AGENDA

St. Clair County Board of Commissioners
Ways and Means Committee

Board of Commissioners' Room
County Administrative Office Building, 2nd Floor
200 Grand River Avenue
Port Huron, MI 48060

November 4, 2021 at 4:00 PM

1. **Roll Call/Opening**
2. **Additions/Deletions/Changes to the Agenda**
3. **Citizens to be Heard**
4. **Updates**
5. **Conceptual Initiatives**
6. **Old Business**
7. **New Business**
   - A. Resolution 21-20 Budget Adoption - 2022
   - B. 2022 Pension and Retiree Health Care Contribution Rates
   - C. Contract Approval Request - Toledo Elevator
   - D. Health Department Manning Table Change - Reclassifications
   - E. Health Department Manning Table Addition - Part-time Publice Health Nurse - FINAL ACTION
   - F. American Rescue Plan Act Funds
8. **Other Ways and Means Matters**
9. **Information Only**
10. **Receive and File Packets**
11. **Adjournment**

Committee Chair: David Rushing

Note: The County complies with the "Americans with Disabilities Act" and if auxiliary aids or services are required at the meeting for individuals with disabilities, please contact Administrator/Controller's Office, Suite 203, 200 Grand River Avenue, Port Huron, MI 48060, (810) 989-6900 three days prior to said meeting.

Resolution 21-20 Budget Adoption - 2022

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Resolution 21-20 Budget Adoption - 2022	10/28/2021	Cover Memo
🗋	2022 General Fund Proposed Budget	10/28/2021	Cover Memo

RESOLUTION 21-20

ST. CLAIR COUNTY 2022 GENERAL APPROPRIATIONS RESOLUTION

WHEREAS, the Uniform Budgeting and Accounting Act, Public Act 621 of 1978, as amended, requires that each local unit of government adopt a balanced budget for certain funds; and

WHEREAS, the County Administrator/Controller has considered the needs of the various department contained in the budget and has proposed a budget to the Board of Commissioners' as required by statute; and

WHEREAS, the Board of Commissioners' has received the proposed budget and have made recommendations for modification to the Administrator/Controller; and

WHEREAS, the Board of Commissioners' has held the required Public Hearing regarding the proposed budget: and

WHEREAS, the Board of Commissioners' annually adopts a budget and authorizes appropriations subject to the conditions set forth in its annual General Appropriations Resolution: and

WHEREAS, the budget contains anticipated revenues and expenditures from various grant programs, which will also require approval of agreements with granting agencies at various times during the fiscal year.

THEREFORE BE IT RESOLVED, that the 2022 St Clair County General Fund Budget, as attached and marked "Exhibit A" is hereby adopted on a basis consistent with the Public Act 621 of 1978, as amended,

BE IT FURTHER RESOLVED, that the revenues received by the County under Public Acts 106 and 107 of 1985 (Convention Facility Tax revenue) shall not be used to reduce the County's operating millage as defined by Public Act 2 of 1986 and that 50% of the actual Convention Facility Tax revenue not used to reduce the County's operating tax rate will be transferred to the Substance Abuse Fund with the remaining revenues to be deposited in the General Fund.

BE IT FURTHER RESOLVED, that the revenues received by the County under Public Act 264 of 1987 (Health and Safety Fund Act) shall not be used to reduce the County's operating millage and that 12/17 of the actual revenues will be appropriated for public health prevention programs, and 5/17 of the actual revenues will be appropriated for jail facilities, in accordance with the Act.

BE IT FURTHER RESOLVED, that the adopted budget is based on current estimates of revenues and expenditures, and that the Board of Commissioners, upon recommendation by the Administrator/Controller, may find it necessary to adjust budgeted revenues and expenditures from time to time during the year.

