

**Agenda**  
**Tuscola County Board of Commissioners**  
**Committee of the Whole Monday, September 13, 2021 – 8:00 A.M.**  
**HH Purdy Building - 125 W. Lincoln, Caro, MI**

**Public may participate in the meeting electronically:**

**Join by phone: (US) +1 929-276-1248 PIN: 112 203 398#**  
**Join by Hangouts Meeting ID: [meet.google.com/mih-jntr-jya](https://meet.google.com/mih-jntr-jya)**

**8:00 A.M. Call to Order – Chairperson Bardwell**  
**Roll Call – Clerk Fetting**

**County Updates**

None

**New Business**

1. Michigan State Police Fire Suppression Bids (**See A**)
2. H.H. Purdy Building (Administration Building) Metal Siding Review (**See B**)
3. 2019 Annual Report of Balance in Land Sale Proceeds Accounts (**See C**)
4. Re-Fill a Vacant Full Time Dispatcher Position (**See D**)
5. Appointment of Republican Board of Canvasser (**See E**)
6. Tax Abatement Request from Quality Roasting Public Hearing Notice 9-13-2021 (**See F**)
7. Committee of the Whole Meeting 9-27-21 Conflict with Training
8. Appeal from FOIA Request Determination Received from Judge Gierhart (**See G**)

**Old Business**

**10:00 a.m. BREAK**

1. Health Officer Replacement Updates
2. Building Codes Transition from South Central Michigan Construction Code Inspections (SMMCCI) to SAFEbuilt Updates
3. County Space Needs - Upcoming Meeting with Department Heads Scheduled 9-23-21
4. Resolution to Exempt Certain Counties from the Recently Updated Open Meetings Act (OMA) (**See H**)

## **Finance/Technology**

Committee Leader **Commissioner Young** and Commissioner DuRussel

### **Primary Finance/Technology**

1. 2022 Budget Preparation Updates
2. American Rescue Plan Act (ARPA) Funds - Update on the Revenue Loss Calculations  
(See I)

### **On Going and Other Finance and Technology**

#### **Finance**

1. American Rescue Plan Act (ARPA) Ad-Hoc Committee
2. Preparation of Multi-Year Financial Planning
3. Audit Contract for Upcoming Years
4. Cooperative Reimbursement Programs Summary from Prosecutor and Friend of the Court

#### **Technology**

5. GIS Update
6. Increasing On-Line Services/Updating Web Page

## **Building and Grounds**

Committee Leader **Commissioner Grimshaw** and Commissioner DuRussel

### **Primary Building and Grounds**

1. Purdy Building Security Updates

### **On Going and Other Building and Grounds**

1. State Police Water and Annexation
2. IT Department Space Needs
3. Adult Probation Fence

## **Personnel**

Committee Leader **Commissioner Grimshaw** and Commissioner Vaughan

### **Primary Personnel**

1. Michigan Employees Retirement System (MERS) Summary Report (**See J**)

### **On-Going and Other Personnel**

1. Workman's Compensation
2. Michigan Association of Counties (MAC) 7<sup>th</sup> District Meeting Updates
3. Safety Committees – Watch for Grant Opportunities

### **Other Business as Necessary**

1. None

### **On-Going Other Business as Necessary**

1. Animal Control Ordinance

### **Public Comment Period**

A.



Tuscola County

Clayette Zechmeister <zclay@tuscolacounty.org>

**MSP Bids**

1 message

**Mike Miller** <mmiller@tuscolacounty.org>  
To: Clayette Zechmeister <zclay@tuscolacounty.org>


Wed, Sep 1, 2021 at 1:43 PM

Hello,  
These are the only two bids that were submitted for the Fire Suppression. The Board will need to approve these. TSSF estimate was \$138,000 and these bids total \$156,152.

Thank you  
Mike

**2 attachments**

 **MSP Proposal 1 Fire Supression 2021.pdf**  
75K

 **MSP Proposal 2 Fire Supression 2021.pdf**  
74K



PROPOSAL ONE FORM

Date August 30, 2021

Name of Bidder Champagne & Marx Excavating Inc.

