

**CHARTER TOWNSHIP OF FENTON BOARD OF TRUSTEES  
MINUTES FOR REGULAR MEETING OF DECEMBER 4, 2017**

**FENTON TOWNSHIP CIVIC COMMUNITY CENTER  
12060 MANTAWAUKA DRIVE, FENTON, MICHIGAN**

Clerk Krug called the meeting to order at 7:30 p.m.

Present: Krug, Tucker, Kesler, Lorraine, Shumaker, Attorney Belzer and Operations  
Manager Broecker.

Absent: Mathis, Goupil

**OPENING PRAYER / PLEDGE OF ALLEGIANCE:**

Trustee Shumaker offered the opening prayer. Clerk Krug led the pledge of allegiance to the flag.

**APPOINTMENT OF TEMPORARY CHAIRPERSON:**

Clerk Krug stated that, due to the absence of the Township Supervisor, a temporary chairperson needs to be appointed for this evening's meeting.

Motion to appoint Clerk Krug as chairman pro-tem.

Motion by: Tucker

Seconded: Kesler

Ayes: All Present

Nays: None

Absent: Mathis, Goupil

Motion carried.

**APPROVAL OF AGENDA:**

Chairman Krug asked to have the proposed Building Inspection Services Agreement removed from the agenda. Attorney Belzer has suggested that the township's insurance company review some the contract language before taking action on it. The agreement will be moved to the 12/18/17 agenda. Motion to approve the 12/4/17 Fenton Township Board Meeting agenda as amended.

Motion by: Lorraine

Seconded: Tucker

Ayes: All Present

Nays: None

Absent: Mathis, Goupil

Motion carried. The agenda is approved.

**MEETING MINUTES:**

Treasurer Tucker noted one minor correction to the minutes. The minutes for the 11/20/17 regular meeting stand approved as corrected.

**EXPENDITURES:**

Motion to approve invoices and expenditures for all funds totaling \$314,694.94 for payment as presented.

Motion by: Tucker

Seconded: Kesler

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried.

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**PUBLIC HEARINGS:**

**Proposed Byram Ridge Street Lighting Project - Hearing on Creation of Special Assessment District**

Chairman Krug reported that property owners in the Byram Ridge subdivision have filed petitions to create a street lighting special assessment district. The estimated cost of the project is \$2,400 for installation and \$3,600 per year for operation & maintenance of the street lights. At this public hearing the board will accept public comment on the following:

1. The creation of the special assessment district
2. The proposed boundaries of the district
3. The necessity of the improvement
4. The plans for the improvement
5. The cost estimates for the improvement"

There was no public comment. Operations Manager Broecker presented the following resolution:

**RESOLUTION NO. 2017-49**

*WHEREAS, the township board of the Charter Township of Fenton received petitions signed by more than 50% of the total land area of the proposed special assessment district described hereinafter, and accordingly, determined to proceed under the provisions of PA 188 of 1954, as amended, to secure plans and estimates of cost together with a proposed special assessment district for assessing the costs of the proposed street lighting project to schedule a public hearing upon the same for this date, and*

*WHEREAS, the plans, estimates of cost and proposed special assessment district were filed with the Township Clerk for public examination and notice of the hearing upon the same was published and mailed in accordance with law and statute provided as shown by affidavits pertaining thereto on file with the Township Clerk, and*

*WHEREAS, in accordance with the aforesaid notices, a hearing was scheduled this 4th day of December 2017 commencing at 7:30 p.m. and all persons given the opportunity to be heard in the matter, and*

*WHEREAS, as a result of the foregoing, the township board believes the project to be in the best interests of the Township and of the district proposed to be established therefor;*

*NOW, THEREFORE, BE IT RESOLVED as follows:*

1. *That this township board does hereby determine that the petitions for the Byram Ridge No. 1 Street Lighting Special Assessment District were properly signed by the record owners of land whose land area constitutes more than 50% of the total land area upon the proposed special assessment district.*
2. *That this township board does hereby approve the plans for the installation, operation and maintenance of street lights in the Byram Ridge No. 1 subdivision and the estimate of costs for the completion thereof of \$2,400.00 for installation and \$3,600.00 for operations and maintenance, (not including administrative costs).*

