period for employer contribution such as three or four years may be more appropriate.

The general consensus of the economic literature is that lifetime income is a very important part of retirement income; however, how much depends on a number of factors. David Babbel (2008) suggests that lifetime income should be 40 to 80 percent of total retirement assets. Therefore, employees with a core defined contribution plan (and no other lifetime income other than Social Security) should probably annuitize a sizeable portion of their employee's assets. The next chapter of

this report will discuss annuities and their role in public sector retirement programs in more depth.

The final plan summary point concerns education for retirement counselors and employees on retirement readiness and planning, investments and investing, and retirement income management. In an environment where investing and retirement decisions are shifted to employees, retirement counselors will need to become at least "minimally competent" in these areas to meet the increased educational needs of members. Design tools such as auto enrollment or target date funds may help employees arrive at retirement with sufficient savings, but employees will still need education and guidance on how to integrate defined contribution assets with other lifetime income. Some even argue that plan administrators will need to provide retirement advice and retirement planning software to meet employees' needs.

Disability Benefits in Core Defined Contribution Plans

How to provide disability benefits with a core defined contribution plan is an important issue for state and local governments because of the high proportion of public safety employees. There are three options for providing disability benefits:¹⁰¹

- Create a 401(h) account within the 401(a) fund for health and disability coverage. A drawback to this choice is that no more than 25 percent of the contribution can be allocated to the 401(h).
- Purchase an insurance product outside the plan to cover the disability of high-risk employees. There may be cost concerns, but it would cost less than providing disability coverage for all employees.
- For state and local governments with a grandfathered defined benefit fund, make an extra contribution to it to cover disability benefits of employees in the defined contribution plan. This model would work for employees in a hybrid plan as well.

Some governments may choose not to provide disability benefits. There are advantages and disadvantages to these solutions, and an in-depth review is worthwhile for state and local governments moving to a core defined contribution plan.

Hybrid Plan Design

Because hybrid plans continue to offer a defined benefit, the defined contribution component can be a middle ground between the purely supplemental where there is a strong defined benefit and a core defined contribution plan. Several defined benefit-type tools might be appropriate to the defined contribution portion of a hybrid plan.

With hybrid plans typically offering between a 1 and 1.5 percent defined benefit multiplier, employees will need to contribute to a defined contribution plan in order to meet the goal of 80 to 85 percent replacement income at retirement. Therefore, a fairly aggressive auto enrollment at 5 to 6 percent would likely be important. This may be particularly appropriate if public employees contribute little or nothing to the defined benefit portion of the plan. Whether the employer contributes a match to the defined contribution portion may depend on plan design. For example, Utah provides a 1.5 percent multiplier for the defined benefit component but does not offer a match for the defined contribution portion; while Georgia offers a 1 percent multiplier but up to a 3 percent match in the defined contribution fund. In Rhode Island's plan, which also has a 1 percent multiplier, the state contributes 1 percent to employees' defined contribution plans and requires employees to contribute 5 percent to it as well.102

The investment portfolio options, default fund choice, and the record keeper could reasonably resemble either the optional or core defined contribution plan since these are quite similar. Without employer or limited contributions, restrictions on loans and brokerage accounts may not need to be as stringent as with core defined contribution plans. ¹⁰³ Also, as is the case with supplemental plans, any employer match to a defined contribution plan should be vested immediately. Finally, because hybrid plans generally provide a smaller portion of the retirement payment from the defined benefit component, it may be useful to offer an annuity option or deferred annuity fund for the defined contribution plan, particularly where Social Security is not included.

Governance and Ethics with Defined Contribution Plans

The increasing importance of defined contribution plans will result in greater attention to their management including ensuring that board members and staff meet their fiduciary responsibilities. Areas of greatest concern are investment selection and oversight, fees and fee disclosure, conflict of interest, fiduciary training, and governance with small plans.¹⁰⁴

One of the most important responsibilities of supplemental and core defined contribution plan fiduciaries is the selection of funds. By selecting a particular fund, the fiduciary is making an implicit recommendation.

Board members and staff need to perform strong due diligence in their research, selection, and management of funds and fund managers. The investments should be screened for charges and expenses, manager tenure, size of the fund, past performance, risk levels, volatility, and changes to fund operations. Written investment policy statements can greatly assist in that effort by providing guidance and continuity in decision making.

Once chosen, investments require sustained oversight. For example, fiduciaries must ensure that managed funds are actually being effectively and actively managed, particularly since defined contribution plan participants pay higher fees for this service. The plan should have established investment policies and benchmarks that are followed consistently with performance updates done quarterly. To help with this work, hiring an investment performance consultant can be extremely beneficial. In addition to fund performance, fiduciaries need to make sure the fees charged for management are reasonable and transparent. Recommended practice is to bid out services for record keepers and fund managers on some recurring basis. Finally, administrative and investment fees need to be available to employees in a readable and accessible format. Oversight of investments takes resources, time, and effort.

Training on investments is generally recommended for board members and anyone with fiduciary responsibility. 106 Although having financial expertise is not a prerequisite for serving on a retirement fund board, building knowledge about investment approaches and options, selecting managers, and overseeing investments are core fiduciary responsibilities. Without proper training, board members cannot question their record keeper or consultant about fees, benchmarks, fund management, etc. Appreciating the importance of training, NAGDCA helped found the International Foundation for Retirement Education that offers plan administration and counseling education for professionals involved with public sector defined contribution plans.

In this report's research, ethics was raised as a critical issue for board and staff members as well as record keepers and vendors. Strong policies prohibiting conflicts of interest are essential. For board members, that means not having personal relationships with vendors and using a fact-based decision process in vendor selection. For record keepers, it means not cross-selling products or using participant data to sell products. To prevent lapses in responsibilities, training on fiduciary responsibilities and execution of duties is of utmost importance for both board members and staff. It should occur regularly and be of high quality.

Overall, the respondents interviewed for this report believed that larger defined contribution plans are generally well managed because they have the staff and resources to perform due diligence and oversight. However, it may be more difficult for smaller plans to meet their fiduciary responsibilities. ¹⁰⁸ Some smaller governments may not have staff with sufficient financial expertise to bid for a record keeper and/or develop benchmarks or the time to ensure proper oversight. ¹⁰⁹ In these instances, a state or local government may benefit from joining a statewide hybrid, DC plan, or consortium that can provide fiduciary responsibilities on its behalf.

Conclusion

This chapter touched on many of the key issues associated with defined contribution design and management. Designing defined contribution plans to operate more like defined benefit plans may help overcome the behavioral flaws that lead to inadequate retirement savings and investment. Although design options like auto enrollment or target date funds will not mitigate investment risk and market volatility, a more supportive approach to defined contribution plans may work well with the existing culture of state and local governments. However, implementing these tools should be considered on a case-by-case basis depending on whether the defined contribution plan is a core or supplemental plan.

In contrast, a strong argument can be made for a more structured core defined contribution plan combined with retirement education and counseling to ensure that employees have adequate retirement income. Finally, the governance and management of defined contribution plans, whether they are supplemental or core, will receive greater attention as the number of participants and their contributions grow.

Creating Lifetime Income from Defined Contribution Savings

Ensuring that employees have sufficient retirement income is one of the primary goals of public retirement programs. Survey research has found a positive correlation between retirees reporting satisfaction with their retirement and greater net worth. 110 State and local governments have made successful retirements possible for many employees through defined benefit plans. But, as these plans evolve, it is important to understand and explore other avenues for attaining income security. This

chapter looks at adding lifetime income options to the defined contribution environment with particular focus on annuities and their role in public sector retirement design, as these options are not commonplace today. Over the last several decades, governments have relied on defined benefit plans to provide their retirees with a lifetime income sufficient to support an adequate quality of life. A defined benefit plan with a 2 percent salary multiplier and Social Security would provide a 30-year employee with a combined annuity equal to approximately 85 percent of salary, in often with regular cost-of-living increases. With such a high percentage of income coming from lifetime income sources, an employee would not need to purchase additional annuities with their savings. Instead, a supplemental defined contribu-

Annuitles

"An annulty is a contract between [an individual] and an insurance company...under which [the individual] make[s] a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to [the individual] beginning immediately or at some future date." Three main types:

"In a fixed annuity, the Insurance company agrees to pay [an annuitant] no less than a specified rate of interest during the time that [an annuitant's] account is growing. The Insurance company also agrees that the periodic payments will be a specified amount per dollar in (one's) account. These periodic payments may last for a definite period, such as 20 years, or an indefinite period, such as [an annuitant's] lifetime or the lifetime of [an annuitant] and [his or her] spouse."

"In an **Indexed annuity**, the insurance company credits [an annuitant] with a return that is based on changes in an Index, such as the S&P 500 Composite Stock Price Index. Indexed annuity contracts also provide that the contract value will be no less than a specified minimum, regardless of index performance."

"In a variable annuity, [an annuitant] can choose to Invest [his or her] purchase payments from among a range of different investment options, typically mutual funds. The rate of return on [his or her] purchase payments, and the amount of the periodic payments [he or she] eventually receive, will vary depending on the performance of the investment options... selected."

Source: U.S. Securities and Exchange Commission: Annuities [http://www.sec.gov/answers/annuity.htm]

tion fund would provide additional resources for major purchases, paying off debt, medical costs, unexpected expenses, travel, or a higher quality of life.

With the role of defined contribution funds growing as a source of retirement income for public employees, it is worth reviewing the most common approaches used today by financial advisors to generate retirement income. When individuals transition from asset accumulation to decumulation of retirement funds, they have numerous choices to consider and options to weigh. Spending too much too soon can result in insufficient income later for health care, bequests, or even everyday expenses; however, delaying consumption too long may result in a less satisfying quality of life than might be possible through strategic use of retirement savings. Balancing the consumption and savings tradeoff is particularly important for employees with hybrid or core defined contribution plans when they begin to spend down their retirement savings. Two of the more common income strategies used are the "dividend and interest only approach" and the "systematic withdrawal approach."

Dividend and Interest Only Approach

Under this fiscally conservative method, retirees only spend income earned from their investments and leave capital untouched; thereby eliminating longevity risk (i.e., outliving one's assets). In addition, this approach may be appropriate for those with strong bequest intensions. However, there are serious drawbacks to it as well. Most importantly, consumption is driven by asset allocation,112 which can vary significantly over time, making budgeting difficult. Determining an appropriate balance between stocks and bonds to accommodate both growth and security can be difficult to achieve. This approach is primarily for wealthier investors who are not at risk of running out of money and who have other assets to provide income needed for retirement quality of life. For the average worker, a dividend and interest only approach might protect their savings principal, but will likely not provide sufficient income over time needed for retirement quality of life.

The Systematic Withdrawal Approach

Spending down assets through systematic withdrawals has become increasingly popular over the past 20 years. In this approach, an individual continues to invest his or her assets in equities and/or bonds and spends down the account annually until the assets are depleted. A common rule of thumb for a withdrawal rate is 4 to 4.5 percent the first year with increases in withdrawals to match changes in the consumer price index. It further requires a minimum of 50 percent of assets invested in equities at the beginning of and through the end of the retirement horizon. 113 The expectation is that, barring major losses and disciplined withdrawals, the fund should last approximately 30 years. 114 This approach provides control over assets and flexibility while dealing with investment inertia. The employee can alter investment choices and withdrawal amounts which may be important in cases of emergency. This approach also minimizes the need for researching and committing resources required to purchase an annuity.

There are major drawbacks to only using a systematic withdrawal approach as well. Most importantly, it does not guarantee against longevity risk. Outliving one's assets can be a very real possibility, particularly if the retiree takes large withdrawals due to unforeseen expenses, underestimates future health care cost increases, and/or incurs significant investment losses. Likewise, if the market underperforms, individuals may need to reduce consumption and change their lifestyle. Furthermore, some argue that matching fixed spending plans with unpredictable investment returns is inappropriate.115 Some financial experts anticipate a "new normal" with the stock market producing slower growth and greater volatility-making the withdrawal method riskier. 116 Finally, managing these assets requires sustained and substantial effort, either by the retiree or a financial advisor.

Because of the importance of appropriately managing investments in retirement and the lack of personal financial expertise, many individuals seek the advice of financial planners, which adds to costs. Little to no research exists on how well retirees spend down their accounts to provide reliable data for assessing the success of the withdrawal method over the long term.

Guaranteeing Lifelong Income

Because of the severe consequences of miscalculating decumulation of assets, many economists recommend annuitizing sufficient assets to meet a minimum standard of living. ¹¹⁷ In addition, research has found that retirees who felt they could count on lifelong guaranteed income were significantly happier than those who could not. ¹¹⁸ Yet, the general public does not routinely purchase annuities. ¹¹⁹ Aside from overarching reasons related to defined benefit coverage which provides lifetime income, possible reasons for public employees' hesitancy include: ¹²⁰

 Underestimating Longevity. A survey of retirees found that respondents underestimated their longevity by 2.5 years on average¹²¹ and, therefore, do not fully appreciate long-term risk.

- Framing. Many retirees view annuities as an investment and therefore assign it greater risk than other types of investments such as bonds. When framed as an insurance product that enhances the ability to consume, people favored annuities.¹²²
- Cost. Annuities are believed to be expensive, particularly during times of low interest rates.¹²³
 However, some research has contradicted that finding.¹²⁴ Additionally, life expectancy of the typical annuitant is longer than the general population which drives up the cost of the product.¹²⁵
- Control and Flexibility. After purchasing a fixed annuity, the retiree would not have access to the money invested for unexpected healthcare, longterm care, or other expenses, and the benefit is "locked in." Purchasers may have to pay significant penalties for cancelling their annuities during the surrender period.
- Viability of the Insurance Company. Retirees may have concerns that the insurance company that sold the annuity will fail, resulting in losing all or part of the annuity.
- Inertia. Because purchasing an annuity is a major decision, retirees or near-retirees often delay purchasing them. The more complex the annuity decision becomes due to choices, the more easily people become overwhelmed.¹²⁶
- Discounting Long-term Outcomes. Behavioral economic theory helps explain why people undersave for retirement. With regard to annuities, people discount the need to have income in the future relative to the present.
- Bequests. Retirees want to pass on assets to loved ones, particularly spouses, rather than lock funds into an annuity.

