

ALLEGAN COUNTY BOARD OF COMMISSIONERS

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DECEMBER 15, 2011 SESSION

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December 15, 2011 Planning Session

DECEMBER 15, 2011 PLANNING SESSION - INVOCATION, PLEDGE OF ALLEGIANCE, ROLL CALL

1/ The Board of Commissioners of the County of Allegan, State of Michigan, met in the Commissioners' Room of the County Services Building in the Township of Allegan on December 15, 2011, at 8:45 A.M. in accordance with the motion for adjournment of November 17, 2011 and rules of this Board; Chairman DeYoung presiding.

The invocation was offered by Commissioner Van Eck.

The Deputy County Clerk led the Board in the Pledge of Allegiance to the flag.

Upon roll call the following members answered as Commissioners for the respective Districts:

DIST #1	TERRY BURNS	Arrived 9:30 a.m.	DIST #7	DON BLACK	Arrived 11:18 a.m.
DIST #2	- EXCUSED -		DIST #8	TOM JESSUP	Left 12:55 p.m.
DIST #3	PAUL VanECK	Left 12:40 p.m.	DIST #9	BILL SAGE	
DIST #4	MARK DeYOUNG		DIST #10	JON CAMPBELL	
DIST #5	DEAN KAPENGA		DIST #11	LARRY JONES	
DIST #6	MAX THIELE				

PUBLIC PARTICIPATION - NO COMMENTS

2/ Chairman DeYoung opened the meeting to public participation. As there were no comments, he declared the meeting closed to public participation.

AGENDA - ADDITION

3/ Chairman DeYoung stated that the jail presentation has been pulled from the agenda. He asked if there were any additions to the meeting agenda.

Commissioner Campbell requested that the Rock Tenn property in Otsego be added under discussion items.

Commissioner Thiele asked to revisit the tobacco policy.

Moved by Commissioner Campbell, seconded by Commissioner Kapenga to add the Rock Tenn property to the agenda. Motion carried by roll call vote: Yeas - 8 votes. Nays - 0 votes. Absent - 2 votes.

A motion was made by Commissioner Thiele, seconded by Commissioner Jessup to add the tobacco policy to the agenda.

Motion lost by roll call vote: Yeas - 3 votes. Nays - 5 votes. Absent - 2 votes.

	TERRY BURNS		DON BLACK
	STEVE McNEAL	Y	TOM JESSUP
N	PAUL VanECK	Y	BILL SAGE
N	MARK DeYOUNG	N	JON CAMPBELL
N	DEAN KAPENGA	N	LARRY JONES
Y	MAX THIELE		

MEETING AGENDA - ADOPTED AS AMENDED

4/ Moved by Commissioner Campbell, seconded by Commissioner Jones to adopt the meeting agenda as amended. Motion carried with three members voting no.

MERS INFORMATIONAL SESSION - Mike Overly

5/ Administrator Sarro stated that this meeting will be an educational session in regards to the defined benefit and defined contribution retirement plans available through MERS. He stated that he is currently in negotiations with the POLC road command but this session is to explain the different options relating to retirement plans. He stated that, at the end of the presentation, there is a tentative closed session planned to discuss possible time sensitive materials for MERS.

Mike Overly gave an overview of how the defined benefit plan is structured. This is a guaranteed benefit at retirement. He stated that the road command has this benefit and that they are contributing 4.91% of their pay to this plan. There is an

early retirement option and also a COLA associated with this benefit which happens on January 1 of each year. The POLC employee must be retired for six months before qualifying for this benefit, but once that has been met, it is a guaranteed 2.5% COLA per year on the base salary.

The County's cost for the plan is 12% with the 4.91% employee contribution taken from that amount. However, because of the volatility of the stock market in the last 10 years, the average return on investments is about 5.7% instead of the 8% that MERS has been relying on for funding, creating a deficit.

BREAK - 10:10 a.m.

6/ Chairman DeYoung called for a five minute break. The meeting recessed at 10:10 a.m.

Upon reconvening at 10:33 a.m., the following Commissioners were present: Commissioner Burns, VanEck, DeYoung, Kapenga, Thiele, Jessup, Sage, Campbell and Jones. Absent: Commissioner McNeal and Black.

MERS INFORMATION SESSION - Continued

7/ Mike explained the difference in the Defined Benefit and Defined Contribution plans stating that the Defined Benefit plan is a guaranteed retirement through the County. Under the Defined Contribution plan, the employee is given an amount and is responsible for investing for retirement. The defined benefit plan could have an employer capped amount and the employee would then be responsible to make up the difference.

Administrator Sarro stated that the county is at a critical point with the two plans - E-1 verses E-2. The E-2 plan is automatically applied each year, where the E-1 plan has to be adopted by the county each year according to the contract.

Should the county stay with the E-1 plan, when it comes up for renewal in 2012, the fund may have to be fully funded at 100%.

The Division 2 is at the 44% funding level as of last year, but by moving some assets around the fund can be brought up to 63.7%. MERS now requires that the funding level be at 80% but the County can be grandfathered in at 60%. The County is considering going with the E-2 plan which will be a 7% increase and could get in under the funding level. MERS will need a decision by spring.

ROCK TENN PROPERTY DISCUSSION

8/ Commissioner Campbell stated that he has been in discussion with the City of Otsego regarding the Rock Tenn property. The property, consisting of three parcels, will revert to the County because of unpaid taxes, however, the city manager has indicated that a developer is interested in possibly purchasing one of the parcels and that the city may accept ownership of one of the three parcels and let the other two parcels revert to the County. This would put this parcel back on the tax roll.

Commissioner Campbell asked the board if they would be willing to wave the 1% interest charge of \$10,568.43 that has accrued since the property went delinquent. He stated that the board did this for the City of Plainwell with their paper mill.

Moved by Commissioner Campbell, seconded by Commissioner Sage to authorize administration to proceed in the same fashion as we did with the Plainwell Paper Company, pending legal review. This would be contingent on the City taking the parcel and paying the back taxes. Motion carried by roll call vote: Yeas - 7 votes. Nays - 3 votes. Absent - 1 vote. Motion carried.

Y	TERRY BURNS	N	DON BLACK
	STEVE McNEAL	N	TOM JESSUP
Y	PAUL VanECK	Y	BILL SAGE
Y	MARK DeYOUNG	Y	JON CAMPBELL

Y DEAN KAPENGA
N MAX THIELE

Y LARRY JONES

CLOSED SESSION - Collective Bargaining

9/ Moved by Commissioner Thiele, seconded by Commissioner Campbell to recess to closed session to discuss collective bargaining. Motion carried by roll call vote: Yeas - 10 votes. Nays - 0 votes. Absent - 1 vote. The meeting was recessed at 12:05 P.M.

C L O S E D S E S S I O N

RECONVENE/ROLL CALL

10/ Upon reconvening at 1:28 P.M., the following Commissioners were present: Commissioner Burns, DeYoung, Kapenga, Thiele, Black, Sage, Campbell and Jones. Absent - Commissioner McNeal, VanEck and Jessup.

ADJOURNMENT UNTIL JANUARY 5, 2012 AT 9:30 A.M.

11/ Moved by Commissioner Black, seconded by Commissioner Jones to adjourn until January 5, 2012 at 9:30 a.m. The motion carried and the meeting adjourned at 1:30 p.m.

Joan Nagel, Deputy Clerk