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3. *That this township board does hereby create, determine and define as a special assessment district to be known as the Byram Ridge No. 1 Street Lighting Special Assessment District, within which the costs of such improvements shall be assessed according to the benefits, the following described area within said township:*

***All lots in the Byram Ridge No. 1 Subdivision***

4. *That on the basis of the foregoing, this township board does hereby direct the Supervisor and assessing officer to make a special assessment roll in which shall be entered and described all the parcels of land to be assessed with the names of the respective owners thereof if known, and a total amount to be assessed against each parcel of land which amount shall be the relative portion of the whole sum to be levied against the parcels of land in the special assessment district as the benefit to the parcel of land bears to the total benefit to all parcels of land in the special assessment district. When the same has been completed, the Supervisor or assessing officer shall affix thereto her certificate stating that it was made pursuant to this resolution and that in making such assessment roll, she has, according to her best judgment, conformed in all respects to the directions contained in this resolution and the applicable state statutes.*
5. *That all resolutions and parts of resolutions insofar as they conflict with the provisions of the within resolution be and the same are hereby rescinded.*

Motion to adopt Resolution No. 2017-49 as presented.

Motion by: Shumaker

Seconded: Tucker

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

Chairman Krug stated that, in anticipation of the adoption of the previous resolution, the Township Supervisor had already created, certified and submitted to the Township Clerk a proposed special assessment roll. A resolution has been prepared to schedule a public hearing on the proposed special assessment roll. Operations Manager Broecker presented the following resolution:

**RESOLUTION NO. 2017-50**

*WHEREAS, the Supervisor and assessing officer of the township has, in accordance with the resolution of the Fenton Township Board and the laws and statutes pertinent thereto, prepared a special assessment roll in the total amount of \$5,600.00 for 2018 and \$3,600.00 per year for each year thereafter covering all parcels of land in the Byram Ridge No. 1 Street Lighting Special Assessment District according to the relation of the benefit to each parcel of land to the total benefit to all parcels of land in such special assessment district, and has affixed thereto her certificate as required by said resolution;*

*NOW, THEREFORE, BE IT RESOLVED as follows:*

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- 1. That said special assessment roll shall be filed with the Township Clerk and shall be available for public examination during regular working hours of regular working days from the present date until the public hearing upon the same and shall further be examined at such public hearing.*
- 2. That the Fenton Township Board shall meet at 7:30 p.m. on December 18, 2017 at the Fenton Township Civic Community Center located at 12060 Mantawauka Drive, within the township, to review such special assessment roll and hear any objections thereto.*
- 3. That the Township Clerk shall cause notice of such hearing and the filing of such assessment roll to be published twice in the Tri-County Times, a newspaper of general circulation in the township prior to the date of the hearing, with the first publication being not less than ten (10) days prior to the hearing and shall further cause notice of such hearing to be mailed by first class mail to all owners of or persons having an ownership interest in property within the Byram Ridge No. 1 Street Lighting Special Assessment District as shown on the current assessment roll of the Township also at least ten (10) days prior to said hearing, all in accordance with the law and statute provided.*
- 4. All resolutions and parts of resolutions insofar as they conflict with the provisions of the within resolution are hereby rescinded.*

Motion to adopt Resolution No. 2017-50 as presented.

Motion by: Tucker

Seconded: Lorraine

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

**Proposed 2018 Fenton Township Budget**

Chairman Krug noted that the proposed 2018 Fenton Township budget was distributed to the board approximately two weeks ago and it has been on file at the Township office since that time. Operations Manager Broecker briefly reviewed the entire budget. It was noted that the proposed budget for the General Fund is a "balanced budget" (revenues = expenditures). The Fire Fund shows a projected deficit for 2018 as fund balance is used for the purchase of two new rescue squad trucks. The Solid Waste Management Fund budget also projects a deficit, which will reduce the excess fund balance. The Mosquito Control fund budget projects a deficit as the assessment was reduced to use up excess fund balance. The Sewer Fund projection includes a modest surplus for the year, resulting in a modest increase to cash reserves.