TO: Tuscola County  
125 W. Lincoln Street  
Caro, Michigan

PROPOSAL FOR: Michigan State Police, Caro Post  
Exterior Fire Suppression Modification  
Caro, Michigan

1. **BASE BID/ADDENDA**

The undersigned has carefully examined the bidding and contract documents including the Instructions to Bidders, Agreement Between Owner and Contractor, General Conditions, Supplementary Conditions, Contract Requirements, General Requirements, Specifications, Drawings, and any and all Addenda issued, and has familiarized himself with all local conditions to be encountered affecting the cost of the work and does hereby propose to perform all work and to furnish all of the labor, materials, tools, equipment and services necessary to complete the contract in connection with the above project, all in accordance with the contract documents prepared by TSSF Architects, including the following addenda:

Addendum No. One, Dated August 24, 2021

for the following BASE BID AMOUNT:

One Hundred Sixteen thousand three hundred ninety two dollars and no cents Dollars

(Bid in words)

\$ 116,392.00

(Bid in figures)

2. **STARTING and COMPLETION DATES:** The undersigned agrees, if awarded the contract, that he will commence the work within ten (10) calendar days after the Owner gives the Bidder written notice to commence the work and shall complete the entire work within the following calendar days after the date of issuance of the notice to commence the work.

Bidder's calendar days to complete the project 15

3. **FEES FOR ADDITIONAL WORK – TO BE COMPLETED BY THE BIDDER:**

For additional work performed upon instructions of the Owner by subcontractors of the undersigned,

a fee of 10 percent of the subcontractor's price will be charged by the undersigned for overhead, profit, etc.

For additional work performed upon instructions of the Owner by work forces of the undersigned, the

charges shall be the actual cost of all labor and materials (less all discounts) plus a fee of 10 percent, which includes all charges of the undersigned for overhead, profit, etc.

4. **BID BOND/INSURANCE/BONDS**

In compliance with the requirements, this proposal is accompanied by a bid security in the form of a certified check or a surety company bond in the sum of at least 5% of the total bid to guarantee that a contract will be executed if the above proposal is accepted and the contract awarded to the undersigned. It is agreed that the bid security will be retained as liquidated damages by the Owner if the bidder fails to execute a contract in accordance with his bid within forty-five days after receipt of bids.

5. **ADDRESS, LEGAL STATUS and SIGNATURE OF BIDDER**

The undersigned bidder does hereby designate the information given below as the legal name and address to which all notices, directions, or other communications may be served or mailed.

NAME: Champagne & Marx Excavating Inc.

ADDRESS: 1445 Liberty Road

CITY: Saginaw STATE: MI ZIP: 48604

PHONE NUMBER: ( 989 ) 755-8971 FAX NUMBER: ( 989 ) 755-0033

The undersigned bidder does hereby declare that the bidder has the legal status checked below:

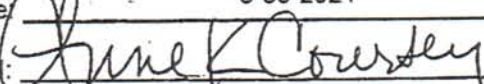
Individual

Co-partnership

Corporation incorporated under the laws of the State of Michigan

If a Corporation,  
affix corporate seal here

Date: 8-30-2021

Signed: 

Anne K. Coursey, President

Note: If Bid Form is signed by an Agent, attach a certified Power of Attorney

NOTE: Submit two (2) original copies of this proposal unless otherwise instructed.

END OF DOCUMENT

PROPOSAL TWO FORM

Date August 30, 2021

Name of Bidder Winninger Fire Protection, LLC

TO: **Tuscola County**  
125 W. Lincoln Street  
Caro, Michigan

PROPOSAL FOR: Michigan State Police, Caro Post  
Interior Fire Suppression Modification  
Caro, Michigan

1. **BASE BID/ADDENDA**

The undersigned has carefully examined the bidding and contract documents including the Instructions to Bidders, Agreement Between Owner and Contractor, General Conditions, Supplementary Conditions, Contract Requirements, General Requirements, Specifications, Drawings, and any and all Addenda issued, and has familiarized himself with all local conditions to be encountered affecting the cost of the work and does hereby propose to perform all work and to furnish all of the labor, materials, tools, equipment and services necessary to complete the contract in connection with the above project, all in accordance with the contract documents prepared by TSSF Architects, including the following addenda:

Addendum No. Two, Dated August 24, 2021

for the following BASE BID AMOUNT:

Thirty nine thousand-seven hundred and sixty Dollars

(Bid in words)

\$ 39,760.00

(Bid in figures)

2. **STARTING and COMPLETION DATES:** The undersigned agrees, if awarded the contract, that he will commence the work within ten (10) calendar days after the Owner gives the Bidder written notice to commence the work and shall complete the entire work within the following calendar days after the date of issuance of the notice to commence the work.