Dated: November 18, 2021

ST. CLAIR COUNTY
BOARD OF COMMISSIONERS

Reviewed and Approved by:

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Gary A. Fletcher
County Corporation Counsel
1411 Third Street Suite F
Port Huron, MI 48060

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ST. CLAIR COUNTY

2022 PROPOSED BUDGETS
OF THE
GENERAL FUND

SUBMITTED TO THE
BOARD OF COMMISSIONER'S
November 4, 2021

PREPARED AND PRESENTED BY THE
ADMINISTRATOR/CONTROLLER'S OFFICE

Karry A. Hepting, CPA, Administrator/Controller
Dena S. Alderdyce, CGFM, Finance Director

MEMO

To: Board of Commissioners

From: Dena Alderdyce, Finance Director

Date: October 28, 2021

Re: 2022 Budget Meetings and Publication Schedule

Thursday, November 4	Presentation of Proposed 2022 General Fund Budget to the Board of Commissioners
Prior to November 8	Publish public notice announcing public hearing to be held on Thursday, November 18, 2021 relative to the Proposed 2022 General Fund Budget.
Thursday, November 18	Public hearing on 2022 Proposed General Fund Budget. Actual adoption of the 2022 Budget Resolution may occur on this date, after the public hearing.
Thursday, December 9	Adoption of 2022 Special Revenue Fund Budgets
Prior to December 31	Publish public notice making the adopted budgets available for public inspection

Proposed General Fund Changes to Available Fund Balance

St. Clair County
2022 General Fund
Budgeted Changes to Available Fund Balance

Estimated Total Fund Balance at December 31, 2021	$	10,996,496
Add: 2022 Budgeted Revenues	$	64,588,325
Less: 2022 Budgeted Expenditures	$	64,588,325
Estimated Total Fund Balance at December 31, 2022	$	10,996,496

Proposed General Fund Revenues and Expenditures

ST. CLAIR COUNTY
PROPOSED 2022 GENERAL FUND BUDGET

REVENUES

DEPT.#	DEPARTMENT	2022 PROPOSED
100 Legislative		
103	Other Legislative Activities	900,000
130 Judicial		
131	Circuit Court	138,672
136	District Court	1,719,692
	Hybrid DWI/Drug Court	57,000
138	Courthouse Security	25,000
141	Friend of Court	2,312,740
	Incentive Payments	392,242
148	Probate Court	280,003
	Mental Health Court	178,691
149	Family Division-Circuit Court	209,650
	Raise the Age Grant	242,552
	Recovery High School Grant	150,000
153	District Court - Probation	196,902
		5,903,144
170 General Government		
191	Elections	103,575
215	Clerk	577,200
225	Equalization	200,787
229	Prosecuting Attorney	576,413
	Child Protective Investigations - Title IV-E	52,000
231	Victims Rights	172,370
233	Purchasing	15,000
236	Register of Deeds	1,502,500
253	County Treasurer	44,006,661
	Dog Licensing	380,000
257	Cooperative Extension	-
	Co-op. Ext. - 21st Century Grant	-
	Co-op. Ext. - 4-H Programming	7,500
259	Information Technology	35,000
275	Drain Commissioner	65,000
289	Motor Pool	260,000
		47,954,006
300 Public Safety		
301	Sheriff	3,402,662
	Secondary Road Patrol Grant	142,700
	Motor Carrier Enforcement Grant	250,000
	MI Drive Safely Grant	56,601
	Edward Byrne Grant	17,093

ST. CLAIR COUNTY
PROPOSED 2022 GENERAL FUND BUDGET

REVENUES

DEPT.#	DEPARTMENT	2022 PROPOSED
	Operation Stonegarden	100,000
320	Criminal Justice Training Grant	15,000
325	Communications/Radio	1,366,159
	Communications Training Grant	20,000
331	Marine Law Enforcement	182,366
351	Corrections/Jail	2,957,700
	Inmate Billing	155,000
362	Other Correction Activities	-
	Substance Abuse Treatment Grant	192,742
426	Emergency Preparedness	42,000
	Annual Breakfast	-
	Solution Area Planners	150,000
	2019 Homeland Security Grant	150,000
428	Hazardous Materials Handling	20,000
430	Animal Shelter	51,200
		9,271,223
440 Public Works		
445	Drain - Public Benefit	-
		-
600 Health and Welfare		
648	Medical Examiner	25,000
661	Public Guardian	359,952
		384,952
690 Community and Economic Development		
400	Planning	175,000
		175,000
	Totals	64,588,325