In response to several of these concerns, the financial industry has created new products, strategies, and enhancements to meet expectations. However, the new products and extras typically come with additional costs. Examples include survivor benefits, inflation adjustments, guaranteed minimum withdrawal benefits, advanced life deferred annuities, combining annuitization with systematic withdrawals, and trial annuities. These options are often utilized in combination with other retirement income such as Social Security or defined benefit pensions.

Guaranteed Minimum Withdrawal Benefits. These are variable annuities with benefit floors. 127 The funds are typically invested in a proprietary product such as a company's target date or risk-based fund. In addition to

investment management fees, the investor pays a premium for a guaranteed minimum lifetime income benefit (i.e., annuity), which would kick in if all the assets in the account are used before his or her death. Conversely, if the participant dies before spending all the assets, beneficiaries can inherit any remaining market value balance in the account based on market value. The participant still has control over the assets in his or her account and can withdraw funds if necessary; however, this would likely lower the amount of guaranteed income. If the investment performs well, the income stream may be raised as well. Many of these products are portable, 128 so there is less risk associated with losing assets due to default by the insurance carrier. Despite the advantages, there are lingering concerns about guaranteed minimum withdrawal products, particularly costs; therefore, plan sponsors and participants should carefully review the fees associated with the various products.

Advanced Life Deferred Annuities. Advanced life deferred annuities act as longevity insurance. These annuities are typically purchased by individuals in their 50s or 60s and provide guaranteed monthly income when the annuitant reaches a chosen age, often between 75 and 85. 129 Because of the pooled risk associated with not reaching the annuity's maturity, the product is relatively inexpensive, 10 to 25 percent of retirement savings. 130 This annuity could be a reasonable complement to spending down savings or as a hedge against inflation for fixed income. The Departments of Labor and Treasury support the use of advanced life deferred/longevity annuities in private sector employer plans. 131

Trial Annuity. In this relatively new concept, a portion of an employee's retirement contribution is automatically deposited into an annuity product with an opt-out provision. Upon retirement, the employee is given an annuity and has the option of canceling it without penalty within a fixed period of time. The expectation is that the employee will keep the annuity because he or she becomes comfortable with the regular payments and prefers not to change an existing income structure. However, by assigning an employee an annuity, the plan sponsor may not be offering the most appropriate product, which could be detrimental to the participant over time. There may also be questions about the fiduciary responsibility of the public plan sponsor in this arrangement as it relates to annuity cost; however in private sector ERISA plans, the Department of Labor has provided needed clarification.

Partial Annuitization and Systematic Withdrawal.

Annuitizating some defined contribution assets to create

a necessary lifetime income floor, while leaving the rest of the assets in a managed portfolio, is increasingly considered by many financial professionals to be the best of both worlds. The retirees' managed assets have the upside potential to provide the needed protection against inflation over a long time horizon and the lifetime income floor addresses longevity risk for the retiree. This approach also provides access to retirement funds when needed for emergencies and yet reduces some of the disadvantages of solely relying on annuitization.

Even with many concerns about annuities, the research of this report found strong support for them in a core defined contribution environment because of the importance of ensuring guaranteed lifetime income. Currently, demand for annuities in the public sector is not high because of the prevalence of defined benefits. However, for state and local governments that have added hybrid and/or core defined contribution plans, the interest in annuities will likely change as employees approach retirement. State and local governments and plan sponsors can play an important role in helping employees understand and assess the cost and benefits of annuities. Four actions governments can take to assist employees considering annuities are:

- 1. Offer an in-plan annuity. An in-plan annuity will be less expensive for retirees. To make this approach viable, state and local governments need to carefully select insurance carriers and periodically review the carriers' continued financial soundness. To limit fiduciary liability, state and local governments may want to consider a guaranteed minimum withdrawal product as one potential annuity option because of its portability; another option is an advanced life deferred annuity. Additionally, state and local governments may be in a better position to negotiate lower-rate annuity products to reduce their costs.
- 2. Offer an annuity shopping service. With a shopping service, state and local governments offer employees a platform that provides competitive bids where they can shop for the annuity on their own. ¹³³ This option makes buying an annuity easier for employees, but the annuities are out of plan. In the 401 (k) world, annuities on this type of platform are institutionally priced. State and local governments have some fiduciary responsibility in researching the shopping service and may even want to review the insurance companies that participate in it.
- 3.Offer government annuities. A state or local government can also elect to offer an annuity

option for employees with a core defined contribution benefit. A few plans currently offer this service, including the Ohio Public Employees Retirement System (OPERS). Listed benefits of this option include a less expensive/higher income annuity for the employees due to lower administrative costs, elimination of profit, and no fear of default. Larger state systems which have the infrastructure and internal experience to pay benefits based on an initial lump sum investment can compete with insurance companies and investment managers who would perform the same function, yet at a lower cost. In addition, having additional assets under management should lower the percent of fixed asset management costs allocated over the entire plan. 134

There are also concerns with this option. By offering an annuity, the state or local government assumes investment risk, which conflicts with one of the reasons why governments typically adopt hybrid and core defined contribution plans. To avoid the state or local government incurring additional costs from investment risk, the plan sponsor would need to establish a sufficiently low discount rate that may be less than the one used by the defined benefit fund's actuary. A lower default rate makes the annuity more expensive, but it may still be less expensive than ones sold in the private sector. Other policy and administrative concerns include the additional workload for the plan, overcoming political hurdles (which may involve legislation), and ensuring the funds are properly segregated and not diverted for other uses. Finally, there could be some issues over discriminatory pricing. This occurs when women pay more for an annuity because they live longer on average than men. Plan sponsors may be hesitant to have different prices based on gender for liability reasons, yet creating a uniform price makes the annuity more expensive for men. Plans that offer annuities often use uniform pricing for men and women, which administrators say has not caused any problems.

4. Provide annuity education. At a minimum, state and local governments and plan sponsors can begin to offer education about annuities for near retirees. In addition to written information, a seminar format that uses case studies with scenarios familiar to public employees may be preferred, allowing employees to question and work through different financial scenarios. Recommended topics include:

- · Types of annuities
- Advantages and disadvantages of annuities, including longevity
- Situations when annuities are most appropriate and/or desirable
- · Managing inflation, interest rates, and market risks
- · Tax ramifications and strategies
- · Pricing and discount rates of annuities
- Trade-offs between the costs of annuity guarantees and related reduction in payouts
- · Managing guaranteed lifetime income.

These options require varying levels of commitment and resources from the plan sponsor, necessitating thoughtful evaluation. Whether to implement one or more of them will probably need to be based on more than employee demand since few employees appreciate the benefits of an annuity until they learn more about it. In this regard, state and local governments may want to encourage employees with hybrid or core defined contribution plans to consider annuities as an option to maximize retirement income and protect against longevity risk.

Financial Literacy for Defined Contribution Plans

A well-known researcher in the field of financial literacy, Dr. Anna Maria Lusardi, argued that plan design is a complement, not a substitute, for financial education.¹³⁵ This chapter examines financial and retirement education for defined contribution plans in the public sector including why education programs are important, different methods applied in practice, and programs specifically for near retirees.

Retirement planning involves a multitude of decisions for employees throughout their careers. With public sector defined benefit plans, employees do not need to work as hard at retirement planning. Career employees can easily calculate the percent of the annuity they will have at retirement and add it to their Social Security benefit, if applicable. Employees who are or will depend upon defined contribution plans to fund their retirement need to be more financially sophisticated to ensure sufficient retirement income throughout their life. Their decisions include how much to contribute to the plan, the composition of their portfolios, and how to manage assets and household budgets upon retirement in order to mitigate longevity risk.

The greater individual responsibility for managing retirement which comes with hybrid or defined contribution plans implies that employees have tools to make good decisions. Yet research has shown this is not the case. In fact, a sizeable portion of Americans struggle with basic financial concepts like interest rates, inflation, and risk diversification. Research has further indicated that people with low financial literacy make poor economic decisions, which has negative impacts not only on the individuals but also society at large. Individuals who do not plan for retirement have lower net wealth and are less likely to invest in assets with higher expected returns such as equities.

Financial education leads to a greater understanding of financial markets, risk-return tradeoffs with investments, and the level of savings needed to achieve retirement goals, all of which are essential in a defined contribution environment. ¹³⁹ Furthermore, financial literacy is positively correlated with wealth, pension contributions, and retirement planning. ¹⁴⁰ This is particularly true for low-income individuals. Dr. Annamaria Lusardi and Dr. Olivia Mitchell reached these three conclusions about financial literacy: ¹⁴¹

- Financial literacy determines how well individuals make and execute financial decisions.
- Financial literacy's effects on financial decision making extend beyond the effects of education, sex, race, income, and other factors that were earlier found to be associated with gaps in financial knowledge.
- Researchers have uncovered a convincing causal link between financial education programs and enhanced financial decision making.

While the benefits of financial literacy are increasingly clear, who should provide it is not. As a larger public policy issue, one can argue that financial education should start in school so that it reaches the entire population, particularly since defined contribution plans are widely used in the private sector. Since this is not occurring, employers are typically tasked with supplying it to guide their employees.

For state and local governments, these education programs have characteristically involved information about the supplemental defined contribution plans offered with some additional retirement planning assistance provided through education specialists, online resources, and call centers. The research of this report found mixed opinions about the benefits of using education specialists for retirement planning with the majority favoring them. Those supporting education

specialists believe that individual service to employees is very effective and desirable. Others argued that the costs for the specialists exceeded the benefits, particularly when trying to increase participation. However, it is important to note that participation varies by government. For example, San Jose, California, has a 70 percent participation rate in its supplemental defined contribution plan which staff attributes to high levels of personal communication including brown bag lunches and multiple seminars on investing. The quality of the design of the programs delivered has a significant impact on whether or not desired results are achieved.

Strategies identified to ensure that education specialists are effective resources for retirement include: 143

- Paying them a salary, not a commission, to reduce conflicts of interest and build trust with employees.
- Assigning specialists to a government or agency rather than sharing them across several governments so that employees and human resources staff can build productive relationships with them.
- 3. Maximizing specialist flexibility in meeting with employees including attending "lunch and learn" sessions, employee orientations, individual meetings, benefit fairs, etc. It also means going to employees' work sites such as fire stations, police precincts, and maintenance garages at different times to meet with shift employees.
- 4. Although not specifically about financial specialists, requiring employees to attend education programs may help with the effectiveness of using education specialists.

Finally, employers need to review their policies to ensure they are encouraging employee participation in defined contribution plans. In particular, governments should not require employees to use vacation time to attend retirement seminars, which discourages participation.

Research has tried to measure the effectiveness of varying types of education processes. Generally, seminars are more effective than printed material for increasing savings. 144 More specifically, employees with 401(k) accounts who attended seminars were more active in planning their retirement, wanted to establish a supplemental plan, increased their contribution rates, and became more active in managing their accounts. 145 Furthermore, seminars have stronger impacts among the least educated and the least wealthy. 146 This finding may be particularly valuable as state and local governments and plan administrators try to maximize outcomes with limited education resources.

Increasing automation is a way to effectively reach a diverse workforce.147 For example, state and local governments are moving to online enrollment for supplemental defined contribution plans. With time at a premium, placing five to ten minute instructional videos about various aspects of financial management online is one way to reach busy employees. Due to limited resources, offering traditional classes on multiple financial issues may be cost prohibitive, but videos, worksheets, and calculators provide valuable information at a lower cost. Web-based programs allow retirees to access information at their convenience, providing ongoing support for people who have left the workplace. A note of caution is in order. In a recent survey, the Employee Benefits Research Institute found that "only a minority of workers and retirees feel very comfortable using online technologies to perform various tasks related to financial management" such as obtaining financial information or processing financial transactions."148 Therefore, plan administrators need to assess the computer literacy of both current and retired employees when designing online financial resources.

In thinking about how to improve education programs, it is important to remember that one size does not fit all. Current research is trending toward targeted or at least generational approaches to education. ¹⁴⁹ In fact, some research has found that generic financial and economic information does not have any significant influence on savings through defined contribution plans. ¹⁵⁰ Older workers tend to prefer the personal contact of education specialists while younger employees are more comfortable using online resources, which could encourage their participation. Therefore, plan administrators should consider what venues are most effective for specific groups when developing educational programs.

One of the biggest challenges in improving participation in defined contribution plans appears to be garnering the interest of young workers. Many young employees are paying off student loans, focusing on more immediate investments like purchasing a home, and starting a family on a relatively limited income. However, even small investments early in a career could translate to substantial retirement savings over time. In addition to placing information on the state or local government's website, sending texts and using social media may be the best ways to reach young employees.

Finally, there is increased interest in developing financial education programs that consider the whole person.¹⁵¹ One organization recently created a

360-degree personal financial health assessment program.152 In it, the employer assists individuals in developing a holistic financial plan that takes into account debts, assets, and retirement. Others believe state and local governments should provide employees with a comprehensive financial literacy program that includes issues well beyond retirement planning such as college planning, real estate and mortgages, debt management, etc.153 With better financial literacy, employees will experience less stress, decreased absenteeism, increased salary satisfaction, and improved productivity, making the return on investment in these programs financially positive. However, not everyone agrees with this expanded educational approach.154 The counter arguments to these non-retirement programs are that they are too costly and go beyond the responsibility of state and local governments as employers. One can reasonably say that as retirement benefits evolve in the public sector, state and local governments will need to assess the scope of their education services to employees to increase the likelihood of their ability to meet retirement savings goals.

Approaching Retirement

Helping employees make sound financial decisions as they move from accumulating assets to preparing for retirement and then on to decumulation is one of the most important aspects of retirement education. In fact, of the people interviewed for this report, nearly all spoke of the importance of preparing employees for retirement. The need for accurate and comprehensive information will continue to increase as employees rely more heavily on defined contribution plans, particularly for employees with hybrid and core defined contribution plans. Those employees will need to understand the complexities of annuities and be able to critically compare them against spending down their accounts. However, in order to do this, they will need objective, reliable information and plan sponsors can be excellent resources.