Bidder's calendar days to complete the project 10 Days

3. **FEES FOR ADDITIONAL WORK – TO BE COMPLETED BY THE BIDDER:**

For additional work performed upon instructions of the Owner by subcontractors of the undersigned,

a fee of 15% percent of the subcontractor's price will be charged by the undersigned for overhead, profit, etc.

For additional work performed upon instructions of the Owner by work forces of the undersigned, the

charges shall be the actual cost of all labor and materials (less all discounts) plus a fee of 15% percent, which includes all charges of the undersigned for overhead, profit, etc.



4. **BID BOND/INSURANCE/BONDS**

In compliance with the requirements, this proposal is accompanied by a bid security in the form of a certified check or a surety company bond in the sum of at least 5% of the total bid to guarantee that a contract will be executed if the above proposal is accepted and the contract awarded to the undersigned. It is agreed that the bid security will be retained as liquidated damages by the Owner if the bidder fails to execute a contract in accordance with his bid within forty-five days after receipt of bids.

5. **ADDRESS, LEGAL STATUS and SIGNATURE OF BIDDER**

The undersigned bidder does hereby designate the information given below as the legal name and address to which all notices, directions, or other communications may be served or mailed.

NAME: Winninger Fire Protection, LLC

ADDRESS: 6855 Junction Rd

CITY: Bridgeport STATE: MI ZIP: 48722

PHONE NUMBER: ( 989) 652.4438 FAX NUMBER: (      )

The undersigned bidder does hereby declare that the bidder has the legal status checked below:

Individual

Co-partnership

Corporation incorporated under the laws of the State of Michigan

If a Corporation,  
affix corporate seal here

Date: 8/30/2021

Signed: Wesley Winninger

Note: If Bid Form is signed by an Agent, attach a certified Power of Attorney

NOTE: Submit two (2) original copies of this proposal unless otherwise instructed.

END OF DOCUMENT





Tuscola County

Clayette Zechmeister &lt;zclay@tuscolacounty.org&gt;

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**Fwd: [EXTERNAL] Admin Building Siding**

1 message

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**Mike Miller** <mmiller@tuscolacounty.org>  
To: Clayette Zechmeister <zclay@tuscolacounty.org>

Thu, Sep 2, 2021 at 4:26 PM

I would like to have the Purdy building exterior repair on the next agenda please. I would like the Board to see Keith's email regarding putting steel on the building.

Thank you  
Mike

----- Forwarded message -----

From: **Keith Kosik** <keith@tssfinc.com>  
Date: Tue, Aug 31, 2021 at 8:27 AM  
Subject: [EXTERNAL] Admin Building Siding  
To: Mike Miller <mmiller@tuscolacounty.org>

Hi Mike:

I have looked at the Admin Building with several different types of metal siding and all are very costly. In my opinion it will be 2 to 3 times more costly than repairing the existing eifs system. To put steel siding on we would have to remove eifs and put furring and moisture barrier and then new insulation while repairing any loose existing substrate. It also would not look as good as the eifs unless we are going to put it on the entire building which would add more cost. I hope this makes the decision to repair and skim the eifs easier for the commissioners to decide.

Keith

## 2019 ANNUAL REPORT OF BALANCE IN LAND SALE PROCEEDS ACCOUNTS

In accordance with MCL 211.78m(8) (i), this written report is presented to the Board of Commissioners no later than September 30<sup>th</sup>, the second calendar year after foreclosure.

Net Balance in Land Sale Proceeds Accounts:

2017 Tax Year	\$667,847.70
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Total	\$667,847.70
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Contingent Liabilities:

Expenses & maintenance costs	- \$525,976.16
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Remaining Proceeds:	\$141,871.54
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Already Transferred to General Fund	- \$108,862.00
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Pending Lawsuit Claim Damages	- \$107,346.91
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Albert Sanford

Daniel O'mara Sr.

Gary and Melinda McInally

Arrington, Hankerson, and McCoy

Balance Remaining	(- \$74,337.37)
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This report is prepared by Samantha Dennis, Tuscola County Foreclosure Specialist  
 Approved by Ashley Bennett, Tuscola County Treasurer  
 September 1, 2021

September 8, 2021

From: Sandra Nielsen, Director

Subject: Hiring of Dispatcher

To: Tuscola County Board of Commissioners

Dear Commissioners,

I respectfully request the Board of Commissioners to concur with hiring Pablo Lopez as a full time dispatcher pending successful background, physical and drug screening. This request is to fill a vacant full time dispatcher position.