There was no public comment. Operations Manager Broecker presented the following resolution:

**RESOLUTION NO. 2017-51**

*The Board of Trustees of the Charter Township of Fenton resolves:*

**Section 1: Title**

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*This resolution shall be known as the Fenton Township General Appropriations Act.*

**Section 2: Chief Administrative Officer**

*The Supervisor shall be the Chief Administrative Officer and shall perform the duties of the Chief Administrative Officer enumerated in this act.*

**Section 3: Fiscal Officer**

*The Clerk shall be the Fiscal Officer and shall perform the duties of the Fiscal Officer enumerated in this act.*

**Section 4: Public Hearings on the Budget**

*Pursuant to MCLA 42.26, notice of a public hearing on the proposed budget was published on the Township's website and in a newspaper of local circulation, and a public hearing on the proposed budget was held on December 4, 2017.*

**Section 5: Estimated Revenues**

*Estimated township General Fund revenues for fiscal year 2018, including an operating millage of .6915 mills, and various miscellaneous revenues shall total \$3,098,500.*

*Estimated township Fire Fund revenues for fiscal year 2018 shall total \$706,500.*

*Estimated township Sewer Fund revenues for fiscal year 2018 shall total \$6,887,500.*

*Estimated township Mosquito Control Fund revenues for fiscal year 2018 shall total \$130,000.*

*Estimated township Solid Waste Management Fund revenues for fiscal year 2018 shall total \$845,000.*

*Estimated township Dog Park Fund revenues for fiscal year 2018 shall total \$20,000.*

**Section 6: Millage Levy**

*The Fenton Township Board shall cause to be levied and collected the general property tax on all real and personal property within the township upon the current tax roll an amount equal to .6915 mills for general township operations.*

**Section 7: Estimated Expenditures**

*Estimated township General Fund expenditures for fiscal year 2018 for the various township cost centers are as follows:*

101-Township Board	\$	92,200
171-Supervisor		42,700
191-Elections		21,500
209-Assessor		185,200
215-Clerk & General Administration		562,300
247-Board of Review		4,800
253-Treasurer		32,300
265-Building & Grounds		135,400
276-Cemeteries/Museums		12,000

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301-Law Enforcement	738,500
371-Inspection/Ordinance Enforcement	104,700
401-Planning & Zoning	76,200
445-Drains at Large	37,100
446-Highways, Roads & Bridges	500,700
801-PEG Programming	124,000
805-Auditorium - Civic Center	10,200
815-Zoning Board of Appeals	12,700
865-Insurance	256,000
965-Operating Transfers	<u>150,000</u>
TOTAL	\$ 3,098,500

Estimated township Fire Fund expenditures for fiscal year 2018 for the various township cost centers are as follows:

265-Building & Grounds	\$ 67,000
336-Fire Dept. Operations	720,400
865-Insurance	<u>96,300</u>
TOTAL	\$ 883,700

Estimated township Sewer Fund expenditures, excluding capital improvements, for fiscal year 2018 for the various township cost centers are as follows:

000-County Services/Debt	\$ 2,994,300
265-Building & Grounds	17,700
536-Sewer Operations	1,184,000
865-Insurance	<u>90,000</u>
TOTAL	\$ 4,286,000

Estimated township Mosquito Control Fund expenditures for fiscal year 2018 shall total \$151,500.

Estimated township Solid Waste Management Fund expenditures for fiscal year 2018 shall total \$884,500.

Estimated township Dog Park Fund expenditures for fiscal year 2018 shall total \$20,000.

**Section 8: Adoption of Budget by Reference**

The General Fund, Sewer Fund, Fire Fund, Mosquito Control Fund and Solid Waste Management Fund budgets of the Charter Township of Fenton are hereby adopted by reference, with revenues and activity expenditures as indicated in Sections 5 and 7 of this act.