Though the need to prepare employees for retirement is generally appreciated, the scope of the state or local government's role varies. ¹⁵⁵ Some offer workshops for employees over age 50 on managing retirement income while there's still time for employees to change behavior and have a substantial impact on the quality of their retirement. Others offer transition counseling. Still others admit they are not doing enough because of budget constraints. In providing information to retirees about retirement options, employers can explain the benefits of keeping assets within their plans such as incurring less expensive fees. One of this report's interviewees offered

an ideal retirement preparation agenda that included starting workshops a year or two prior to retirement with a "check in" with retirees six months after they leave service to see how they are doing and to answer any questions. The workshops would discuss budgeting so participants would better understand the impacts of spending choices on their supplemental defined contribution accounts including reviewing spending and withdrawal scenarios. Other suggested topics included the impact of health care costs and inflation on retirement income, and coordinating drawing Social Security with receiving pension and spousal benefits.

Conclusion

Research on financial literacy continues to demonstrate its value; however, not all programs and formats are equally effective. Traditional seminars and the individual focus of education specialists are viewed as having positive impacts, particularly for those with the least education and wealth. Increasing automation provides a way to offer a wider spectrum of information at less cost. To encourage employees to take greater ownership in their retirement, including participating in supplemental defined contribution funds, plan administrators will need to provide more education and retirement counseling regarding the timing of the receipt of employee retirement benefits including Social Security, budgeting, and other retirement income decisions. In addition, employers may want to consider creating programs that are targeted to different generations. This includes offering programs for near retirees who have difficult choices to make about their retirement income, particularly those who are more reliant on their own savings.

Examples of Structural Change

State and local governments have and are continuing to undergo pension reform. In some instances, these changes have resulted in hybrid plans, either as an option (e.g., Florida, Ohio, Utah) or mandatory (e.g., Georgia, Rhode Island) or core defined contribution plans (e.g., Alaska, Michigan) for employees. In most state and local governments, pension reform has entailed adjustments to the defined benefit plan, which has renewed interest in supplemental defined contribution plan participation. This chapter considers the issues and challenges of implementing new hybrid and core defined contribution programs, drawing on the experience of a few governments that have recently undertaken structural changes. The chapter looks at four governments:

two states, one large urban county, and a small city. This diversity provides an opportunity to see whether implementing a defined contribution plan presents more challenges to one type of government or another.

As part of this research, administrators were interviewed¹⁵⁶ from the state of Georgia and a small city in the state, Fayetteville, which implemented hybrid plans for new employees in 2009 and 2012, respectively. This chapter also draws on prior research conducted by the Center for State and Local Government Excellence,¹⁵⁷ which included case studies on the state of Oregon and Gwinnett County, Georgia. Oregon began its hybrid plan in 2003 and Gwinnett replaced its defined benefit with a core defined contribution plan for new employees in 2007. The goals, impetuses, and processes for reform differ among the governments, reflecting political, financial, and social circumstances. All of the government and plan administrators interviewed for this report believe their pension reforms have been successful.

The following sections provide brief summaries of the reform plans.

State of Georgia. The state created a hybrid plan for new employees hired on or after January 1, 2009 that provides a defined benefit with employees contributing 1.25 percent of their salary to it. The defined contribution component is optional; however, the government used auto enrollment at 1 percent to encourage participation. In addition, the state provides up to a 3 percent match to employees contributions to their defined contribution accounts. The employees' 1 percent contribution is matched at 100 percent, and additional contributions are matched at 50 percent up to an additional 2 percent match from the state. Therefore, employees maximize the match when their contributions reach 5 percent. The default fund is a target date fund.

State of Oregon. For employees hired after August 29, 2003 the state's defined benefit multiplier is 1.5 percent for regular employees and is fully funded by the employer. Employees' 6 percent contributions are deposited into individual defined contribution accounts. These contributions are invested by the Oregon Investment Council. For employees hired prior to the effective date of the reform, their 6 percent contributions are also directed to the defined contribution accounts. However, they continue to have the option of selecting a pension benefit based on a traditional defined benefit formula (1.67 percent multiplier for regular employees) or a money-match plan.

City of Fayetteville, Georgia. Beginning in 2012, new employees participate in a defined benefit plan with a 1.5 percent multiplier and contribute 2 percent of their salary to it. The defined contribution component is optional with the city providing a 50 percent match up to a total contribution of 2 percent. The city extended the match to current employees as well. The city did not adopt auto enrollment because it already has a strong culture of high participation in its 457 plan. Daily management of the plan is through the state's municipal association.

Gwinnett County, Georgia. Since January 1, 2007 new employees have participated in a mandatory core defined contribution retirement plan. The county contributes 7 percent of salary and employees choose their contribution level at 2.5 percent, 5 percent, or 7 percent. Gwinnett also adds 1 percent to the defined contribution plan for employees who contribute at least 2.5 percent to their 457 plan accounts.

Administrators for the state of Georgia, city of Fayetteville, and Gwinnett County all said implementation of their new retirement programs went smoothly. In all three instances, the governments were building off existing defined contribution plans. Georgia had a 401 (k) plan in place that had limited use. 159 Gwinnett County had created a 401 (a) plan in 2000 for exempt employees while Fayetteville simply restructured its 457 plan for all employees. None of these governments encountered problems with technological or data changes. For Georgia, the retirement system administrator hired its record keeper to make the modifications for an extra fee. Fayetteville's city manager worked with the Georgia Municipal Association to develop the plan, and the human resources (HR) director adjusted the payroll.

In Gwinnett County, the reforms were part of a larger effort to take over management of the county's pension plans from the state county association. Staff needed to hire a record keeper, develop policies and benchmarks, and appoint a board. Gwinnett staff used this opportunity to create a core defined contribution plan based on best practice. For example, participation is mandatory and loans are prohibited in order to increase retirement savings. One drawback staff see with the plan is that it does not allow employees to change their contribution levels, such as with a 401(k). The HR director would like employees to have the opportunity to raise their contribution rates as they earn more and progress in their careers. Overall, implementation went smoothly because staff had the time to do their research, hire the best consultants, and deliberate over what they wanted the plan to look like in order to meet their goals.

In Oregon, implementation was more challenging for several reasons including a short time frame, the need to create new accounts for existing employees, implementing a new computer system, litigation over the new laws, and an extremely large caseload of new retirements prompted by the reform's impact on existing employees. ¹⁶⁰ Eventually some of the reform provisions were deemed unconstitutional. However, Oregon's experience provides a good lesson about the importance of ensuring sufficient time for implementation and thinking about the unintended consequences of changing retirement benefits for existing employees.

Each government took a different approach to employee contributions. Oregon's mandatory 6 percent was a transfer of an existing contribution and provides a healthy amount for the individual account program (IAP), particularly since the defined benefit will provide a 45 percent replacement ratio for a career employee. Gwinnett's contribution is also mandatory, but the amount can be as low as 2.5 percent, resulting in a combined total contribution of 9.5 percent.161 This is less than the 12 to 15 percent amount that is generally perceived as necessary for an employee to reach an income replacement ratio of 80 to 85 percent at retirement with Social Security. Employees choosing the 5 or 7 percent contribution rates should meet that goal. Georgia chose a 1 percent auto-enrollment amount for its defined contribution in order to not discourage employees from participating. Approximately 90 percent of employees have stayed in the plan. However, 80 percent are still at the 1 percent contribution amount even though the government matches higher contributions. In Fayetteville, contribution to the defined contribution plan is also voluntary, and auto enrollment is not used. With the plan being so new and the city so small (only 150 employees), it is difficult to draw conclusions about this decision's impact on employee participation.

Summary

This brief overview of the reform processes in four very different governments indicates that neither the level of government nor its size makes implementing a hybrid or core defined contribution plan more difficult. Two key issues that have some impact on outcomes are whether new employees are included in the reform and the time frame for enacting it. The reform stories also suggest that defined contribution plan design will impact contribution rates. The Georgia experience shows that the selected automatic enrollment rate will increase participation, but employees are likely to stay at the automatic enrollment level even with a match at a higher contribution level. Similarly, a government can impose tools that limit employee choice to positive ends. Gwinnett County

has not encountered any problems attracting or retaining personnel due to its loan prohibition in the core defined contribution plan. On a final note, when asked to give advice to other governments, one interviewee replied that structural change was not that complicated and made a lot of sense for the government. The key is to think strategically over the long term.

Summary of Key Findings

This report has touched on the major issues and considerations surrounding defined contribution plans in the public sector. Currently, defined contribution plans play a supporting role to defined benefit plans and Social Security for the vast majority of public sector employees and that will likely continue for some time. However, pension reforms across state and local governments are increasing the importance and dependence on defined contribution plans for producing a larger portion of retirement income, or in rare instances, even becoming the primary source. Hybrid plans may also likely grow in popularity over the next several years. With the increasing importance of the defined contribution plan portion of retirement savings, it is worthwhile to consider the benefits and limitations of this savings instrument so that it can be used to best serve public employees.

The following key findings that emerged from this research can assist retirement plan administrators and public policy makers in their review and implementation of defined contribution plans.

- Between 2009 and 2011, 43 states enacted pension reform. Many of these changes will result in lower levels of income from traditional defined benefit retirement plans for new employees, current workers, and in some cases retirees. These changes will necessitate increasing reliance on personal savings.
- Several experts predict a continuing trend toward increased reliance on a defined contribution plan component in the public sector to provide retirement income. Furthermore, some foresee an increase in hybrid plans, which maintain a core defined benefit supplemented by a defined contribution plan.
- The research in this report found the definition of what constitutes an adequate retirement income for employees varies. Experts recommend replacement revenue benchmarks ranging from 70 to 100 percent of pre-retirement income depending upon multiple

- factors such as pre-retirement income household debt, family obligations, and rising health care costs.
- Behavioral research suggests that most people lack the skills to effectively manage their own retirement investments, which is particularly troubling in a defined contribution environment. As a result, state and local governments and plan administrators have begun using tools in defined contribution plan designs that are more typical in a defined benefit environment to make saving and investing easier and more structured.
- Automatic enrollment is an effective tool for increasing participation in defined contribution plans because it overcomes individual inertia. In fact, inertia may be so powerful that automatic enrollment contribution levels can be as high as 5 or 6 percent of salary before seeing significant participant drop off. Furthermore, automatic enrollment should be seriously considered for hybrid plans.
- Not all defined contribution plans need tools like automatic enrollment, particularly supplemental plans that are partnered with an adequate defined benefit plan. Therefore, employers need to carefully assess when these tools are necessary, keeping in mind that income security is a primary goal.
- Core defined contribution plans require the same fiduciary and management focus as defined benefit plans. Employers can exert greater control in core defined contribution plans such as mandating contributions,¹⁶² restricting loans, and limiting investment options to increase the likelihood of successful outcomes.
- Best practice recommends that in a defined contribution environment employees have access to lifetime income options to protect against longevity risk. Offering institutionally-priced inplan or out-of-plan annuities directly available to employees, or allowing employees to purchase defined benefit credits may help reduce their cost, which is a primary obstacle to obtaining lifetime income for defined contribution plan savings.
 Due to the complexity of annuities, state and local governments may need to offer near retirees education and retirement-counseling programs to help them make the most effective decisions.
- Financial literacy and counseling can help employees improve their investment and retirement planning choices, particularly those with lower education and income. For governments trying to make the best use of limited education dollars,

- expanding online resources and focusing on highneed groups and near retirees may be appropriate.
- Based on the examples presented, implementing a new defined contribution program does not appear to be technologically or administratively daunting, and all states already have defined contribution supplemental plans. When considering plan reform some of the cost issues to consider are transition costs, funding of existing pension liabilities, and contributions to the new plan. Furthermore, plan design choices such as automatic enrollment, automatic escalation, and benefit payout options require substantial research and consideration as to their potential impact on retirement savings and plan cost. Ultimately, the design of a defined contribution plan determines its effectiveness as a retirement savings tool.

Endnotes

- 1 The authors would like to thank Elizabeth Kellar and Christine Becker of the Center for State and Local Government Excellence for their review of this report.
- 2 Throughout this report defined contribution is referred to as a general type of retirement plan. One should note that there are a range of types of governmental defined contribution plans with varying rules and structures. Please see the following link for more information: http://www.irs.gov/Retirement-Plans/Governmental-Plans-under-Internal-Revenue-Code-Section-401(a)
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- 21 http://sige.org/publications/state-and-local-governmentworkforce2012-trends.
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- 63 A few of the respondents questioned the effectiveness of most investment educational activities. To the extent this view was given, most of these respondents supported using behavioral tools as a substitute, like auto enrollment.
- 64 Duflo, Esther and Emmanual Saez. 2002. "Participation and Investment Decisions in a Retirement Plan: the influence of colleagues' choices." Journal of Public Economics. 85, pp. 121–148. Additionally, a few of the respondents interviewed said colleague recommendations have had a positively meaningful impact on plan participation.
- 65 For example, Choi, James, David Laibson, Bridgette Madrian, and Andrew Metrick. 2001. "Defined Contribution Plans: Plan Rules, Participant Decisions, and the Path of Least Resistance. NBER Working Paper 8655. Found at www.nber.org/papers/w8655; Crane, Heller, and Yakoboski. 2008; Beshears, Choi, Laisbon, and Madrian. 2010.
- 66 Choi, James, David Laibson, Bridgette Madrian, and Andrew Metrick. 2004. "Saving for Retirement on the Path of Least Resistance." Found at: http://www.hks.harvard.edu/fs/bmadria/Documents/Madrian%20 Papers/ Saving%20for%20Retirement%20on%20the%20 Path%20of%20Least%20Resistance.pdf
- 67 NAGDCA. 2012. Defined Contribution Plan Survey Report. Found at http://www.nagdca.org/documents/2012_ NATIONAL_SUMMARY1847.pdf. "Eighty-eight percent of responding plans said plan participation was elective and 88% of those plans with elective participation do not utilize auto-enrollment." Based on comments from respondents.
- 68 These employees will not receive a COLA in retirement as well.
- 69 Concern voiced by a respondent.
- 70 Based on comment from respondent.
- 71 This is the view of the authors and others may disagree.
- 72 Quote from one interviewee.
- 73 One plan is currently revising their fund options and will reduce the fund choices to 5 plus a target date fund.
- 74 NAGDCA 2012.
- 75 Ibid.
- 76 Government Finance Officers Association. Best Practice: Asset Allocation Guidance for Defined Contribution Plans (1999 and 2009) (COBRA). Found at gloa.org
- 77 Based on comments from one interviewee.
- 78 Comment from one interviewee.
- 79 Of the interviewees who discussed the types of funds in their supplemental or their ideal DC plan, all of them included a target date and/or managed fund.
- Miller, Mark. June 12. 2012. "Retirement Savers Stay Put When Employers Boost Contributions." Reuters. Found at http://www.reuters.com/article/2012/06/12/usretirement-autoenroll-idUSBRE85B0OP20120612. Furthermore, over eighty percent of interviewees specifically mentioned target date funds as their preferred default fund for an ideal core DC plan. The other 20 percent cited stable value funds as the preferred default fund.
- 81 Lucas, 2010.
- 82 Ibid.