Central Dispatch has the required funds in the budget to fill this position. The dispatch operating fund comes from 911 telephone surcharge and does not affect the general fund. Full staffing is essential in providing 9-1-1 communications services to the county and the community.

Thank you,

Sandra Nielsen, Director  
Tuscola County Central Dispatch

E.



Tuscola County

Clayette Zechmeister <zclay@tuscolacounty.org>

### September 13th COW Agenda Item

1 message

Jodi Fetting <jfetting@tuscolacounty.org>  
To: Clayette <zclay@tuscolacounty.org>

Tue, Aug 31, 2021 at 12:11 PM

Hi,  
Can I please add to the September 13, 2021 Committee of the Whole agenda:  
Appointment of Republican Board of Canvasser

Judy Neblock resigned from the Board of Canvassers as one of the Republican Party Representatives.  
Republican Party Chair, Billy Putman, has recommended Doug Lagos as her replacement.

If appointed, Doug would complete a partial term ending October 31, 2024.

Please let me know if you have any questions,  
Jodi

**TUSCOLA COUNTY CLERK**

*Jodi Fetting*  
440 N. State Street - Caro, MI - 48723  
(989) 672-3780

visit us online for county services @ [www.tuscolacounty.org](http://www.tuscolacounty.org)



F.



August 30, 2021

*Tuscola County Commissioners, Tuscola County Sheriff,  
Tuscola County Medical Care Facility,  
Tuscola County Veterans Affairs  
c/o Clayette Zechmeister - Controller  
125 W. Lincoln Street  
Caro, Michigan 48723*

*Re: Tax Abatement Request from Quality Roasting*

*Dear Ms. Zechmeister;*

*The Township of Gilford and Tuscola County EDC have been working with Quality Roasting on the Township's consideration of approving an Industrial Facilities Exemption Certificate for tax abatement for property located at 135 S. Bradleyville Rd., in Gilford Township.*

*Notice is given that on Monday, September 13, 2021 at 7:30 pm there will be a Public Hearing with the Gilford Township Board of Trustees, to consider the application from Quality Roasting for an Industrial Facilities Exemption Certificate (tax abatement) by Gilford Township. A copy of the public notice is enclosed.*

*Since the tax collected for Tuscola County may be affected, if approved, a representative from the Tuscola County is entitled to appear and to be heard.*

*Diane Spencer  
Township Clerk*

*enc*

# PUBLIC NOTICE

## **Public Hearing on the Approval of an Industrial Facilities Exemption Certificate requested by Quality Roasting in the Township of Gilford**

Notice is hereby given that on Monday, September 13, 2021 at 7:30 p.m., the Gilford Township Board will hold a public hearing. The meeting and public hearing will be located at the Gilford Township Hall, 6230 Gilford Rd., Fairgrove, MI 48733.

The public hearing is held pursuant to Act 198 of the Michigan Public Acts of 1974, as amended for the approval of an Industrial Facilities Exemption Certificate for a proposed building (Storage Bin) to be constructed by Quality Roasting at the following real property:

Land situated in the Township of Gilford, County of Tuscola and State of Michigan:

GIL-35-203 SEC 35 T13N R7E COM AT NW COR OF S 1/2 OF NW 1/4, TH  
S TO PT 561 FT N OF PT WHERE RR R/W INTERS W SEC LN, TH E 858 FT  
M/L TO RR R/W, TH NELY ALG RR R/W TO N LN OF S 1/2 OF NW 1/4, TH  
W TO POB. 16.9 A.

The owners of all real property within the Industrial Development District, together with any other residents or taxpayers of the Township of Gilford shall have the right to appear and to be heard.

Diane Spencer  
Township Clerk

G.

STATE OF MICHIGAN



54<sup>TH</sup> JUDICIAL CIRCUIT COURT

HON. AMY GRACE GIERHART  
CIRCUIT COURT JUDGE

440 NORTH STATE STREET  
CARO, MICHIGAN 48723

(989) 672-3720

September 2, 2021

Mr. Thomas Bardwell  
Tuscola County Board of Commissioners Chair  
FOIA Coordinator

VIA Hand delivery to Renee Francisco, Controller's Office

APPEAL FROM FOIA REQUEST DETERMINATION DATED AUGUST 25, 2021

Dear Mr. Bardwell:

Pursuant to MCL 15.240 and the Tuscola County Freedom of Information Request Policy (Revised 07/01/15), I am hereby notifying you that I am appealing the partial denial of my FOIA request which is contained in the August 25, 2021 letter referenced above. I am asking that you reverse the partial denial for the reasons stated herein.