**Section 9: Adoption of Budget by Cost Center**

The Board of Trustees of the Charter Township of Fenton adopts the 2018 fiscal year General Fund and Fire Fund Budgets and the Sewer Fund Financial Projections by cost center. Township officials responsible for the expenditures authorized in the budget are authorized to expend township funds up to, but not to exceed, the total appropriation authorized for each cost center, and to make transfers among the various line items contained in the cost center appropriation.

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**Section 10: Appropriation not a Mandate to Spend**

*Appropriations shall be deemed maximum authorizations to incur expenditures. The fiscal officer shall exercise supervision and control to ensure that expenditures are within appropriations, and shall not issue any township order for expenditures that exceed appropriations.*

**Section 11: Transfer Authority**

*The Chief Administrative Officer shall have the authority to make transfers among the various cost centers without prior board approval, if the amount to be transferred does not exceed \$10,000 or 10% of the appropriation item from which the transfer is to be made, whichever is less. The Board shall be notified at its next meeting of any such transfer made, and reserves the right to modify, amend or nullify any such transfers made. Under no circumstances may the total General Fund budget be changed without prior board approval.*

**Section 12: Periodic Fiscal Reports**

*The fiscal officer shall transmit to the board within 30 days of the end of each quarter, a report of financial operations, including, but not limited to:*

- a. *A summary statement showing the receipts, expenditures, and encumbrances for the previous month, and for the current fiscal year to the end of the previous month.*
- b. *A detailed list of:*
  - i. *Expected revenues by major source as estimated in the budget; actual receipts to date for the current fiscal year; and the balance of estimated revenues to be collected in the then current fiscal year.*
  - ii. *For each cost center: the amount appropriated; the year-to-date amount charged to each appropriation in the previous quarter for the current fiscal year; and the unencumbered balance of appropriations;*

**Section 13: Limit on Obligations and Payments**

*No obligation shall be incurred against, and no payment shall be made from any appropriation account unless there is sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation.*

**Section 14: Budget Monitoring**

*Whenever it appears to the Chief Administrative Officer or Township Board that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that the expenditures shall exceed an appropriation, the Chief Administrative Officer shall present to the township board recommendations to prevent expenditures from exceeding available revenues or appropriations for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both.*

**Section 15: Violations of This Act**

*Any obligation incurred or payment authorized in violation of this resolution shall be void and shall subject any responsible official(s) or employee(s) to disciplinary action as outlined in P.A. 621 of 1978.*

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**Section 16: Board Adoption**

Motion to adopt Resolution No. 2017-51 as presented.

Motion by: Shumaker

Seconded: Tucker

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

**REPORTS:**

None

**COMMUNICATIONS:**

None

**ADOPTION OF ORDINANCES:**

None

**UNFINISHED BUSINESS:**

**Appointment of Representatives – Genesee County Metropolitan Alliance**

Chairman Krug reported that the Genesee County Metropolitan Alliance requires member communities to appoint or re-appoint one elected representative, one citizen representative and one alternate each year. For the 2017 our elected representative has been Trustee Kesler, our citizen representative has been Andy Marko and our alternate has been Clerk Krug. The board now needs to appoint representatives for 2018.

Motion to appoint Trustee Goupil as the elected representative, Andrew Marko as the citizen representative and Trustee Kesler as the alternate representative on the Genesee County Metropolitan Alliance for 2018.

Motion by: Krug

Seconded: Tucker

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried.

**NEW BUSINESS:**

**Proposed Mosquito Control Services Agreement - APM Mosquito Control**

Chairman Krug reported that Fenton Township issued a Request for Proposals (RFP) in October for township-wide mosquito control services. When the 11/16/17 submission deadline arrived, the Township received two proposals, with annual costs as follows:

APM Mosquito Control	\$149,500
Rose Pest Solutions	179,105

Treasurer Tucker noted that the contract amount of \$149,500 is not only \$30,000 less than the competing proposal, it is approximately \$18,000 less than the annual contract amount for 2014-2017.