- 83 Ibid.
- 84 In Oregon, employee contributions to their Individual Account Program (IAP) are automatically invested in the same manner as the DB fund. The IAP is an involuntary defined contribution plan.
- 85 Olleman, Mark. 2009. Periscope: Public Plan DB/DC Choices. Found at http://www.nasra.org/resources/ Milliman_DBDC_Choice.pdf; Center for State and Local Government Excellence. 2011. Issue Brief: Strengthening State and Local Government Finances: Lessons for Negotiating Public Pension Plan Reforms.
- 86 Raised as a concerns by interviewees.
- 87 Crane, Roderick, Michael Heller, and Paul Yakoboski. 2008; Yakoboski, Paul. 2011. Rethinking Defined Contribution Retirement Plan Design: Plan Sponsor Perspectives." Trends and Issues TIAA-CREFF. Of all the people interviewed for this study, only one respondent recommended having between 3 to 5 record keepers and the vast majority believed having one record keeper was best.
- 88 Yakoboski. 2011. p 8. Rethinking Defined Contribution Retirement Plan Design: Plan Sponsor Perspectives .
- 89 Bundled services refers to a single private company providing multiple services for a retirement plan including record keeping, customer service, communications, asset management and education/financial counseling. Conversely, unbundled services means the plan sponsor hires a private company to one or more but not all these services.
- 90 Borland, Alison and Karen Frost. 2011. "Bundled or Best in Class?" Benefits Quarterly. 27: 2. pp. 12-18.
- 91 Ibid
- 92 Rappaport, Schaus, and Clymer. 2011.
- 93 ERISA Section 404(a)(5)
- 94 NAGDCA Publications Committee and Executive Board. 2012. Rising to the Challenge of the New Fee Disclosure Requirements . Found at http://www.nagdca.org/content. cfm/d/rising_to_the_challenge_of_the_new_fee_ disclosure_requirements
- 95 Although the responsibility to fund the legacy defined benefit plan remains along with the new defined contribution costs.
- 96 Crane, Heller, and Yakoboski. 2008; Northern Trust. 2010. The Path Forward: Designing the Ideal Defined Contribution Plan; Government Finance Officers Association. 2009. Best Practice: Asset Allocation Guidelines for Defined Contribution Plans. Found at http://www.gfoa.org/index.php?option = com_content&task = view&id = 12 4&Itemid = 136
- 97 An annuity is a contract between [an individual] and an insurance company...under which [the individual] make[s] a lump-sum payment or series of payments. In return, the insurer agrees to make periodic payments to [the individual] beginning immediately or at some future date." Found at http://www.sec.gov/answers/annuity.htm
- 98 Ibid. Also, respondents of this report's research interviews were not asked about vesting periods for a DC plan.
- 99 Babbel, David. 2008. Lifetime Income for Women: A Financial Economist's Perspective . Philadelphia, PA: Wharton Financial Institutions Center.
- 100 Ibid.
- 101 Based on a comment from a respondent.

- 102 For general employees.
- 103 Richard Hiller argues that distributions and loans should be treated similarly as would occur with a core DC plan in A Way Out for Public Pensions. TIAA-CREFF publication. Found at http://www.tiaa-cref.org/public/about/press/ about_us/releases/articles/pressrelease421.html
- 104 US Department of Labor Employee Benefits Security Administration. 2010. Meeting Your Fiduciary Responsibilities. Found at www.dol.gov/ebsa; GFOA. 2009; Responses from interviewees.
- 105 GFOA. 2009
- 106 Based on responses from interviewees.
- 107 Based on responses from interviewees.
- 108 Issued discussed by four respondents.
- 109 Issue raised by a few interviewees.
- 110 Panis, Constantijn. 2004. "Annuities and Retirement Well-Being," In Pension Design and Structure. Olivia Mitchell and Stephen Utkus (eds.). New York: Oxford University Press. pp. 259–274.
- 111 Ratio could be higher depending upon the Social Security benefit they receive.
- 112 Webb, Anthony. 2009. Making the Most of Your Nest Egg. Boston, MA: Center for Retirement Research. Number 9-20
- 113 From a study informally referred to the Trinity Study published in 1998. The authors wrote a series of additional studies on withdrawal rates and the likelihood of not spending all assets before 30 years. Investment distribution comes from comments by a reviewer.
- 114 Cooley, Philip, Carl Hubbard, and Daniel Walz. 2011. "Portfolio Success Rates: Where to Draw the Line." Journal of Financial Planning. Found at http://www.fpanet.org/journal/Currentlssue/TableofContents/PortfolioSuccessRates/ The authors present a variety of asset allocation scenarios and the likelihood of assets lasting 30 years.
- 115 For example, Webb. 2009; Scott, Jason, William Sharpe and John Watson. 2008. "The 4% Rule-At What Cost?" Found at http://www.stanford.edu/ ~ wfsharpe/ retecon/4percent.pdf
- 116 Rappaport, Schaus, and Clymer. 2011.
- 117 E.g., David Babbel at the Wharton School, University of Pennsylvania, Jeffrey R. Brown at University of Illinois at Urbana-Champaign, Olivia S. Mitchell at the Wharton School, University of Pennsylvania, Anthony Webb at the Center for Retirement Research at Boston College, Paul Yakoboski at TIAA-CREF Institute.
- 118 Panis, 2004.
- 119 From comments in research articles and responses from interviewees.
- 120 Several of these below were also stated by interviewees as well
- 121 Drinkwater, Matthew and Eric Sondergeld. 2004. "Perceptions of Mortality Risk: Implications for Annuities" In Pension Design and Structure. Olivia Mitchell and Stephen Utkus (eds.). New York: Oxford University Press.
- 122 Brown, Jeffrey, Jeffrey Kling, Senhill Mullainathan, and Martin Wrobel. 2008. "Why Don't People Insure Late-life Consumption? A Framing Explanation of the Under-Annuitization Puzzle." American Economic Review: Papers and Proceedings. 98:2, pp. 304-309.

- 123 Cost was brought up many times by interviewees when asked their opinion of annuities.
- 124 Richardson, David and Christopher Spence. 2010. Increased Longevity and the Annuity Solution: How Retirement Policy Reforms Can Reduce Longevity Risk. TIAA-CREFF Institute. Found at http://www.tiaa-crefinstitute.org/institute/research/ briefs/institute_pb_longevity_and_annuity_soln.html
- 125 Ibid
- 126 Comment from respondent.
- 127 Biggs, Howard, Scott Dunbar, Vincent Galindo, Jillian Perkins, and Jacob O'Shaughnessy. 2011. Lifetime Retirement Income: Annuities and Beyond. Arnerich Massena, Inc. Found at https://www.am-a.com/company/research/ wp_retirement_income2011.pdf; Information on GMWBs also comes from conversations with interviewees.
- 128 Remaining market value is portable. The guaranteed value is not portable.
- 129 Comments from reviewers and "Advanced Life Deferred Annuities" found at www.wikinvest.com/
- 130 Comments from the two reviewers who specifically spoke to this subject. In addition, this opinion was given on several websites discussing advanced life deferred annuities (e.g., www.wikinvest.com/; www.dummies. com/how-to/content/examining-advanced-life-deferredannuities/; www.annuityfyi.com/blog/2012/03/ tax-breaks-with-advanced-life-deferred-annuities/)
- 131 Based on comment from reviewer and Wagner, Marcia. "Government Debuts Lifetime Income Initiatives." Plan Advisor. Found at http://www.planadviser.com/MagazineArticle.aspx?id = 17551
- 132 From the review of the literature conducted for this report (for example see abbreviated list of researchers favoring annuities in earlier footnote) and interviews. The vast majority of interviewees said some amount of annuities were needed for core defined contribution retirement plans.
- 133 Biggs, Dunbar, Galindo, Perkins, and O'Shaughnessy. 2011.
- 134 Based on comments by reviewer.
- 135 Yakaboski, 2011. Rethinking Defined Contribution Retirement Plan Design: Plan Sponsor Perspectives.
- 136 Holland, Goodman, and Stitch. 2008; Lusardi, Annamaria and Olivia Mitchell. 2007. "Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education." Business Economics. 42: 1. pp. 35–44; Lusardi, Annamaria and Olivia Mitchell. 2011. "Financial Literacy and Planning: Implications for Retirement Well-being." In Financial Literacy: Implications for Retirement Security in the Marketplace. Olivia Mitchell and Annamaria Lusaridi (eds.). New York: Oxford University Press; Yakoboski. 2011. Rethinking Defined Contribution Retirement Plan Design: Plan Sponsor Perspectives.
- 137 Lusardi and Mitchell. 2011.
- 138 Lusardi, Annamaria. 1999. "Information, Expectations, and Savings for Retirement." In Behavioral Dimensions of Retirement Economics. Henry Aaron (ed.). Brookings Institution Press and Russell Sage Foundation. Lusardi and Mitchell 2011.
- 139 Clark, Robert and Madeleine d'Ambrosio. 2002. "Financial Education and Retirement Savings." Paper presented at the Retirement Implications of Demographic and Family Changes Symposium. San Francisco, CA. June 2002. Found at http://papers.ssrn.com/sol3/papers.cfm?abstract_id = 390642.

- 140 Behrman, Jere, Olivia Mitchell, Cindy Soo, and David Bravo. 2010. Financial Literacy, Schooling, and Wealth Accumulation. NBER Working paper 16452. Found at http://www.nber.org/papers/w16452
- 141 Lusardi and Mitchell 2011.
- 142 Haendiges, Brian. 2001. "Reeling in Retirement Plan Participants." American City and County. 113: 4, pp. 34–27.
- 143 Comments from interviewees who specifically spoke on this issue, reviewers and from Center for State and Local Government Excellence's 2011 issue brief, Strengthening State and Local Government Finances: Lessons for Negotiating Public Pension Plan Reform.
- 144 Clark and d'Ambrosio 2002. Lusardi and Mitchell 2007. Comments from interviewees also showed strong support for seminars, particularly those focused on pre-retirees.
- 145 Clark and d'Ambrosio 2002.
- 146 Lusardi and Mitchell 2007.
- 147 A few interviewees offered suggestions increasing
- 148 Employee Benefits Research Institute. 2012. The 2012
 Retirement Confidence Survey: Job Insecurity, Debt Weigh
 on Retirement Confidence, Savings. Found at http://www
 .ebri.org/publications/ib/index.cfm?content_id = 5017&fa
 = ibDisp.
- 149 Lusardi and Mitchell 2007 and comments by interviewees.
- 150 Clark and d'Ambrosio 2002.
- 151 For example Clark and d'Ambrosio 2002.
- 152 Yakoboski 2011. Rethinking Defined Contribution Retirement Plan Design: Plan Sponsor Perspectives.
- 153 Holland, Goodman, and Stitch. 2008.
- 154 Based on comments from interviewees.
- 155 Based on comments from interviewees and reviewers.
- 156 Interviewed Jim Popvin, Executive Director of Employees' Retirement System of Georgia on June 20, 2012 and Joe Morton, City Manager of Favetteville on June 26, 2012.
- 157 Center for State and Local Government Excellence. 2011. Strengthening State and Local Government Finances: Lessons for Negotiating Public Pension Reform Plans.
- 158 Starting in 1979, some employers in OPERS negotiated with unions to pick up their employees' retirement contributions in lieu of a pay increase. Today, 53 percent of employers pay the contribution which covers 70 percent of employees in the system. The state created the Individual Account Program (AIP) which is similar to a 457.
- 159 Plan was established in the 1980s but was dormant until the 1994 when it started being used for mental health providers who were no longer able to participate in the state's DB plan. In 1998, it was opened up to all employees as a supplemental DC plan. The 401(k) is used for a handful of small public employers.
- 160 Center for State and Local Government Excellence. 2011. Issue Brief: Strengthening State and Local Finances: Lessons for Negotiating Public Pension Reform Plans. Please read the case study for full details of the report.
- 161 Assuming employees do not contribute to the supplemental DC fund.
- 162 In some jurisdictions, legislation may be needed to allow for mandatory contributions. However, mandatory contributions are allowed in several public defined contribution plans across the country (e.g., universities)

The Evolving Role of Defined Contribution Plans in the Public Sector

About the ANC Foundation

The Arthur C. Caple Foundation was formed to advance knowledge in the field of public sector retirement security. The Foundation, established in 2006 as a supporting organization of the National Association of Government Defined Contribution Administrators (NAGDCA), supports both individual educational opportunities and research to expand knowledge related to the importance of retirement readiness. To accomplish its mission, the Foundation operates under the following principles: Retirement Education - The Foundation is to provide higher education students with funding to study financial or retirement planning and to create opportunities for the students to participate in related learning opportunities. Research and Information Exchange - The Foundation supports research, Information sharing, and collaborative endeavors that further retirement readiness and expand knowledge of retirement Issues and solutions. www.caplefoundatlon.org