In support of my appeal, the following documents are attached:

- 1) A copy of my FOIA request dated 08/04/21, asking for "all of the monthly billings from appointed counsel submitted to the Tuscola County Managed Assigned Counsel Administrator for the months of January 2021 and July 2021"
- 2) A copy of MCL 15.243, Exemptions from Disclosure.
- 3) A copy of MCR 2.302(B)(3)(a), an excerpt from the Michigan Court Rules entitled "General Rules Governing Discovery"
- 4) A copy of MCL 780.987(10), an excerpt from the statute entitled "MIDC"
- 5) A copy of *Herald Company, Inc v. Ann Arbor Public Schools*, 224 Mich App 266 (1997), a Michigan Court of Appeals case defining the attorney-client privilege within the context of the statutory FOIA exemption.

The stated FOIA exemptions are inapplicable to my request for the following reasons:

- 1) The attorney invoices are not subject to attorney-client privilege. The attorney-client privilege is intended to protect the confidential communications between the client and the attorney. The


submission of the invoices to a third party, the MAC Administrator, is not a confidential attorney-client communication.

- 2) The attorney invoices are not subject to an attorney work product privilege, as again, that is not what the invoices are. The stated exemption, MCL 15.243(1)(h) makes no mention of a work-product privilege, but rather refers to specific privileges and then refers to privileges which are recognized by statute or court rule. The court rule referred to MCR 2.302(B)(3)(a), in an attempt to piggy back some type of work product privilege, is applicable in and only to discovery in civil matters and inapplicable to the matter here.
- 3) The attorney invoices submitted to the MAC Administrator are not and do not contain confidential case information, and nonetheless, they have been conveyed to a third party so even if a legitimate privilege did exist it has been waived. (see #8 above)

Ironically, until very recently, the Court would have approved each and every invoice submitted to the County for payment. Further, the invoices, in the past, were included in the PUBLIC COURT FILE as a public filing.

I am requesting that you immediately reverse your partial denial of my request and provide me with the requested invoices forthwith.

Respectfully yours,



Amy Grace Gierhart  
Circuit Judge



H.

# TUSCOLA COUNTY BOARD OF COMMISSIONERS

125 W. Lincoln Street  
Suite 500  
Caro, MI 48723

Telephone: 989-672-3700  
Fax: 989-672-4011

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## Resolution to Exempt Certain Counties from the Recently Updated Open Meetings Act (OMA)

### Resolution 2021-

*Whereas*, the Tuscola County Board of Commissioners has concerns regarding the decisions made regarding PA 254, and

*Whereas*, prior to the most recent amendments to the OMA, it was generally well-settled that members of a public body could participate in a meeting electronically so long as a quorum of the public body was physically present at the meeting location, and

*Whereas*, before March 31, 2021 and retroactive to March 18, 2020 any circumstances, including, but not limited to, any of the circumstances requiring accommodation of absent members described in section 3(2), and

*Whereas*, on and after March 31, 2021 through December 31, 2021, only those circumstances requiring accommodation of members absent for the reasons described in section 3(2). For the purpose of permitting an electronic meeting due to a local state of emergency or state of disaster, this subdivision applies only as follows:

- (i) To permit the electronic attendance of a member of the public body who resides in the affected area.
- (ii) To permit the electronic meeting of a public body that usually holds its meeting in the affected area.

*Whereas*, after December 31, 2021, members of a public body will be allowed to participate in a meeting electronically **only in the circumstances requiring accommodation of members absent due to military duty as described in section (3)2**, and

*Whereas*, this substantive change eliminates a public body's previous flexibility to allow one or two members to participate remotely.

***Therefore, Be It Resolved***, that the Tuscola County Board of Commissioners requests that all counties with populations of 75,000 or less be exempt from the portion of PA 254 that allows only members absent due to military duty to be allowed to participate in meetings electronically.

*Be it Further Resolved*, that the Tuscola County Board of Commissioners submits this resolution to Senator Debbie Stabenow, Senator Gary Peters, Senator Kevin Daley, Representative Phil Green, all Michigan Counties, \_\_\_\_\_??.

Date \_\_\_\_\_

\_\_\_\_\_  
Thom Bardwell, Chairperson  
Tuscola County Board of Commissioners

I, Jodi Fetting, Tuscola County Clerk, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Tuscola County Board of Commissioners at its meeting on September 16, 2021.