ST. CLAIR COUNTY
PROPOSED 2022 GENERAL FUND BUDGET

EXPENDITURES

DEPT.#	DEPARTMENT	2022 PROPOSED
100 Legislative		
101	Board of Commissioners	215,560
103	Other Legislative Activities	1,072,000
	Appropriations to other Funds:	
	Health Department	1,724,688
	Child Care - Probate	2,787,008
	Child Care - Welfare	160,000
	Department of Human Services	21,001
	Public Improvement	700,000
	Road Commission	900,000
	Convention Center Operations	100,000
	Convention Center Debt	194,340
	Communications Tower Debt Service	294,500
	Mi Indigent Defense Fund	622,832
		8,791,929
130 Judicial		
131	Circuit Court	1,325,108
136	District Court	2,492,460
	Hybrid DWI/Drug Court	57,000
138	Courthouse Security	666,742
141	Friend of Court	3,402,061
148	Probate Court	1,097,685
	Mental Health Court	178,691
149	Family Division-Circuit Court	1,645,206
	Recovery High School Grant	122,961
151	Adult Probation	7,300
153	District Court Probation	915,924
		11,911,138
170 General Government		
172	Administrator/Controller	610,360
191	Elections	262,518
201	Accounting	338,978
215	Clerk	855,661
225	Equalization	864,983
226	Human Resources	469,010
229	Prosecuting Attorney	3,172,115
	Child Protective Investigations - Title IV-E	10,000
231	Victims Rights	10,800
233	Purchasing	100,723
236	Register of Deeds	131,447

ST. CLAIR COUNTY
PROPOSED 2022 GENERAL FUND BUDGET

EXPENDITURES

DEPT.#	DEPARTMENT	2022 PROPOSED
253	County Treasurer	580,500
	Dog Licensing	41,178
257	Cooperative Extension	193,800
	Co-op. Ext. - 4-H Programming	7,500
	Gypsy Moth Supression	20,000
259	Information Technology	2,470,515
265	Buildings and Grounds	1,229,190
	DHS Building Lease Maintenance	785,233
	Jail/Juvenile Facility Maintenance	443,181
275	Drain Commissioner	595,769
289	Motor Pool	158,000
		13,351,461
300 Public Safety		
301	Sheriff	8,808,405
	Secondary Road Patrol Grant	142,700
	Motor Carrier Enforcement Grant	250,000
	Edward Byrne Grant	17,093
	Safe Communities	56,601
	Federal Surplus Asset Program	21,684
	Operation Stonegarden	100,000
320	Criminal Justice Training Grant	15,000
325	Communications/Radio	1,934,821
	Communications Training Grant	20,000
331	Marine Law Enforcement	300,401
334	Dive Team	31,606
351	Corrections/Jail	13,423,614
	Inmate Billing	103,017
362	Other Correctional Activities	90,000
	Substance Abuse Treatment Grant	192,742
426	Emergency Preparedness	319,993
	Solution Area Planners	149,996
	2019 Homeland Security Grant	150,000
428	Hazardous Materials Handling	39,800
430	Animal Shelter	550,073
		26,717,546
440 Public Works		
445	Drains - Public Benefit	714,473
600 Health and Welfare		
648	Medical Examiner	531,912
649	Mental Health	955,672
661	Public Guardian	667,514

ST. CLAIR COUNTY
PROPOSED 2022 GENERAL FUND BUDGET

EXPENDITURES

DEPT.#	DEPARTMENT	2022 PROPOSED
681	Veteran's Burial	15,000
		2,170,098
690 Community and Economic Development		
400	Planning	696,175
401	Transportation Planning	8,350
		704,525
850 Other Functions		
890	Contingencies	227,155
	Totals	64,588,325

Proposed General Fund Revenues & Expenditures Compared to 2020 Actual And 2021 Estimated