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Based on the proposals, it is recommended that the 2018-2021 mosquito control contract be awarded to APM Mosquito Control. Chairman Krug stated that APM has done an excellent job of providing mosquito control services in Fenton Township since the 1980's and he is confident they will continue to deliver excellent service to our residents. Treasurer Tucker and Trustee Lorraine agreed – APM has developed a well-deserved reputation for quality service in Fenton Township

Motion to award the 2018-2021 mosquito control contract to APM Mosquito Control at an annual contract cost of \$149,500, as presented.

Motion by: Lorraine  
Seconded: Tucker  
Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil

Motion carried.

**Proposed 2018 GIS Services Agreement - North Arrow Technologies, Inc.**

The board reviewed a proposed GIS services agreement with North Arrow Technologies for 2018. It was noted that the proposed agreement maintains the hourly rate for all GIS work at \$80 per hour. The total projected budget for the agreement is \$47,680, an increase of \$20 from the 2017 agreement.

For comparison purposes, rate quotes were requested from the two companies in Michigan that provide the same services, (GIS and Cityworks®). Ritter GIS, located in Plymouth, declined to submit a rate quote, however information was obtained last year regarding a municipality that had done business with them previously at a rate of \$80 per hour. GIS, Inc., located in Southfield, quoted a rate of \$125 per hour.

Motion to approve the 2018 GIS Services agreement between the Charter Township of Fenton and North Arrow Technologies, Inc. as presented.

Motion by: Tucker  
Seconded: Kesler  
Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil

Motion carried.

**Proposed Cleaning & Janitorial Services Agreement - JW Cleaning**

Chairman Krug reported that the Township issued a Request for Proposals (RFP) in early November for cleaning & janitorial services at the Fenton Township Civic Community Center and Fire Station No. 1. When the 11/29/17 deadline arrived, two companies had submitted proposals. An analysis of those proposals confirms JW Cleaning as the low bidder. JW Cleaning has been providing cleaning services to Fenton Township since 2007 and they do an excellent job. Based on the proposal analysis and prior experience, Chairman Krug recommends awarding the contract to JW Cleaning.

Motion to approve the 2018-2020 Cleaning & Janitorial Services Agreement with JW Cleaning, as presented.

Motion by: Lorraine  
Seconded: Tucker

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Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

**Proposed Lawn, Landscape & Beach Maintenance Agreement - Michigan DPW, LLC**

Chairman Krug reported that the Township issued a Request for Proposals (RFP) in early November for lawn, landscape and beach maintenance services at all Fenton Township properties. When the 11/29/17 deadline arrived, two companies had submitted proposals. An analysis of those proposals confirms Michigan DPW, LLC as the low bidder. Michigan DPW has been providing lawn services to Fenton Township since 2011 and they do an excellent job. Based on the proposal analysis and prior experience, Chairman Krug recommends awarding the contract to Michigan DPW, LLC.

Motion to approve the 2018-2020 Lawn, Landscape & Beach Maintenance Services Agreement with Michigan DPW, LLC, as presented.

Motion by: Shumaker  
Seconded: Tucker  
Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil

Motion carried.

**PA 152 Compliance (Health Insurance Costs) - Selection of 2018 Compliance Method**

The board reviewed the requirements of the **Publicly Funded Health Insurance Contribution Act** (PA 152 of 2011), which places limits on how much a public employer can pay toward employee healthcare.

There are three options for PA 152 compliance. The default option is that employers cannot pay more than the prescribed "hard caps" established by the State of Michigan. The hard caps for 2018 are \$6,560.52 for single, \$13,720.07 for 2-person and \$17,892.36 for family coverage. The second option is a flat 80/20 cost sharing arrangement where the employer pays no more than 80% of the total cost. The third option is to opt out of the requirement altogether. A 2/3 majority vote of the township board is required to choose the 80/20 option or to opt out.