Date \_\_\_\_\_

\_\_\_\_\_  
Jodi Fetting  
Tuscola County Clerk

County	Commissioners	Population
Keweenaw	5	2,111
Ontonagon	5	5,877
Luce	5	6,338
Schoolcraft	5	8,048
Oscoda	5	8,248
Baraga	5	8,421
Alger	5	9,151
Montmorency	5	9,265
Alcona	5	10,353
Mackinac	5	10,780
Iron	5	11,152
Presque Isle	5	12,714
Arenac	5	15,070
Ogemaw	5	20,898
Roscommon	5	23,851
Iosco	5	25,197
Gladwin	5	25,279
Dickinson	5	25,439
Delta	5	36,026
Houghton	5	36,070
Chippewa	5	37,629
Gratiot	5	40,916
Sanilac	5	41,295
Branch	5	43,513
Hillsdale	5	45,757
Tuscola	5	52,939
St. Joseph	5	60,836
Charlevoix	6	26,188
Marquette	6	66,686
Lake	7	11,852
Crawford	7	13,892
Missaukee	7	15,028
Gogebic	7	15,061
Kalkaska	7	17,585
Benzie	7	17,615
Leelanau	7	21,652

	Osceola	7	23,290
	Manistee	7	24,457
	Cheboygan	7	25,418
	Oceana	7	26,416
	Mason	7	28,954
	Clare	7	30,651
	Huron	7	31,349
	Emmet	7	33,104
	Mecosta	7	43,251
	Newaygo	7	48,366
	Cass	7	51,523
	Barry	7	60,540
	Ionia	7	64,300
	Shiawassee	7	68,340
	Isabella	7	70,688
52	Van Buren	7	75,358
	Clinton	7	78,389
	Midland	7	83,355
	Lapeer	7	88,038
	Grand Traverse	7	92,181
	Bay	7	104,104
	Allegan	7	116,143
	Calhoun	7	134,212
	St. Clair	7	159,247
	Alpena	8	28,520
	Menominee	9	23,074
	Antrim	9	23,206
	Otsego	9	24,490
	Wexford	9	33,256
	Montcalm	9	63,413
	Lenawee	9	98,381
	Monroe	9	149,727
	Jackson	9	158,636
	Muskegon	9	173,297
	Livingston	9	189,754
	Washtenaw	9	367,000



Genesee	9	407,875
Saginaw	11	191,821
Kalamazoo	11	262,745
Ottawa	11	286,558
Berrien	12	154,133
Macomb	13	870,325
Ingham	14	290,587
Eaton	15	109,456
Wayne	15	1,757,299
Kent	19	648,121
Oakland	21	1,253,185
	622	9,965,265

# ARPA Revenue Replacement Calculator

## Background Information

Notes: \_\_\_\_\_

1) Fiscal Year End

Base Year Revenue Period  FY used for base year calculation

2) Calculation Date

Number of Months  Months between Base Year and Calculation Date

## Estimate Revenue

3) Base Year Revenue  [Use Worksheet to Calculate](#)

4) Growth Rate  [Use Worksheet to Calculate](#)

Counterfactual Revenue  Estimated Revenue Without Pandemic

5) Actual Revenue  [Use Worksheet to Calculate](#)

## Reduction in Revenue

Revenue Reduction  Fiscal Year Ended



Tuscola County

Clayette Zechmeister &lt;zclay@tuscolacounty.org&gt;


**[EXTERNAL] Revenue Loss Calculations**

Joe Verlin <jverlin@gabridgeco.com>  
To: Clayette Zechmeister <zclay@tuscolacounty.org>

Mon, Aug 30, 2021 at 9:47 AM

Good Morning Clayette,

The Interim Final Rule allows the revenue replacement funds to be allocated to the following government services:

Two faint, light-colored arrows originate from the right side of the page and point towards the text block below. One arrow is positioned higher and points more directly at the text, while the other is lower and points more towards the left side of the text block.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building<sup>123</sup> of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

So, they could be used to defray the costs of sheriff, jail, health, etc. expenditures. Ultimately, it is up to the County to best determine the use for these funds. But, you have "broad latitude" (as stated in the Interim Final Rule) to use those Fiscal Recovery Funds.

I hope this helps, I am available throughout the day if there are further questions.