About NAGDCA

NAGDCA's mission is to unite representatives from state and local governments that service and support defined

contribution plans. NAGDCA provides an environment to foster growth in professional development of its members through networking with peers, educational opportunitles, and Information sharing that includes comprehensive publications, reports, and surveys. NAGDCA will promote and support federal legislative initiatives for the advancement of retirement plans. www.nagdca.org

About the Center for State and Local Government Excellence

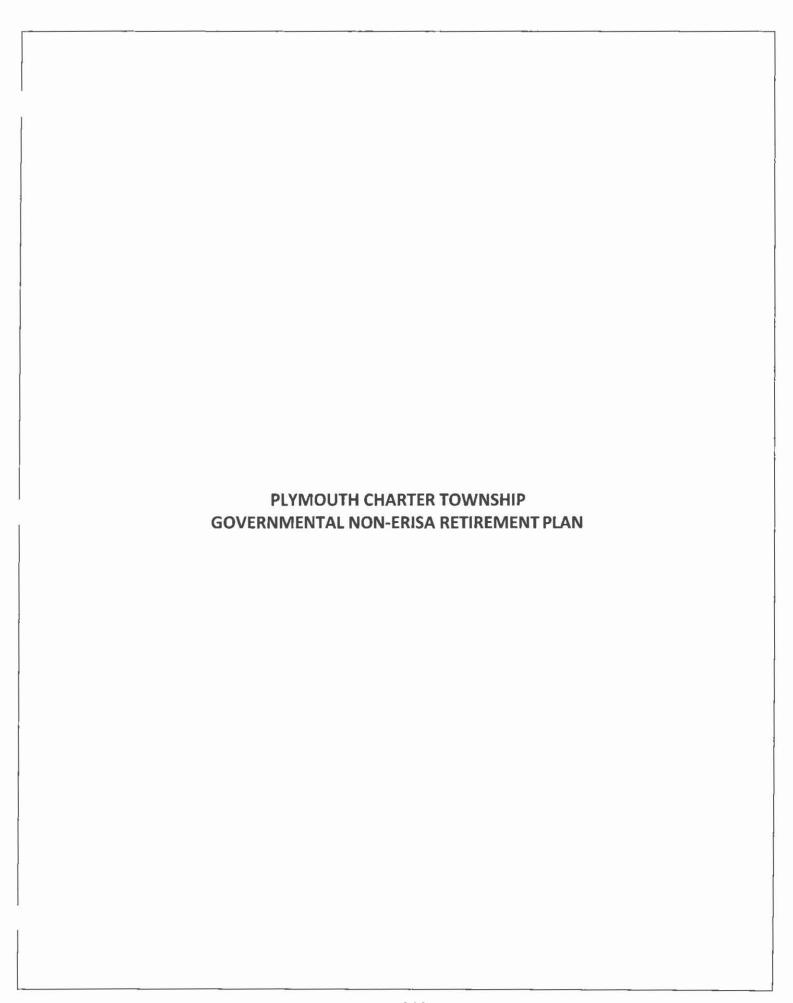
The Center for State and Local Government Excellence helps state and local governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. The Center identifies best practices and conducts research on competitive employment practices, workforce development, pensions, retiree health security, and financial planning. The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging work force, research studies, and news on health care, recruitment, and succession planning on its web site, www.slge.org.







I, Nancy C. Conzelman, Clerk of the Charter Township of Plymouth, Wayne County, State of Michigan, do hereby certify that the foregoing is a true copy of a Resolution adopted by the Charter Township of Plymouth Board of Trustees at their Regular Meeting held on the Adopted Date, the original of which is on file in my office.	
Plymouth Township Clerk	Date
Resolution: 2016-03-15-08	



PLYMOUTH CHARTER TOWNSHIP GOVERNMENTAL NON-ERISA RETIREMENT PLAN

TABLE OF CONTENTS

EMPLOYER INFORMATION	1
PLAN INFORMATION	1
SECTION A. GENERAL INFORMATION Plan Name/Effective Date Plan Features Compensation Compensation Exclusions Definitions	2 2
SECTION B. ELIGIBILITY Eligible Employee Eligibility Service Rules Eligibility for Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions Eligibility for Pension Contributions Transfers/Rehires	4 5 5
SECTION C. CONTRIBUTIONS Voluntary Contributions Pension - Service Pension Contributions - Formula Other Contributions	7 7 7
SECTION D. VESTING Vesting Schedules Vesting Service Rules	.10
SECTION E. DISTRIBUTIONS	.11
SECTION F. IN-SERVICE WITHDRAWALS In-Service Withdrawals Other Withdrawals	.13
SECTION G. PLAN OPERATIONS	
SECTION H. MISCELLANEOUS	.15
SECTION I. EXECUTION PAGE	.16

ADOPTION AGREEMENT #005 VOLUME SUBMITTER GOVERNMENTAL PENSION PLAN

The undersigned adopting employer hereby adopts this Plan and its related Trust to the extent an outside trust is not used. The Plan and Trust are intended to qualify as a tax-exempt plan and trust under Code sections 401(a) and 501(a), respectively. The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document and any related Appendix and Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

EMPLOYER INFORMATION

NOTE: An amendment is not required to change the responses in items 1-10 below.

NOTE: The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).

- 1. Name of adopting employer (Plan Sponsor): Plymouth Charter Township
- 2. Address: 9955 N Haggerty Rd
- 3. City: Plymouth
- 4. State: MI
- 5. Zip: 48170-4673
- 6. Phone number: 734-354-3200
- 7. Fax number: 734-453-5680
- 8. Plan Sponsor EIN: <u>38-6007665</u>
- 9. Plan Sponsor fiscal year end: 12/31
- 10. State of organization of Plan Sponsor: MI

PLAN INFORMATION

SECTION A. GENERAL INFORMATION

Plan Name/Effective Date

- 1. Plan Number: 001
- 2. Plan name:
 - a. Plymouth Charter Township
 - b. Governmental Non-ERISA Retirement Plan

NOTE: A.1 is optional.

- 3. Effective Date
 - a. Original effective date of Plan: 4/1/1968
 - b. ☑ This is a restatement of a previously-adopted plan. Effective date of Plan restatement: 10/1/2016

NOTE: The date specified in A.3a for a new plan may not be earlier than the first day of the Plan Year during which the Plan is adopted by the Plan Sponsor.

NOTE: If A.3b is not selected, the Effective Date of the terms of this document shall be the date specified in A.3a. If A.3b is selected, the Effective Date of the restatement shall be the date specified in A.3b. However if the Adoption Agreement states another specific effective date for any Plan provision, when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision. The date specified in A.3b for an amended and restated plan (including the initial PPA restatement) may not be earlier than the first day of the Plan Year during which the amended and restated Plan is adopted by the Plan Sponsor.

- 4. Plan Year
 - a. Plan Year means each 12-consecutive month period ending on 06/30 (e.g. December 31)
 - b.

 The Plan has a short Plan Year. The short Plan Year begins _____ and ends _____
- 5. Limitation Year means:
 - a. Plan Year
 - b.

 | calendar year
 - c. \square other:

NOTE: If A.5c is selected, the Limitation Year must be a consecutive 12-month period.

0000000			
6.			
	The Plan is frozen as to eligibility and benefits effective		
	NOTE: If A.6 is selected, no Eligible Employee shall become a Participant, no Participant shall be eligible to further participate in		
	the Plan and no contributions shall accrue as of and after the date specified.		
Pia	an Features		
7.	Employee Contributions(Section 4.01)		
	a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:		
	i. 🗆 Yes,% of Compensation		
	ii. Yes, salary schedule according to the chart below:		
	Salary Range <u>Mandatory Employee Contributions</u>		
	iii. Yes, other fixed method: 5% for all employees except TPOAM		
	iv. 🗆 No		
	 b. Voluntary (After-Tax) Contributions are permitted: i. ✓ Yes 		
	i. ☑ Yes ii. ☐ No		
	iii.		
	c. Mandatory After-Tax Employee Contributions are permitted under the Plan:		
	i. Yes,% of Compensation		
	ii. Yes, salary schedule according to the chart below:		
	Salary Range Mandatory After-Tax Employee Contributions		
	iii. Yes, other fixed method:		
	iv. 🗹 No		
	NOTE: If A.7a is "No", questions regarding Mandatory Employee Contributions are disregarded.		
	NOTE: If other method (A.7a.iii or A.7c.iii) is selected, the method must be objectively determinable and may not be specified		
	in a manner that is subject to Employer discretion.		
Co	mpensation		
_			
8.	Compensation		
	 a. Definition of Compensation for purposes of allocating contributions: i. ✓ W-2. Wages within the meaning of Code section 3401(a) and all other payments of compensation paid to an 		
	Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to		
	furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.		
	ii. Base Compensation. The basic annual rate of compensation in effect at the beginning of the period selected below		
	(A.8b).		
	iii. Withholding. Wages paid to an Employee by the Employer (in the course of the Employer's trade or business)		
	within the meaning of Code section 3401(a) for the purposes of income tax withholding at the source.		
	iv.		
	b. Compensation is determined over the period specified below ending with or within the Plan Year:		
	i. ☑ Plan Year		
	ii. 🗆 calendar year		
	iii. 🔲 Plan Sponsor Fiscal Year		
	iv. Limitation Year		
	v. Other 12-month period beginning on:(enter month and day)		
	c. Include Employee Contributions in the definition of Compensation.		
	d. Include deemed Code section 125 compensation in the definition of Compensation.		
	e. Include differential military pay (as defined in Code section 3401(h)(2)) in the definition of Compensation (Section 3.08).		
	f. Include other pay (not otherwise included in A.8a): NOTE: If other (A.8a.iv) is selected, Compensation must be objectively determinable and may not be specified in a manner that is		
	subject to Employer discretion.		
	NOTE: A.8b must be "Plan Year" if the Plan is excluding compensation earned before entry (A.11 is selected).		
	NOTE: If "Plan Year" is not selected in A.8b, for new/rehired Employees whose date of hire is less than 12 months before the end		
	of the 12-month period designated, Compensation will be determined over the Plan Year.		
	NOTE: If employee contributions are included (A.8c is selected), Compensation shall also include any amount which is contributed		
	by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee		
	under Code sections 125, 402(e)(3), 402(h), 403(b),122(f) or 457.		

NOTE: Employee contributions are always included in the definition of Compensation for purposes of Mandatory Employee Contributions.

NOTE: If deemed Code section 125 compensation (A.8d) is selected, Compensation shall include any amounts not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he or she has other health coverage. An amount will be treated as an amount under Code section 125 only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan. This option is meant to be interpreted consistent with Revenue Ruling 2002-27.

NOTE: If A.8e is not selected and differential military pay exists, the payments will be included in Statutory Compensation. **NOTE:** If other pay (A.8f) is selected, A.8f should indicate for what purposes (e.g., Mandatory Employee Contributions, etc.) and which class of Participants the Compensation is included, must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

9. Post Severance Compensation

☐ Include Post Severance Compensation (unused sick or vacation pay/nonqualified plan payments) in definition of Compensation.

NOTE: A.9 will also apply for purposes of Statutory Compensation.

10. Post Year End Compensation

☐ Determine Compensation using Post Year End Compensation

NOTE: If selected, amounts earned during the current year and paid during the first few weeks of the next year will be included in current year Compensation.

NOTE: A.10 will also apply for purposes of Statutory Compensation.

Compensation Exclusions

11. Pay Before Participation

☑ Exclude pay earned before participation in the Plan from definition of Compensation.

NOTE: If selected, Compensation shall include only that compensation which is actually paid to the Participant during that part of the Plan Year the Participant is eligible to participate in the Plan. If not selected, Compensation shall include that compensation which is actually paid to the Participant during the Plan Year.

12. Other Pay

Exclude other pay from definition of Compensation: <u>Overtime</u>, <u>bonuses</u>, <u>commissions and including</u>, <u>but not limited to</u>, <u>Payoffs For Unused Sick Leave Banks</u>, <u>Vacation Banks</u>, <u>Contract Signing Bonuses</u>, <u>EMT Certificates</u>, <u>Foods And Clothing Allowances And Other Fringe Benefit Programs</u>.

NOTE: A.12 should indicate for what purposes (e.g., Mandatory Employee Contributions, etc.) and which class of Participants the Compensation is excluded.

NOTE: The pay specified above must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

13. Statutory Compensation

- a. Definition of Statutory Compensation:
 - i. W-2. Wages within the meaning of Code section 3401(a) and all other payments of compensation paid to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.
- b. Include deemed Code section 125 compensation in definition of Statutory Compensation:

NOTE: See A.9 and A.10 to determine if Statutory Compensation will include Post Severance Compensation and/or be determined using Post Year End Compensation.

NOTE: If A.8e is not selected and differential military pay exists, the payments will be included in Statutory Compensation.

Definitions

14. Disability

Definition of Disability

a. ☑ Under Code section 22(e). The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.