ST. CLAIR COUNTY
2022 PROPOSED GENERAL FUND BUDGET
REVENUES

DEPT. #	DEPARTMENT	2020 ACTUAL	2021 ESTIMATED	2022 PROPOSED
100 Legislative				
103	Other Legislative Activities	900,000	900,000	900,000
130 Judicial				
131	Circuit Court	139,951	139,672	138,672
136	District Court	1,337,709	1,728,192	1,719,692
	Hybrid DWI/Drug Court	21,043	52,000	57,000
138	Courthouse Security	22,996	25,000	25,000
141	Friend of Court	2,066,088	2,237,397	2,312,740
	Incentive Payments	427,102	413,821	392,242
148	Probate Court	268,580	273,305	280,003
	Mental Health Court	141,811	155,000	178,691
149	Family Division-Circuit Court	247,646	266,055	209,650
	Raise the Age Grant	-	60,000	242,552
	Recovery High School Grant	-	150,000	150,000
153	District Court - Probation	181,172	186,000	196,902
		4,854,098	5,686,442	5,903,144
170 General Government				
172	Administration	362	-	-
	2020 Census Grant	13,691	-	-
191	Elections	188,206	50,000	103,575
215	County Clerk	493,101	574,500	577,200
225	Equalization	200,275	202,716	200,787
226	Human Resources	245	-	-
229	Prosecuting Attorney	511,976	570,336	576,413
	Child Protective Investigation - Title IV-E	65,235	42,000	52,000
	PA Coronavirus Grant	-	50,000	-
231	Victims Rights	134,019	175,010	172,370
233	Purchasing	16,728	15,000	15,000
236	Register of Deeds	1,733,167	1,502,500	1,502,500
253	County Treasurer	41,020,114	43,471,801	44,006,661
	Dog Licensing	-	-	380,000
257	Cooperative Extension	-	-	-
	Co-op. Ext. - 4-H Programming Grant	2,489	7,500	7,500
259	Information Technology	26,604	35,000	35,000
265	Buildings and Grounds	-	-	-
	Jail/Juvenile Facility Maintenance	100	-	-
275	Drain Commissioner	63,880	138,500	65,000
289	Motor Pool	154,024	260,000	260,000
		44,624,216	47,094,863	47,954,006
300 Public Safety				
301	Sheriff	2,804,103	3,234,656	3,402,662
	Secondary Road Patrol	172,027	120,000	142,700
	Cornoavirus Emergency Supplemental Funding	17,058	28,469	-
	Motor Carrier Enforcement Grant	247,613	250,000	250,000
	Mi Drive Safely Grant	21,089	39,028	56,601

ST. CLAIR COUNTY
2022 PROPOSED GENERAL FUND BUDGET
REVENUES

DEPT. #	DEPARTMENT	2020 ACTUAL	2021 ESTIMATED	2022 PROPOSED
	Criminal Justice Training Grant	11,374	15,000	15,000
	Edward Byrne Grant	20,955	15,582	17,093
	Federal Surplus Property	60,953	38,497	-
	ORV Enforcement	43	-	-
	Operation Stonegarden	66,168	100,000	100,000
325	Communications/Radio	1,066,492	1,265,300	1,366,159
	Communication Training Grant	21,224	20,000	20,000
331	Marine Law Enforcement	171,550	184,866	182,366
	Marine Slow Wake Patrols Grant	-	28,000	-
334	Dive Team	-	-	-
	Port Security Grant - Dive Team	26,636	1,200	-
351	Corrections/Jail	2,783,628	2,687,700	2,957,700
	Inmate Billing	55,002	155,000	155,000
	Substance Abuse Treatment Grant	90,645	161,000	192,742
362	Other Corrections Activities	-	-	-
426	Emergency Preparedness	34,848	42,000	42,000
	Annual Breakfast	8,000	-	-
	2017 Homeland Security Grant	111,981	-	-
	2018 Homeland Security Grant	99,985	109,884	-
	2019 Homeland Security Grant	-	75,000	150,000
	Solution Area Planners	70,235	150,000	150,000
	Port Security Grants	187,500	-	-
	EOC Incident	25,000	-	-
428	Hazardous Materials Handling	15,383	20,000	20,000
430	Animal Shelter	339,813	484,500	51,200
		8,529,305	9,225,682	9,271,223
440 Public Works				
445	Drain - Public Benefit	210,526	16,455	-
600 Health and Welfare				
648	Medical Examiner	17,470	25,000	25,000
661	Public Guardian	168,145	263,869	359,952
		185,615	288,869	384,952
690 Community and Economic Development				
400	Planning	126,682	175,000	175,000
	Planning Donation Projects	105	-	-
	Coastal Management Grant	-	-	-
	SEMCOG Trail Grant	-	-	-
		126,787	175,000	175,000
		59,430,547	63,387,311	64,588,325