[Quoted text hidden]

This email and any files transmitted with it are intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the message sender. This message contains confidential information and is intended only for the individual named. If you are not the named

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

Sections 602(c)(1)(C) and 603(c)(1)(C) of the Act provide recipients with broad latitude to use the Fiscal Recovery Funds for the provision of government services. Government services can include, but are not limited to, maintenance or pay-go funded building<sup>123</sup> of infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services. However, expenses associated with obligations under instruments evidencing financial indebtedness for borrowed money would not be considered the provision of government services, as these financing expenses do not directly provide services or aid to citizens. Specifically, government services would not include interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or fees or issuance costs associated with the issuance of new debt. For the same reasons, government services would not include satisfaction of any obligation arising under or pursuant to a settlement agreement, judgment, consent decree, or judicially confirmed debt restructuring in a judicial, administrative, or regulatory proceeding, except if the judgment or settlement required the provision of government services. That is, satisfaction of a settlement or judgment itself is not a government service, unless the settlement required the provision of government services. In addition, replenishing financial reserves (e.g., rainy day or other reserve funds) would not be considered provision of a

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<sup>123</sup> Pay-go infrastructure funding refers to the practice of funding capital projects with cash-on-hand from taxes, fees, grants, and other sources, rather than with borrowed sums.





# Tuscola County Employees' Retirement System Summary Annual Report

Year Ending: December 31, 2020

## Tuscola County 2020 Actuarial Results Summary

This report summarizes the results of the Annual Actuarial Valuation, prepared as of December 31, 2020.

The report includes the value of assets, accrued liabilities, and will summarize the total funded ratios for Tuscola County.

The Retirement System, which is managed by MERS of Michigan, is designed to help meet our employee's financial needs due to disability, retirement or death. The Board of Commissioners responsibility is to oversee the general administration of the plans.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The Experience Study is a comprehensive, detailed analysis that reviews MERS' funding policy and compares actual experience with the current actuarial assumptions; the study recommends adjustments as necessary.

In 2016 Tuscola County issued Pension Obligation Bonds to fully fund the Unfunded Accrued Liability portions of our Defined Benefit Plans.

This summary report has been prepared to give you an overview of the Retirement System and how it functions. The retirement system is governed by the provisions of Tuscola County. As a summary, we cannot cover all of the details of our 17 Divisions in the MERS System, additional information can be found in the actuarial valuation, and audited financial statements that can be obtained from the Tuscola County Controller/Administrators Office or accessed via the Tuscola County website at [www.tuscolacounty.org](http://www.tuscolacounty.org)

*Respectfully submitted,*

*Clayette A. Zechmeister*

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*Tuscola Controller/Administrator*

**Name of System**

Tuscola County Employees Retirement System

**Effective date**

The plan was originally effective as of July 1, 1967

**Investment fiduciary**

MERS of Michigan

**System Service providers**

MERS of Michigan, GRS Retirement Consulting (actuary)

**Funded Ratio**

The funded ratio of a plan is the percentage of the dollar value of the actuarial accrued liability that is covered by the actuarial value of the assets.

	12/31/2020	12/31/2019
<b>Funded Ratio</b>	<b>86%</b>	<b>90%</b>

**Employer Contributions Details**

Estimated Annual Contribution	Normal Cost	UAL	Total Contribution
2020	\$328,548	\$721,344	\$1,049,892
2019	\$301,272	\$437,328	\$738,600

**Employee Defined Benefit Rates**

Employee contribution rates are 4.7% if hired before 1-1-2011 and 6.7% if hired on 1-1-2011 until 12-31-15 when all the defined benefit plans were closed to new hires.