7.	b. Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
	c. Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
	 d. — Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
	e. Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
	f.
	NOTE: If A.14f is selected, provide the definition of Disability. The definition provided must be objectively determinable and may
	not be specified in a manner that is subject to discretion.
15.	Choice of Law/State Law
	a. Name of state or commonwealth for choice of law (Section 13.05): Michigan
	b. Enter any state law provisions that apply to the Plan: Michigan
	NOTE: Only state law and regulations may be entered in A.15b. The Plan may not violate applicable state law.
CE/	TION D. SUSIDIUTY
SEC	CTION B. ELIGIBILITY
Elig	gible Employee
**	
1.	The term "Eligible Employee" shall include:
	a. All Employees
	b. The following Employees: All full time non-union employees, Teamsters Local 214, TPOAM, new IAFF members hired
	after May 6, 2012.
	 c. All Employees except the following (select all that apply): i. Union Employees. Any Employee who is included in a unit of Employees covered by a collective bargaining
	 i. Union Employees. Any Employee who is included in a unit of Employees covered by a collective bargaining agreement, if retirement benefits were the subject of good faith bargaining, and if the collective bargaining agreement
	does not provide for participation in this Plan.
	ii.
	iii. Non-Resident Aliens. Any Employee who is a non-resident alien who received no earned income (within the
	meaning of Code section 911(d)(2)) which constitutes income from services performed within the United States (within
	the meaning of Code section 861(a)(3)).
	iv. Other Employees:
	NOTE: See Section 3.06(a) for rules regarding excluded Employees.
	NOTE: If B.1b is selected, describe the Employees and indicate for what purposes (e.g., Pension Contributions, etc.) the
	Employees are eligible. The definition provided must be objectively determinable and may not be specified in a manner that is
	subject to discretion. In order to meet the permanency requirement of Treas. Reg. section 1.401-1 (b)(2), a specific person or
	persons may be named by position/title but not given name; a finite group of individuals that cannot increase/change over time
	(such as those hired before a specific date) may not be used.
	NOTE: If B.1c.iv is selected, describe other excluded Employees from definition of Eligible Employee and indicate for what
	purposes (e.g., Pension Contributions, etc.) the Employees are excluded. The definition provided must be objectively determinable and may not be specified in a manner that is subject to discretion.
2.	Opt-Out.
۷.	✓ An Employee may irrevocably elect not to participate in the Plan.
	NOTE: If the Plan provides for Mandatory Employee Contributions (A.7a.iv is not selected), B.2 shall not apply to Mandatory
	Employee Contributions.
Elig	ribility Service Rules
-	
3.	Other Employer Service
	Count service with employers other than the Employer for eligibility purposes. List other employers along with any
	limitations:
**	 Special Participation Date a. Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed
	onshall become eligible to participate in the Plan as of
	b. The Plan provides conditions or limitations on immediate participation:

NOTE: If B.4b applies (B.4a is selected) and is selected, describe the conditions or limitations that apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to discretion.

Eligibility for Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions

An Eligible Employee shall be eligible to receive/make Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions (if permitted pursuant to A.7) at the time specified in B.8 upon meeting the requirements of B.5 through B.7 (Section 3.01).

5.	Age	Requirement	t for	Employee	Contribution	15
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Minimum age requirement for Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions: 18

6. Service Requirement for Employee Contributions

Minimum service require	ement for Mandatory Employ	ee Contributions/Volunt	tary Contributions/Mandate	ory After-tax Employee
Contributions:				

a.	☑ None
Ь.	☐ Completion ofyear(s) of eligibility service
c.	☐ Completion of Hours of Service in a month period
d.	Completion of Hours of Service within a 12-month period. The service requirement shall be deemed met at
	the time the specified number of Hours of Service are completed.
e.	☐ Completion of months of service
f.	☐ Completion ofdays of service
g.	□ Other:
NOTE:	If B.6g is selected, the service requirements provided must be definitely determinable and may not be specified in a
	r that is subject to discretion.
	anal Requirements for Employee Contributions
	litional requirements, limitations, conditions or other modifications to B.5-6 (eligibility to make Mandatory Employee
Contrib	outions/Voluntary Contributions/Mandatory After-tax Employee Contributions) apply:
NOTE:	The additional requirements provided must be objectively determinable and may not be specified in a manner that is
	to discretion.
Entry D	Pates for Employee Contributions
a. Fre	equency of entry dates for Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee
Co	ntributions:
i.	☑ immediate
ii.	☐ first day of each calendar month
iii.	☐ first day of each Plan quarter
iv.	☐ first day of the first month and seventh month of the Plan Year
v.	☐ first day of the Plan Year
vi.	□ other:
b. An	Eligible Employee shall become a Participant eligible to make Mandatory Employee Contributions/Voluntary
Co	ntributions/Mandatory After-tax Employee Contributions on the entry date selected in B.8a that is:
i.	☐ coincident with or next following the date the requirements of B.5 through B.7 are met
ii.	next following the date the requirements of B.5 through B.7 are met
NOTE:	f B.8a.i is selected, an Eligible Employee shall become a Participant eligible to make Mandatory Employee
Contrib	utions/Voluntary Contributions/Mandatory After-tax Employee Contributions immediately upon meeting the
require	ments of B.5 through B.7.
NOTE:	f R &a vi is selected, the other entry data must be objectively determinable and may not be specified in a manner that is

Eligibility for Pension Contributions

subject to discretion.

7.

8.

9. Eligibility for Pension Contributions (select one):

NOTE: B.8b is not applicable if B.8a.i or B.8a.vi (immediate entry/other) is selected.

a. Same as Mandatory Employee Contributions/Voluntary Contributions/Mandatory After-tax Employee Contributions. An Eligible Employee shall be eligible to receive an allocation of Pension Contributions at the time specified in B.8 upon meeting the requirements of B.5 through B.7

	b.	Pursuant to options selected below. An Eligible Employee shall be eligible to receive an allocation of Pension		
	Contributions at the time specified in B.13 upon meeting the requirements of B.10 through B.12			
	NOTE: If B.9a is selected B.10 - B.13 shall be inapplicable.			
10.	0. Age Requirement for Pension Contributions			
	Mir	nimum age requirement for Pension Contributions:		
11.	Ser	vice Requirement for Pension Contributions		
	Mir	nimum service requirements for Pension Contributions:		
		a. None		
		b. Completion ofyear(s) of eligibility service		
		c. Completion ofHours of Service in amonth period		
		d. Completion ofHours of Service within a 12-month period. The service requirement shall be deemed met at		
		the time the specified number of Hours of Service are completed.		
		e. Completion ofmonths of service		
		f. Completion ofdays of service		
		g. Other:		
	NO	TE: If B.10g is selected, the service requirements provided must be definitely determinable and may not be specified in a		
	ma	nner that is subject to discretion.		
12.	Add	ditional Requirements for Pension Contributions		
		Additional requirements, limitations, conditions or other modifications to B.10-11 (eligibility to receive Pension		
		tributions) apply:		
		TE: The additional requirements provided must be objectively determinable and may not be specified in a manner that is		
	1200	ject to discretion.		
13.		ry Dates for Pension Contributions		
	a.	Frequency of entry dates for Pension Contributions:		
		i. immediate		
		ii. ☐ first day of each calendar month		
		iii. 🔲 first day of each Plan quarter		
		iv. first day of the first month and seventh month of the Plan Year		
		v. ☐ first day of the Plan Year		
	1.	vi. Other:		
	D.	An Eligible Employee shall become a Participant eligible to receive Pension Contributions on the entry date selected in B.13a that is:		
		 i. □ coincident with or next following the date the requirements of B.10 through B.12 are met ii. □ next following the date the requirements of B.10 through B.12 are met 		
		iii. \square coincident with or immediately preceding the date the requirements of B.10 through B.12 are met		
		iv. \square immediately preceding the date the requirements of B.10 through B.12 are met		
	NO	V. In hearest to the date the requirements of B.10 through B.12 are met TE: If immediate entry (B.13a.i) is selected, an Eligible Employee shall become a Participant eligible to receive Pension		
		stributions immediately upon meeting the requirements of B.10 through B.12.		
		TE: If B.13a.vi is selected the other entry date must be objectively determinable and may not be specified in a manner that is		
		ject to discretion.		
		TE: B.13b is not applicable if immediate or other entry (B.13a.i or B.13a.vi) is selected.		
		, , , , , , , , , , , , , , , , , , , ,		
Trai	nsfe	ers/Rehires		
14.	Tra	nsfers/Rehires		
	a.	If an Employee either (1) upon rehire again qualifies as an Eligible Employee (2) or if not previously an Eligible Employee		
		who due to a change in status becomes an Eligible Employee, he shall become a Participant with respect to the		
		contributions for which the eligibility requirements have been satisfied (Section 3.04):		
		i. 🗹 as of the later of the effective date of such subsequent change of status or the date the Employee meets the		
		eligibility requirements of this Article 3		
		ii. \Box on the entry date as of the later of the effective date of such subsequent change of status or the date the Employee		
		meets the eligibility requirements of this Article 3		
	b.	An individual who has satisfied the applicable eligibility requirements set forth in Article 3 before his rehire date, and who is		
		subsequently reemployed by the Employer as an Eligible Employee shall resume or become a Participant (Section 3.05):		
		i. Immediately upon his rehire date with respect to the contributions for which the eligibility requirements of this		
		Article 3 have been satisfied		

ii. on the entry date coincident with or next following his rehire date with respect to the contributions for which eligibility requirements of this Article 3 have been satisfied	the
eligibility requirements of this Article 5 have been satisfied	
SECTION C. CONTRIBUTIONS	
Voluntary Contributions	
NOTE: If A.7b is "Yes" (Voluntary Contributions are permitted), an Eligible Employee who has met the requirements of B.5 through B.8 shall be eligible to make Voluntary Contributions to the Plan as follows (Section 4.01):	
 Minimum and Maximum Voluntary Contributions Minimum Voluntary Contribution: none Maximum Voluntary Contribution: 10% Other limits on Voluntary Contributions apply: none NOTE: C.1a and C.1b may not be more than 100% of Compensation. NOTE: If C.1c is selected the requirements provided must be objectively determinable and may not be specified in a manner is subject to discretion. 	that
Pension - Service	
NOTE: An Eligible Employee who has met the requirements of B.9 through B.13 and who has satisfied the following requirer shall be eligible to receive an allocation of Pension Contributions during the applicable Plan Year.	ments
 Allocation Service Requirements for Pension Contributions a. ✓ None b. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to complete at least the follow number of Hours of Service in the applicable Plan Year c. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employer 	
 the last day of Plan Year d. ☐ In order to share in the allocation of Pension Contributions, a Participant is required to be employed by the Employ the last day of Plan Year or complete at least Hours of Service in the applicable Plan Year NOTE: C.2b and C.2c are inapplicable if C.2a or C.2d isselected. 	er on
 3. Exceptions to Allocation Service Requirements for Pension Contributions a. Modify Hour of Service requirement and/or last day requirement for a Participant who Terminates employment with t Employer during the Plan Year due to: i.	nner .3c
for Disability and attainment of Normal Retirement Age. Pension Contributions - Formula	
 4. Pension allocation formula. The Employer's Pension Contribution shall be allocated to eligible Participants who have met the requirements of B.9 through B.13 and C.2 through C.3 as follows (Section 4.03): a. Pro rata. In the amount of to be allocated in the ratio that each Participant's Compensation bears to the Compensation of all eligible Participants. b. Points. In the amount of to be allocated as described in C.5. 	he

	c. Fixed Amount. In the amount ofto be allocated by dividing the total amount by the number of Participants
	eligible to share in such contribution.
	d. Defined Groups. See C.6
	e. 🗹 Other fixed formula: 15% of compensation
	NOTE: If B.4e is selected, the other fixed formula must be objectively determinable and may not be specified in a manner that is
	subject to discretion.
5.	Pension Contribution - Points
	If C.5b is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the
	requirements of B.9 through B.13 and C.2 through C.3 in the ratio that such Participant's points bears to the points of all eligible
	Participants.
	Each Participant shall receive to the extent provided in C.5a: (a) the points described in C.5d for each year of age he has attained
	(as of his birthday during such Plan Year), (b) the points described in C.5c for each Plan Year, including the current Plan Year,
	during which he was eligible to participate in the Plan after meeting the requirements of Article 3 (regardless of any service or
	last day requirement in Article 4) applicable to Pension Contributions, and (c) the points described in C.5b for each \$100 of
	Compensation he has earned for such Plan Year.
	a. Points will be computed on basis of:
	i. Age, Service and Compensation
	ii. Age and Service
	iii.
	iv. Service and Compensation
	v. Age Only
	vi. Service Only
	b. Points awarded for \$100 of Compensation:
	c. Points awarded for each year of participation:
	d. Points awarded for each year of age:
	NOTE: C.5b, C.5c and C.5d apply to the extent that C.5a provides points for Compensation, Years of Service and/or age,
	respectively.
6.	Pension Contribution- Defined Groups
	If C.4d is selected, the Employer's Pension Contribution shall be allocated to eligible Participants who have met the
	requirements of B.9 through B.13 and C.2 through C.3 in an amount designated by the Employer to be allocated to each group
	described in C.6. The contribution for a group shall then be further allocated to the members of such group who are eligible to
	receive allocations of Pension Contributions in the method as specified in C.6 for such group. The amount allocated to one
	group need not bear any relationship to amounts allocated to any other group. The Employer shall notify the Plan Administrator
	in writing of the amount of contributions allocated to each group.
	a. Group One: An amount equal to:
	i. A percentage of Compensation
	ii. A fixed dollar amount
	iii. the greater of i. or ii.
	NOTE: Groups must be defined in a manner that is objectively determined with no Employer discretion. Groups may not be
	designed so that the permanency requirement of Treas. Reg. section 1.401-1(b)(2) is violated.
	NOTE: See Section 3.06 for rules regarding eligibility requirements.
7.	Allocation of Pension Contributions
	a. Pension Contributions are allocated to Participant Accounts at the following time(s):
	i. End of Plan Year
	ii. Semi-annually
	iii. Quarterly
	iv. Each calendar month
	v. 🗹 Each pay period
	b. Minimum and Maximum Pension Contributions
	i. Allocations of Pension Contributions for a Participant shall be subject to a minimum amount:
	ii. Allocations of Pension Contributions for a Participant shall be subject to a maximum amount:
	NOTE: Any service requirements specified in C.2 through C.3 shall be applied pro rata to the period selected in this C.7a. Any last
	day rule specified in C.2 through C.3 shall be applied as of the end of each period selected in this C.7a. Any last
0	Paid Time Off
8.	
	to the Plan. Unused paid time off shall be contributed to the Plan:
	i. Each Plan Year
	ii. 🔲 Upon Termination