For 2012 through 2017, the township board selected the 80/20 cost sharing option to comply with this statute. These approvals were each effective for one year and the board needs to review this decision annually. The 80/20 option is again recommended for 2018. A flat percentage is the most equitable approach for all employees, and it will be more easily adaptable if the township changes plans in the future.

Treasurer Tucker stated that he supports the 80/20 method. Because the insurance premiums are based on the age of the covered individuals, using the hard cap method would result in extreme differences in cost sharing. The 80/20 method is much more equitable.

Motion to continue the optional 80/20 rules for 2018 to comply with the Publicly Funded Health Insurance Contribution Act, Public Act 152 of 2011.

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Motion by: Tucker  
Seconded: Kesler  
Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil  
Motion carried.

**Resolution No. 2017-52, Honoring Former Planning Commissioner Thomas Richard**

Chairman Krug, noting that the township board accepted the resignation of Planning Commissioner Tom Richard at the 11/20/17 meeting, stated that a resolution has been prepared to honor Mr. Richard for his years of public service. Treasurer Tucker presented the following resolution:

**RESOLUTION NO. 2017-52**

*WHEREAS, Thomas J. Richard has stepped down from his position on the Fenton Township Planning Commission, and*

*WHEREAS, Mr. Richard has been a resident of Fenton Township for many years, during which time he has contributed greatly to the progress and welfare of the community as a member of the Fenton Township Planning Commission and through community activism, and*

*WHEREAS, Mr. Richard served loyally and faithfully as a member of the Fenton Township Planning Commission from 2006 to 2017, acting as the “voice of the people” and exhibiting the qualities of vision and leadership throughout his years of public service;*

*NOW, THEREFORE, BE IT RESOLVED, that the Township Board of the Charter Township of Fenton hereby recognizes Thomas J. Richard for his valuable contributions to our community and expresses sincere appreciation and gratitude for his dedicated service to the government and citizens of Fenton Township, and*

*BE IT FURTHER RESOLVED, that this resolution be spread upon the minutes of this meeting and a copy provided to Mr. Richard.*

Motion to adopt Resolution No. 2017-52 as presented.

Motion by: Tucker  
Seconded: Shumaker  
Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker  
Nays: None  
Absent: Mathis, Goupil  
Motion carried. Resolution declared adopted.

**Appointment to Fenton Township Planning Commission**

Chairman Krug reviewed a memo from Supervisor Mathis recommending the appointment of Mark Mustola to fill the Planning Commission vacancy created by Mr. Richard's retirement. Mr. Mustola has previously served on the Planning Commission and would be a great addition to that board.

Trustee Shumaker stated that he is fine with this re-appointment, especially since it is for less than a year. He also suggested, however, that the board should meet with future candidates for appointment or re-appointment before taking action. He feels that having

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an opportunity to discuss township issues and philosophies with prospective appointees would be beneficial.

Treasurer Tucker agreed with Trustee Shumaker's suggestion and also added that he served on the Planning Commission with Mr. Mustola previously and he will definitely be a good addition.

Motion to appoint Mark E. Mustola to the Fenton Township Planning Commission for the term ending May 31, 2018.

Motion by: Tucker

Seconded: Kesler

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried.

**Letter of Resignation - Board of Review**

Chairman Krug reported that Joyce Theodoroff has submitted a letter of resignation from the Fenton Township Board of Review. Joyce was first appointed to the Board of Review in 2015 and did a fine job. She will be missed.

Motion to accept, with regret, the resignation of Joyce Theodoroff from the Fenton Township Board of Review, effective immediately.

Motion by: Tucker

Seconded: Shumaker

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried.