## Actuarial Accrued Liabilities and Valuation Assets – Defined Benefit Plans

Division	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total	Valuation Assets	Percent Funded	Unfunded (Overfunded)Accrued Liabilities
02-Sheriff	\$1,411,265	\$56,598	\$1,809,533	\$2,702	\$3,280,098	\$3,074,836	93.7%	\$205,262
10-AFSCME	2,419,250	350,157	2,857,363	-	5,626,770	4,850,212	86.2%	776,558
11-District Court	1,653,344	-	865,073	10,519	2,528,936	2,064,397	81.1%	464,539
12-Circuit Crt	2,487,758	97,884	3,311,732	49,201	5,946,575	5,011,978	84.3%	934,597
13-Non Union Hrly	705,659	272,655	11,469	9,754	999,537	947,627	94.8%	51,910
14-Non Union Stry	1,792,155	430,679	2,694,539	18,607	4,935,980	4,061,714	82.3%	874,266
15-Elctd Officials	775,450	-	2,047,912	13,878	2,837,240	2,437,895	85.9%	399,345
16-AFSCME 1-1-11	312,340	-	186,569	-	498,909	398,323	79.8%	100,586
17-Non Un Sal/Hrl & Elec 1-1-11	632,305	28,920	46,169	33,327	740,721	688,504	93.0%	52,217
20-Command Offcra	2,730,804	198,475	5,060,643	-	7,989,922	6,801,298	85.1%	1,188,624
21-Dispatchers	561,874	384,936	856,550	-	1,803,360	1,430,867	79.3%	372,493
22-Sheriff Adm	-	-	722,989	-	722,989	567,301	78.4%	155,958
23-Sheriff POAM	2,214,955	463,742	1,466,989	8,541	4,154,227	3,715,430	89.4%	438,797
24-Sherf Dept Cor 1-1-11	509,196	-	-	-	509,196	416,270	81.8%	92,926
25-Dispatch 1-1-11	89,006	-	-	22,559	111,565	109,856	98.5%	1,709
26-Sheriff POAM 1-1-11	400,285	10,717	-	3,236	414,238	335,466	81.0%	78,772
<b>Total</b>	<b>\$18,695,646</b>	<b>\$2,294,763</b>	<b>\$21,937,530</b>	<b>\$172,324</b>	<b>\$43,100,263</b>	<b>\$36,911,704</b>	<b>85.6%</b>	<b>\$6,188,559</b>



### Participant Summary

	Number	Annual Payroll	Average Annual Retirement allowance
Active Employees	108	\$5,667,701	
Vested Former Employees	26	\$332,909	
Retirees and Beneficiaries	135	\$2,264,371	\$16,773
Pending Refunds	36		
<b>Total Participants</b>	<b>305</b>		

### Amortization Method

Layered Amortization Schedules from 10 to 19 years in our 17 divisions shown below. All Defined Benefit plans are closed to new hires as of 12-31-15.

### Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Accrued Liability	Unfunded Accrued Liability	Funded Ratio
12-31-06	20,136,047	21,260,458	1,124,417	94.7%
12-31-07	21,546,461	22,620,177	1,073,716	95.3%
12-31-08	22,229,277	24,362,442	2,133,165	91.2%
12-31-09	22,665,201	25,258,027	2,592,826	89.7%
12-31-10	23,419,238	26,325,295	2,906,057	89.0%
12-31-11	24,053,833	27,682,168	3,628,335	86.9%
12-31-12	24,521,554	28,327,052	3,805,498	86.6%
12-31-13	25,227,788	29,531,643	4,303,855	85.4%
12-31-14	25,758,942	30,893,578	5,134,636	83.4%
12-31-15	26,287,968	33,703,096	7,415,128	78%
12-31-16	34,951,562	34,607,082	344,480	99%
12-31-17	35,346,705	35,955,206	608,501	98%
12-31-18	35,199,062	37,103,362	1,904,300	95%
12-31-19	39,343,066	35,524,140	3,818,926	90.3%
12-31-20	36,911,704	43,100,263	6,188,559	85.6%

## Investment Rate of Return Assumptions

To avoid dramatic spikes and dips in annual contribution requirements due to short term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. **The (smoothed) actuarial rate of return for 2020 was 8.17%, while the actual market rate of return was 12.70%.**

A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020 actuarial valuation, first impacting 2022 contributions.

## Steps Tuscola County has taken to reduce UAL

Tuscola County has taken many actions to reduce their unfunded accrued liabilities over the last few years. In 2011 we increased the employee share from 4.7% to 6.7% and changed the benefit multiplier from 2.25% to 2.00%

We also voluntarily contributed an additional \$218,818 in fiscal year 2015. Our funding levels were still showing a decline from 2014 of 83.4% to 78% in 2015.

With this growing concern, the Commissioners felt it necessary to seek bonding to reduce the unfunded portion of the retirement.

As of 12-31-2015, Defined Benefit plans were closed and effective 1-1-2016 the county adopted Defined Contributions for all new hires. April 2016 the county issued pension obligation bonds for \$6,980,000.

### Defined Contribution Plans

Effective 1-1-2016, Tuscola County adopted DC plans for all new hires, and in April of 2016 the county Bonded the full cost of the unfunded pension obligation. We currently have 78 employees in the various DC plans. Account balance as of 7-1-2021 is \$913,025.

### Defined Contribution Rates

Employee	0-4%	5%,	6%
Employer	4%	4.5%	5%

### Other OPEB

Tuscola County does not have any other OPEB (Other Post-Employment Benefits)