	b. The following limitations/conditions shall apply:
	NOTE: Any unused paid time off where the Participant has the right to request cash payment is not eligible for contribution to the Plan under this C.8.
	NOTE: The unused paid time off contributions must be contributed by multiplication of the Participant's current daily rate of pay
	against the amount of accrued unpaid leave.
	NOTE: Paid time off contributions must conform with Revenue Rulings 2009-31 and 2009-32.
9.	Pension - Disability
	Allocate Pension Contributions to Disabled Participants who do not meet the allocation service requirements (Section 4.03(d)). Allocations to Disabled Participants end as of the earliest of: (i) the last day of the Plan Year in which occurs the anniversary of the start of the Participant's Disability or (ii) such other time specified in Section 4.03(d). NOTE: C.9 shall not be more than "tenth".
	NOTE: Allocations under C.9 may occur afterTermination.
10.	Collective Bargaining Agreement
	a. \Box In addition to the amount selected in C.4, an amount necessary to meet the Employer's requirements under an
	applicable collective bargaining agreement.
	b. The collective bargaining allocations will offset other employer contribution allocations that would otherwise be made to a
	Participant:
	i.
	ii. No
	iii.
	NOTE:C.4-7 (amount, timing, maximum and minimum Pension Contributions) will not apply to collectively bargained contributions. Collectively bargained contribution allocation timing, maximums and minimums will be determined under the collective bargaining agreement unless otherwise specified in C.10b.
O+1-	er Contributions
Otti	er Contributions
11.	Prevailing Wage
***	a. In addition to any other Pension Contributions, an amount necessary to meet the Employer's requirements under an applicable prevailing wage statute. The formula for allocating prevailing wage contributions shall be specified in an Addendum to the Adoption Agreement. The addition of such Addendum shall not be considered a modification to the Volume Submitter document.
	b. The prevailing wage contributions offset:
	i. None
	 ii. The prevailing wage contributions will offset any other Pension Contribution allocations that would otherwise be made to a Participant.
	iii.
	NOTE: Depending upon the offset rule chosen, timing of allocations may need to be considered as contributions under prevailing
	wage are typically required to be made not less often than quarterly.
	NOTE : The offset provided under C.11b.iii must be objectively determinable and may not be specified in a manner that is subject
	to Employer discretion NOTE: C.11b is only applicable if C.11a isselected.
	Rollovers
	Rollover Contributions are permitted (Section 4.04):
	a. No
	b. Yes - All Eligible Employees may make a Rollover Contribution even if not yet a Participant in the Plan
	c. ☑ Yes - Only active Participants may make a Rollover Contribution
	d.
	NOTE: The Plan Administrator has discretion under Section 4.05 to limit the types of Rollover Contributions accepted by the Plan
	and must use that discretion in a consistent manner.
	Deemed IRAs
	The Plan may accept voluntary contributions to deemed IRAs (Section 4.08) effective:
	NOTE: If C.13 is selected, see Section 4.08 for rules regarding deemed IRAs.
	Death or Disability During Qualified Military Service
	For benefit accrual purposes, a Participant that dies or becomes Disabled while performing qualified military service will be treated as if he had been employed by the Employer on the day preceding death or Disability and terminated employment on
	the day of death or Disability pursuant to Code section 414(u)(9) (Section 6.02) effective: 1/1/2007
	NOTE: Effective date must be on or after January 1,2007.
	415 Additional Language

	☐ Additional language necessary to satisfy Code section 415 because of the required aggregation of multiple plans:		
SE	CTION D. VESTING		
Ve	sting Schedules		
V€ 1.	Pension Pension Contribution Account Vesting Schedule: a.	xii. Other Pension Schedule - 11 years but less than 12 years:100 xiii. Other Pension Schedule - 12 years but less than 13 years:100% xiv. Other Pension Schedule - 13 years but less than 14 years:100% xv. Other Pension Schedule - 14 years but less than 15 years:100% xvi. Other Pension Schedule - 15 years but less than 16 years:100% xvii. Other Pension Schedule - 16 years but less than 17 years:100% xviii. Other Pension Schedule - 17 years but less than 18 years:100% xiv. Other Pension Schedule - 18 years but less than 19 years:100% xx. Other Pension Schedule - 19 years but less than 20 years:100% xxii. Other Pension Schedule -	
2,	9 years but less than 10 years: 100% xi. Other Pension Schedule - 10 years but less than 11 years: 100% NOTE: A cliff vesting schedule means no vesting is provided until the Participant meets the number of Years of Vesting Service provided in D.1b. NOTE: D.1b and D.1c may not be completed with a cliff vesting schedule of more than 15. However, if substantially all Participants are qualified public safety employees within the meaning of Code section 72(t)(10)(B), the limit is increased to 20. NOTE: D.1c may provide for a graded vesting schedule of up to 5 to 20 years. 2. Other Vesting Schedule The Plan has another vesting schedule: 100% NOTE: The vesting schedule in D.2 is in addition to the vesting schedule in D.1.		
Ve	sting Service Rules		
	NOTE: If D.1a is selected and D.3a is not selected, the remo	aining options in section D.3-7 are inapplicable.	
3.	 Vesting Computation Period a. □ Calendar year b. □ Plan Year c. ☑ The 12-consecutive month period commencing on subsequent 12-consecutive month period shall commend. □ Other: NOTE: D.3d must be based on creditable years of service. 	the date the Employee first performs an Hour of Service; each nence on the anniversary of such date	
	Other Employer Service	r for vesting purposes. List other employers for which the service	

	a. 🗹 Death. Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an
	Employee (Section 6.02).
	b. 🗹 Disability. Provide for full vesting for a Participant who Terminates employment with the Employer due to Disability
	while an Employee (Section 6.02).
	c. Early Retirement. Provide for 100% vesting upon the attainment of Early Retirement Age while an Employee (Section
	6.02).
6.	Vesting Exclusions
	a. 🗹 Exclude Years of Vesting Service earned before age 18.
	b. 🗹 Exclude Years of Vesting Service earned before the Employer maintained this Plan or a predecessor plan.
7.	Vesting Forfeitures
	a. Upon termination, nonvested account balances shall be forfeited
	i. ☐ as soon as administratively feasible
	ii. other timeframe:
	b. Upon receiving a distribution, the nonvested portion of the account shall be forfeited
	i. ☑ as soon as administratively feasible
	ii.
	NOTE: The other timeframes must be definitely determinable and may not be specified in a manner that is subject to discretion.
8.	Forfeitures and Re-employment
	a. forfeited account balances shall be restored and continue to vest (select any of the following if applicable)
	i. If only if the period of severance was less than or equal to the following period 1 year
	ii. only to the extent the vested account balance was not distributed
	iii. only to the extent the vested distributed account balance is restored to the Plan
	b.
9.	Use of Forfeitures
	Forfeitures will be used in the following manner (Articles 5 and 6):
	a. Any permissible method (restore forfeitures, reduce Employer contributions (or reallocate as Employer contributions)
	made pursuant to Article 4 or to pay Plan expenses)
	b.
	NOTE: D.9b is limited to one or a combination of the options described in D.9a, D.9b may be used to further restrict the uses of
	forfeiture and must be applied in a consistent manner.
10.	Special Vesting Provisions
	Provide for special vesting provisions:
	NOTE: The special vesting provisions must be definitely determinable and may not be specified in a manner that is subject to
	discretion.
SEC	TION E. DISTRIBUTIONS
1.	Normal Retirement
	Normal Retirement Age means:
	a. Attainment of age 60
	b. Later of attainment of age and the anniversary of Plan participation.
	c.
	NOTE: Effective Plan Years beginning on or after the later of (1) January 1, 2015 or (2) the close of the first regular legislative
	session of the legislative body with the authority to amend the plan that begins on or after the date that is 3 months after the
	final regulations are published in the Federal Register, the definition of Normal Retirement Age must satisfy Treas. Reg. section
	1.401(a)-1(b) pursuant to IRS Notice 2012-29.
2.	Early Retirement
	Early Retirement Age means:
	a. None. The Plan does not have an early retirement feature.
	a. ✓ Attainment of age <u>55</u>
	b. Later of attainment of ageandservice.
	c.
3.	Time of Payment (Other than Death)
	Distributions after Termination of Employment for reasons other than death shall commence (Section 7.02):
	a. Immediate. As soon as administratively feasible with a final payment made consisting of any allocations occurring after
	such Termination of Employment.
	•

	b. \Box End of Plan Year. As soon as administratively feasible after all contributions have been allocated relating to the Plan	
	Year in which the Participant's Account balance becomes distributable	
	c. Normal Retirement Age. When the Participant attains Normal Retirement Age.	
d. Other:		
	NOTE: Any entry in E.3d must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of Article 7.	
4. Form of Payment (Other than Death)		
•••	Medium of distribution from the Plan:	
	a. 🗹 Cash only	
	b. Cash or in-kind rollover to an individual retirement account sponsored by the following vendor:	
	c. Other:	
-	Default Form of Payment (Other than Death)	
э.		
	a. Unless otherwise elected by the Participant, distributions shall be made in the form of:	
	i. 🗹 Lump sum only	
	ii. Other:	
	b. In addition to the form described in E.5a, distributions from the Plan after Termination for reasons other than death may be	
	made in the following forms (select all that apply):	
	i. 🖸 Lump sum only	
	ii. Lump sum payment or substantially equal annual, or more frequent installments over a period not to exceed the	
	joint life expectancy of the Participant and his Beneficiary	
	iii. 🔲 Under a continuous right of withdrawal pursuant to which a Participant may withdraw such amounts at such times	
	as he shall elect	
	iv.	
	NOTE: Any entry in E.5a.ii and/or E.5b.iv must comply with Code section 401(a)(9), Section 7.02(e) and other requirements of	
	Article 7.	
6.	Permit Distributions as an Annuity	
	☐ Permit distributions in the form of an annuity	
	NOTE: If E.6 is selected, a Participant may elect to have the Plan Administrator apply his entire vested Account toward the	
	purchase of an annuity contract, which shall be distributed to the Participant. The terms of such annuity contract shall comply	
	with the provisions of this Plan and any annuity contract shall be nontransferable.	
	Payment upon Participant's Death	
	Distributions on account of the death of the Participant shall be made in accordance with the following:	
	a. Pay entire Account balance by end of fifth year for all Beneficiaries in accordance with Sections 7.02(b)(1)(A) and	
	7.02(b)(2)(A) only	
	b. Pay entire Account balance no later than the 60th day following the end of Plan Year in which the Participant dies	
	c. Allow extended payments for all Beneficiaries in accordance with Sections 7.02(b)(1)(A), (B) and (C) and 7.02(b)(2)(A)	
	and (B)	
	 d.	
	7.02(b)(2)(A) and allow extended payments in accordance with Sections 7.02(b)(1)(B) and (C) and 7.02(b)(2)(B) only if the	
	Participant's spouse is the Participant's sole primary Beneficiary	
	e. Other:	
	NOTE: Any entry in E.7e must comply with Code section 401(a)(9), Section 7.02(b) and other requirements of Article 7.	
8.	Beneficiaries	
	a. Death benefits when there is no designated beneficiary:	
	i. ✓ Standard according to Section 7.04(c)	
	ii. Other:	
	b. Revocation. A beneficiary designation to a spouse shall be automatically revoked upon the following circumstances:	
	c. Domestic Partners are treated as a spouse under the terms of this Plan for purposes of death benefits to the extent	
	applicable:	
	i. No	
	ii.	
	iii. ☑ Yes	
	d. The term "Domestic Partner" as defined in Article 2 is modified in the following manner:	
	NOTE: If E.8a.ii (Other) is selected, death benefits when there is no designated beneficiary shall be provided pursuant to E.8a.ii.	
	The death benefits described must be definitely determinable and may not be specified in a manner that is subject to discretion.	
	NOTE: If E.8c.i is selected, E.8d does not apply.	
	NOTE: If E.8d is selected, the modifications must be definitely determinable.	
	NOTE: Domestic Partners shall not be treated as a spouse under the following Sections of the Plan: 7.02(b) (distribution upon	
	death), 7.05 (minimum distributions) and 7.06 (direct rollovers).	

 9. Cash Out a.		NOTE: If revocation is selected (E.8b) you may use this item to indicate automatic revocation upon divorce.			
b. Involuntary cash-out of a terminated Participant's Account balance when it exceeds the cash-out amount specified in E.9a is deferred under Section 7.03(b) until: Later of age 62 or Normal Retirement Age – payment made in a lump sum only	9.				
deferred under Section 7.03(b) until:		· · · · · · · · · · · · · · · · · · ·			
i. Later of age 62 or Normal Retirement Age – payment made in a lump sum only ii. Required Beginning Date - Participant may elect payment in a lump sum on installments iii. Required Beginning Date = Participant may elect payment in alump sum only c. Exclude amounts a tributable to Rollower Contributions in determining the value of the Participant's nonforfeitable account balance for purposes of the Plan's involuntary cash-out rules (Section 7.03). NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is not selected, 2.60 does not poply. NOTE: 19.50 is loss than 51,000, 2.50 may not be selected. Required Beginning Date for a Participant: a. Retirement. April 1 of the calendar year following the later of the calendar year in which the Participant: (a) attains age 70-1/2, or (b) retires b. Age 70-1/2. April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2 c. Election. The option provided in E.9a; provided that a Participant may elect to commence distributions pursuant to either E.100 or E.100 SECTION F. IN-SERVICE WITHORAWALS NOTE: See Section 8.05 for limits on in-service distributions. NOTE: In-service withdrawal options are meant as enobling rules. If an in-service distribution is permitted under any option specified below, the in-service withdrawal is permissible. In-Service Withdrawals 1. Retirement a. Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All Accounts Other Withdrawals 2. At Any Time (Section 8.03(b)) in-service withdrawals are allowed under this Section. 3. Voluntary Contribution Account NOTE: Information account Another Section (Section 9.06) Normation Section Section Section 9.06) Normation Section Section Section Section Section Section					
ii.					
iii.					
c. □ Exclude amounts attributable to Rollover Contributions in determining the value of the Participant's nonforfeitable account balance for purposes of the Plan's involuntary cash-out rules (section 7.03). **NOTE: # 9.9 a has a \$5,000 maximum, \$5,000 will be entered unless otherwise specified. **NOTE: # 9.9 a is not selected, £.9c does not apply. **NOTE: # 19.9 a is less than \$1,000, £.9c may not be selected. **10. Required Beginning Date Required Beginning Date for a Participant: **a. □ Retirement. April 1.0 of the calendar year following the later of the calendar year in which the Participant: (a) attains age 70-1/2, or (b) retires **b. □ Age 70-1/2. April 1.0 of the calendar year following the calendar year in which the Participant attains age 70-1/2 c. □ Election. The option provided in E.9a; provided that a Participant may elect to commence distributions pursuant to either £.10a or £.10b **SECTION F. In-SERVICE WITHDRAWALS** **NOTE: In-SERVICE WITHDRAWALS** **NOTE: In-SERVICE WITHDRAWALS** **NOTE: In-SERVICE withdrawal options are meant as enabling rules. If an in-service distribution is permitted under any option specified below, the in-service withdrawal spermissible. **In-Service Withdrawals** **In-Service Withdrawals** **1. Retirement** **a. □ Allow in-service distributions after attainment of Normal Retirement Age (Section 7.01(b)) from the following Accounts: All Accounts **Other Withdrawals** **Other Conditions/Limitations** □ In-Service withdrawals are allowed from the following Accounts at any time: □ □ NOTE: Unloss otherwise specified, the limitations will apply to all in-service withdrawals (H.1 through H.3). **Other Conditions/Limitations** □ Nother Limitations** □ Plan may invest in life insurance (Section 9.06) **ECTION G. PLAN OPERATIONS**					
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2. Participant Self-Direction	۸.	Permitted Investments			
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a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):		의 선계 전쟁으로 보는 것이 되었다는 것이 되었다. 그는 사람들이 보고 있는 것이 되었다. 그는 사람들이 보고 있는 것이 되었다면 보고 있다. 그는 사람들이 되었다면 보고 있다.			
		a. Specify the extent to which the Plan permits Participant self-direction (Section 9.02):			