**Resolution No. 2017-53, Changes to Defined Contribution Pension Plan**

Operations Manager Broecker explained that negotiated changes in the Fenton Township Employees Union collective bargaining agreement require revisions to the Township existing defined contribution pension plan. Specifically, all mandatory contributions will now be on a pre-tax basis and any new employees will have a lower employer contribution to the plan. A resolution has been prepared to approve the changes. Operations Manager Broecker presented the following resolution:

**RESOLUTION NO. 2017-53**

*WHEREAS, the Charter Township of Fenton provides a defined contribution pension plan ("Pension Plan") for employees and elected officials, and*

*WHEREAS, as a result of changes to the collective bargaining agreement between the Township and the Fenton Township Employees Union, certain amendments to the Pension Plan are now necessary;*

*NOW, THEREFORE, BE IT RESOLVED, that the Charter Township of Fenton hereby amends the Pension Plan as follows:*

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1. *Mandatory employee contributions shall be changed from after-tax to pre-tax for all plan participants beginning January 1, 2018.*
2. *For all employees hired on or after 01/01/2018, the employer contribution shall be equal to five percent (5%) of base wages. Employees hired prior to 01/01/2018 shall maintain an employer contribution equal to ten percent (10%) of base wages.*

Motion to adopt Resolution No. 2017-53 as presented.

Motion by: Shumaker

Seconded: Kesler

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

**Proposed MERS Health Care Saving Plan**

Operations Manager Broecker reported that another component of the recently approved collective bargaining agreement with the Fenton Township Employees Union is the implementation of a health care savings plan (HCSP) for employees that are not eligible for post-retirement health care insurance.

Eligible employees will have an amount equal to 3% of their base wages deposited into the plan while they are actively employed. The funds in the plan become available when the employee retires, resigns or otherwise terminates his/her employment with Fenton Township. The funds may be used for health care related expenses, including insurance premiums.

A meeting was recently held with a representative from Municipal Employees Retirement System (MERS) to set up the details of the plan. The result is the HCSP Participation Agreement and a resolution approving the agreement, which are included in the board meeting packet.

Operations Manager Broecker presented the following resolution:

**RESOLUTION NO. 2017-54**

*WHEREAS, the Municipal Employees' Retirement System ("MERS") Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); MCL 38.1536(2)(a)), and*

*WHEREAS, the Board has authorized MERS' establishment of the health care savings program ("HCSP" or "Program"), which a participating municipality or court, or another eligible public employer that is a political subdivision of the State which constitutes a "municipality" under MERS Plan Document Section 2B(4); MCL 38.1502b(2) ("Eligible Employer"), may adopt for its Eligible Employees, and*

*WHEREAS, MERS has been determined by the Internal Revenue Service to be a taxqualified "governmental plan" and trust under section 401(a) of the Internal Revenue Code of 1986, and all trust assets within MERS reserves are therefore exempt from*

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*taxation under Code section 501(a) (IRS Letter of Favorable Determination dated June 15, 2005), and*

*WHEREAS, the Board has established a governmental trust (the "Trust Fund") to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed Program Administrator, and*

*WHEREAS, 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 et seq. ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its `administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries, and*

*WHEREAS, a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by a public corporation ("municipality") as an Eligible Employer, provided that all such employers shall be the State of Michigan, its political subdivisions, and any public entity the income of which is excluded from gross income under Section 115 of the Internal Revenue Code; provided further, that the PA 149 trust shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code, and*

*WHEREAS, the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court enrolled in MERS Defined Benefit Plan, Health Care Savings Program, the Retiree Health Funding Vehicle, and the Investment Services Pool Program, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 45; MCL 38.1545, and*

*WHEREAS, the Board also acts as investment fiduciary for those participating employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Service Pool Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the Annual meeting under Plan Section 45; MCL 38.1545, and*

*WHEREAS, adoption of this Uniform Resolution and Participation Agreement (the "Uniform Resolution") by each Eligible Employer is necessary and required in order that the benefits available under the MERS HCSP may be extended.*

- It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this HCSP Resolution that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS HCSP, the Participation Agreement, the Trust Plan Document, the Trust Agreement, and their administration or interpretation.*
- In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS HCSP is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty: to*

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*administer (or to have administered) the Trust; or to continue administration by the Program Administrator or by MERS directly.*

*and*

*WHEREAS, concurrent with this HCSP Uniform Resolution, and as a continuing obligation, this governing body has completed, approved, and submitted to MERS documents necessary for participation in and implementation of the HCSP. This obligation applies to any documents deemed necessary to the operation of the Trust by the Program Administrator;*

*NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) the MERS HCSP as provided below.*

**SECTION 1. HCSP PARTICIPATION**

*EFFECTIVE December 1, 2017, (to be known as the ADOPTION DATE) the MERS HCSP is hereby adopted by the **Charter Township of Fenton.***

- (A) CONTRIBUTIONS shall be as allowed and specified in the MERS Health Care Savings Program Participation Agreement. Basic Employer Contributions, Mandatory Salary Reduction Contributions, Mandatory Leave Conversion Contributions, and Post-Tax Employee Contributions, shall be remitted pursuant to MERS by the Eligible Employer, and credited to the Eligible Employer's separate fund within the MERS Trust Fund.*
- (B) INVESTMENT of funds accumulated and held in the Health Care Savings Program Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 39; MCL 38.1539, and PA 149.*
- (C) THE ELIGIBLE EMPLOYER shall abide by the terms of the HCSP, including all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.*

**SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS**

- (A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund (as a sub-fund within all pooled HCSP trust funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, pursuant to PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.*
- (B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.*

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- (C) *All monies in the MERS HCSP Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of "Eligible Employees" who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.*
- (D) *The Eligible Employer will fund on a defined contribution, individual account, basis its MERS HCSP Trust sub-fund to provide funds for health care benefits for "Eligible Employees" who shall constitute "qualified persons." Participation in and any coverage under HCSP shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9 Section 24 of the Michigan Constitution of 1963.*
- (E) *The Eligible Employer designates and incorporates as "Eligible Employees" who shall constitute "qualified persons" under this HCSP Resolution those who are "Eligible Employees as defined in the HCSP Participation Agreement under this HCSP.*
- (F) *The Eligible Employer may designate the appropriate employer contacts who shall receive necessary reports, notices, etc.; shall act on behalf of the Eligible Employer; and may delegate any administrative duties relating to the Fund to appropriate departments.*

**SECTION 3. EFFECTIVENESS OF THIS HCSP UNIFORM RESOLUTION**

*This Resolution shall have no legal effect until a certified copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 36(2)(a), 1999 PA 149 and other relevant laws, and this Resolution have been met. Upon MERS' determination that all necessary documents have been submitted, MERS shall record its formal approval upon this Resolution, and return a copy to the Eligible Employer's designated primary contact.*

*In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator if necessary). Section 54 of the MERS Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.*

Motion to adopt Resolution No. 2017-54 as presented.

Motion by: Lorraine

Seconded: Shumaker

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.



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**Offer to Purchase Tax-Reverted Property**

Chairman Krug reported that the Township has received an offer on one of the tax-reverted properties currently listed for sale. Realtor Ed Constable explained that the owner of the property adjacent to the township-owned parcel has offered \$10,000 for 13406 North Road. The purchaser has a significant amount of wetlands on his property and adding the adjacent lot will give him more usable property. Given the lack of activity on this property since it was listed for sale and the fact that it is very close to US-23, Mr. Constable recommended that the board accept the offer.

Motion to accept the offer of \$10,000.00 for parcel 06-15-400-028 (13406 North Road) from Ronald Ruff and Jill Bartle, as presented.

Motion by: Tucker

Seconded: Kesler

Ayes: Krug, Tucker, Kesler, Lorraine, Shumaker

Nays: None

Absent: Mathis, Goupil

Motion carried. Resolution declared adopted.

**BOARD COMMENT:**

Clerk Krug reported that the ribbon cutting ceremony for the Thompson Road Regional Dog Park on 11/27/17 was very well attended. The dog park has been very busy since then.

**PUBLIC COMMENT – AGENDA OR NON-AGENDA ITEMS:**

None

**ADJOURN:** Meeting adjourned at 8:22 p.m.

\_\_\_\_\_  
Robert Krug, Chairman Pro-Tem

\_\_\_\_\_  
Thomas Broecker, Deputy Clerk

**Minutes Posted 12/5/17**