	i. 🗹 All Accounts			
	ii. Some Accounts			
	iii. 🗆 None			
	b. If Some Accounts is selected, a Participant may self-direct the following Accounts:			
	i. Mandatory Employee Contribution Account			
	ii.			
	iii. Pension Contribution Account			
	iv.			
	v. Rollover Contribution Account			
	vi. Transfer Account			
	vii. Other:			
	c. Participants may also establish individual brokerage accounts.			
	d. Participants may exercise voting rights with respect to investments (Section 9.05).			
	NOTE: If G.2a.iii (None) is selected, G.2b through G.2d do notapply.			
-	NOTE: G.2b only applies if G.2a.ii is selected.			
3.	Valuation Date			
	Enter Valuation Date:			
	a. 🗹 Last day of Plan Year			
	b. Last day of each Plan quarter			
	c.			
	d. Each business day			
	e. Other:(Must be at least annually).			
4.	Plan Administration			
	a. Designation of Plan Administrator (Section 11.01):			
	i. 🗹 Plan Sponsor			
	ii. 🔲 Committee appointed by Plan Sponsor			
	iii.			
	b. Establishment of procedures for the Plan Administrator and the Investment Fiduciary (Sections 11.01(c) and 11.02(c)):			
	i. ☑ Plan Administrator and Investment Fiduciary adopt own procedures			
	ii. Governing body of the Plan Sponsor sets procedures for Plan Administrator and Investment Fiduciary			
	c. Type of indemnification for the Plan Administrator and Investment Fiduciary:			
	i. None - the Employer will not indemnify the Plan Administrator or the investment Fiduciary			
	ii. Standard according to Section 11.06			
	iii. Provided pursuant to an outside agreement			
	d. The following modifications shall be made to the duties of the applicable parties:			
	NOTE: H.4d may be used to reallocate duties between the Plan Sponsor and the Plan Administrator. It may also be used to			
	designate additional parties to perform specific Plan Administrator and/or Plan Sponsor duties.			
5.	Trust			
-	a. Use the Trust agreement contained in the Basic Plan Document			
	i. Yes			
	ii. 🗆 No			
	iii. Yes, but only for the following assets/Accounts:; other assets/Accounts will use an outside Trust or an			
	arrangement described in Code section 401(f).			
	iv. Mot Applicable - Assets are held solely by an arrangement described in Code section 401(f).			
	b. Trustee Type			
	i. Corporate. Trustee name and address:			
	ii. Individual. Trustee name(s):			
	AND THE PROPERTY OF THE PROPER			
	i. Standard according to Section 10.07(b)			
	ii. None			
	d. The Trustees may designate one or more Trustees to act on behalf of all Trustees (Section 10.05(b)(2)).			
	NOTE: Section 10.09 of the Basic Plan Document shall apply to the extent assets are held in an outside trustagreement.			
	NOTE: If the Trust agreement contained in the Basic Plan Document applies, then Trustee signature(s) is/are not necessary on			
	amendments if the amendment does not affect Trustee duties.			
	NOTE: If G.5a.iv is selected, G.5b - d shall not apply.			
	NOTE: If a separate trust agreement is to be used (G.5a.ii or G.5a.iii is selected), the items in G.1-5 shall apply only to the extended			
	that they are not superseded by the terms of the separate trust agreement. Only the trust document(s) previously approved to	by		
	the IRS may be utilized with this Plan and still rely on the Plan's advisory letter.			

ŝ.	NOTE: If G.5a.i or G.5a.iii (use Trust Agreement in Basic Plan Document) is selected and G.5c.ii (no indemnification) is selected, indemnification for the Trustee may be pursuant to an agreement that is not a part of the Plan. NOTE: If G.5c.ii (no indemnification) Section 10.07(b) shall not apply and indemnification for the Trustee may be pursuant to an agreement that is not a part of the Plan. Trust Administrative Modifications a.
	qualify under Code section 401(a). Under no circumstances can a modification consist of: 1) removal or change to the prudent man rule, 2) addition of arbitration for Participant disputes, 3) addition of securities lending program, and 4) modification of the duties of the special trustee in Section 10.02(b) to determine and collect contributions under the Plan.
Qu	alified Domestic Relations Orders
	7. Section 13.02 shall apply.
SEC	CTION H. MISCELLANEOUS
Fail	lure to properly fill out the Adoption Agreement may result in disqualification of the Plan.
The	Plan is a volume submitter plan and is not a prototype plan.
und may ,pe ord lett emp	e adopting employer may rely on an advisory letter issued by the internal Revenue Service as evidence that the Plan is qualified der Code section 401 only to the extent provided in Revenue Procedure 2011-49 and any superseding guidance. The employer y not rely on the advisory letter in certain other circumstances or with respect to certain qualification requirements, which are ecified in the advisory letter issued with respect to the Plan and in Revenue Procedure 2011-49 and any superseding guidance. In let to have reliance in such circumstances or with respect to such qualification requirements, application for a determination ter must be made to Employee Plans Determinations of the Internal Revenue Service. The practitioner will inform the adopting ployer of any amendments made to the Plan or of the discontinuance or abandonment of the Plan. The practitioner, CCH CORPORATED, DBA ftwilliam.com may be contacted at 700 W. Virginia St., Suite 305, Milwaukee, WI 53204; 414-226-2442.

n to be executed thisday of	
PLYMOUTH CHARTER TOWNSHIP	:
Signature:	
Print Name:	
Title/Position:	



CHARTER TOWNSHIP OF PLYMOUTH REQUEST FOR BOARD ACTION

MEETING DATE: September 27, 2016

ITEM:

Repeal of the Compensation Commission - Second Reading

PRESENTER: Trustee Mike Kelly

OTHER INDIVIDUALS IN ATTENDANCE:

EXECUTIVE SUMMARY:

Chapter 2, Article II of Ordinance No 1016 created a Compensation Commission. The commission is a five-member board appointed by the Township Board. Their terms are staggered from one to five years. Currently is the role of the Compensation Commission to recommend salaries for the Township elected officials.

The purpose of this proposal to repeal Chapter 2, Article II of Ordinance No 1016, Compensation Commission, and any and all amendments thereto.

BACKGROUND:

ACION REQUESTED:

Approve the 1st Reading to repeal Chapter 2, Article II of Ordinance No 1016

BUDGET/TIME-LINE:

IMPLEMENTATION PLAN:

RECOMMENDATION:

MODEL RESOLUTION: I move to approve the second reading of the ordinance to repeal the Compensation Commission.

ATTACHMENTS:

ARTICLE 2: COMPENSATION COMMISSION

State Law Reference: M.C.L.A. § 41.95.

II-2.00. Title.

This ordinance shall be known and may be referred to as the Charter Township of Plymouth Elected Officials Compensation Commission Ordinance.

II-2.01. Implementation by resolution.

The Township Board may implement this ordinance by resolution including the date for convening the Commission.

II-2.02. Enabling legislation.

This ordinance is drafted and to be executed in strict compliance with Public Act 159 of the Public Acts of 1977, as amended, being M.C.L.A. §41.95.

II-2.03. Utilization to establish salaries of elected officials.

This ordinance shall be utilized to establish the salaries of elected officials in lieu of those salaries being determined by the officers composing the Township Board as provided in Public Act 159, Section 95(1) of 1977 (M.C.L.A. §41.95(1)).

II-2.04. Creation of commission; membership; appointment.

The Charter Township of Plymouth Elected Officials Compensation Commission is hereby created. The Commission shall determine the salary of each township elected official. The Commission shall consist of five members who are registered electors of the township, appointed by the Supervisor subject to confirmation by a majority of the members elected and serving on the Township Board.

II-2.05. Terms of office; appointment; filing of vacancies; ineligibility.

The terms of office for the Compensation Commission members shall be five years, except that of the members first appointed, one each shall be appointed for terms of one, two, three, four, and five years. The first members shall be appointed within 30 days after the effective date of the ordinance. Subsequent members shall be appointed within 30 days after a term expires or a vacancy occurs. Vacancies shall be filled for the remainder of an unexpired term. An officer or employee of a governmental agency or unit, or a member of the immediate family of an officer or employee of a governmental agency or unit, shall not be appointed to the Commission.

II-2.06. Salary determination; effective date; rejection; expenses.

The Commission shall determine the salary of each member of the Township Board. The determination of the Commission shall be the salary unless the Township Board by Resolution adopted by two-thirds of the members elected to and serving on the Board rejects the determination. The determination of the Commission shall be effective 30 days following filing of the determination with the Township Clerk unless rejected by the Township Board. If the determination is rejected, the existing salary(s) shall prevail. An expense allowance or reimbursement paid to elected officials in addition to salary shall be for expenses incurred in the course of township business and accounted for to the township.

II-2.07. Commission meetings; quorum; open meetings; notice; majority vote; chairperson; session days; expenses.

The Commission shall meet for not more than 15 session days in each odd numbered year and shall make its determination within 45 calendar days of its first meeting. A majority of the members of the Commission shall constitute a quorum for conducting the business of the Commission. The business that the Commission shall perform shall be conducted at a public meeting held in compliance with the Open Meetings Act, Public Act 267 of 1976, as amended, being M.C.L.A. §§ 15.261 to 15.275. Public notice of the date, time and place of a Commission meeting shall be given in the manner required by Public Act 267 of 1976, as amended. The Commission shall not take action or make a determination without the concurrence of a majority of the members appointed and serving on the Commission. The Commission shall elect a chairperson from among its members. As used in this section, "session days" means calendar days on which the Commission meets and a quorum is present. The members of the Commission shall not receive compensation, but shall be entitled to actual and necessary expenses incurred in the performance of official duties.

II-2.08. Referendum on this ordinance; election.

Not more than 60 days after the effective date of this ordinance, a petition for referendum on the ordinance may be filed with the Township Clerk containing the signatures of not less than 5% of the registered electors of the township on the effective date of the ordinance in which case the election shall be conducted in the same manner as an election on a resolution under Public Act 159, Subsection 3 of

1977 (M.C.L.A. § 41.95(3)). If a petition for referendum is filed, a determination of the Commission shall not be effective until the ordinance has been approved by the electors.

II-2.09. Salary decrease during term of office.

The salary of an elected township official shall not be decreased during the official's term of office.

STATE OF MICHIGAN COUNTY OF WAYNE CHARTER TOWNSHIP OF PLYMOUTH

ORDINANCE TO REPEAL

OKDINANCE NO	, AMENDMENI	10 ORDINANCE 1016	
DINANCE OF THE COD	E OF ORDINANCES	OF THE CHARTER TOWN	1
VMOLITH TO DEDEAL C	HADTED 2 ADTICLE	E TT OF ODDTNANCE NO	4

AN ORDINANCE OF THE CODE OF ORDINANCES OF THE CHARTER TOWNSHIP OF PLYMOUTH TO REPEAL CHAPTER 2, ARTICLE II OF ORDINANCE NO. 1016, COMPENSATION COMMISSION, AND ANY AND ALL AMENDMENTS THERETO; PROVIDING FOR REPEAL; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE.

THE CHARTER TOWNSHIP OF PLYMOUTH ORDAINS:

Ordinance No	, Amendment	to Ordinance No.	1016,	is hereby
adopted to read as follows:				1177 ×

SECTION I. REPEAL OF ORDINANCE NO. . .

Chapter 2, Article II of Ordinance No. 1016, Compensation Commission, and any and all amendments to Chapter 2, Article II of Ordinance No. 1016, is and are hereby repealed.

SECTION II. REPEAL.

All Ordinances or parts of Ordinances in conflict with the provisions of this Ordinance, except as herein provided, are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

SECTION III. SEVERABILITY.

If any section, subsection, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

SECTION IV. SAVINGS CLAUSE.

The repeal or amendment herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending litigation or prosecution of any right established or occurring prior to the effective date of this Ordinance.

SECTION V. PUBLICATION.

The Clerk for the Charter Township of Plymouth shall cause this Ordinance to be published in the manner required by law.

SECTION VI. EFFECTIVE DATE.

This Ordinance shall take full force and effect upon publication.

CERTIFICATION

The foregoing Ordinance was duly	adopted by the Township Board Trustees of
the Charter Township of Plymouth at	its regular meeting called and held on the
day of, 2016, ar	nd was ordered to be given publication in the
manner required by law.	
	Nancy Conzelman, Clerk
Introduced:	
Published:	
Adopted:	
Effective upon Publication:	