ST. CLAIR COUNTY
2022 PROPOSED GENERAL FUND BUDGET
EXPENDITURES

DEPT. #	DEPARTMENT	2020 ACTUAL	2021 ESTIMATED	2022 PROPOSED
100 Legislative				
101	Board of Commissioners	209,205	230,493	215,560
103	Other Legislative Activities	1,156,459	1,082,500	1,072,000
	Appropriations to Other Funds:			
	Health Department	1,701,420	1,724,688	1,724,688
	Child Care - Probate	2,627,008	2,787,008	2,787,008
	Child Care - Welfare	330,000	330,000	160,000
	Department of Human Services	29,001	29,001	21,001
	Public Improvement Fund	950,000	700,000	700,000
	Road Commission	900,000	900,000	900,000
	Convention Center Operations	100,000	100,000	100,000
	Administrative Building Debt Service	1,508,378	-	-
	Communication Towers Debt Service	580,700	-	294,500
	Blue Water Convention Center Debt Service	-	-	194,340
	Mi Indigent Defense Fund	560,173	579,439	622,832
		10,652,344	8,463,129	8,791,929
130 Judicial				
131	Circuit Court	1,208,089	1,298,658	1,325,108
136	District Court	2,165,263	2,426,575	2,492,460
	Hybrid DWI/Drug Court	27,677	52,000	57,000
138	Courthouse Security	561,320	638,620	666,742
141	Friend Of Court	3,000,760	3,318,694	3,402,061
148	Probate Court	1,053,392	1,092,410	1,097,685
	Mental Health Court	142,725	154,998	178,691
149	Family Division - Circuit Court	1,490,005	1,617,932	1,645,206
	Recovery High School Grant	-	150,000	122,961
151	Adult Probation	3,578	7,300	7,300
153	District Court Probation	815,128	873,536	915,924
		10,467,937	11,630,723	11,911,138
170 General Government				
172	Administrator/Controller	536,714	596,298	610,360
	2020Census Grant	13,004	-	-
191	Elections	419,343	109,117	262,518
201	Accounting	295,457	323,977	338,978
215	County Clerk	661,356	831,577	855,661
225	Equalization	780,165	831,377	864,983
226	Human Resources	407,027	422,479	469,010
229	Prosecuting Attorney	2,965,388	3,193,323	3,172,115
	Child Protective Investigation - Title IV-E	4	10,000	10,000
	PA Coronavirus Grant	-	50,000	-
231	Victims Rights	6,221	10,800	10,800
233	Purchasing	86,992	99,357	100,723
236	Register of Deeds	99,741	128,195	131,447
253	County Treasurer	502,063	584,971	580,500
	Dog Licensing	-	-	41,178
257	Cooperative Extension	151,763	188,933	193,800
	Co-op. Ext. - 4-H Programming	2,040	7,500	7,500

ST. CLAIR COUNTY
2022 PROPOSED GENERAL FUND BUDGET
EXPENDITURES

DEPT. #	DEPARTMENT	2020 ACTUAL	2021 ESTIMATED	2022 PROPOSED
	Gypsy Moth Supression Program	-	15,000	20,000
259	Information Technology	2,445,068	2,468,115	2,470,515
265	Building and Grounds	1,120,174	1,221,900	1,229,190
	DHS Building Lease Maintenance	751,429	779,591	785,233
	Jail/Juvenile Facility Maintenance	418,040	424,986	443,181
275	Drain Commissioner	470,219	572,659	595,769
289	Motor Pool	99,129	169,500	158,000
		12,231,337	13,039,655	13,351,461
300 Public Safety				
301	Sheriff	7,487,252	8,861,158	8,808,405
	Secondary Road Patrol	170,044	120,000	142,700
	Cornoavirus Emergency Supplemental Funding	17,058	28,469	-
	Motor Carrier Enforcement	217,526	250,000	250,000
	Mi Drive Safely Grant	21,089	39,028	56,601
	Edward Byrne Grant	20,955	15,582	17,093
	Federal Surplus Property Program	22,297	139,137	21,684
	Criminal Justice Training Grant	8,099	15,000	15,000
	Operation Stonegarden Grant	79,215	100,000	100,000
325	Communications/Radio	1,695,218	1,954,012	1,934,821
	Communications Training Grant	14,953	20,000	20,000
331	Marine Law Enforcement	228,415	289,209	300,401
	Marine Slow Wake Patrols Grant	-	28,000	-
334	Dive Team	26,672	31,606	31,606
	Port Security Grant - Dive Team	27,095	1,200	-
351	Corrections/Jail	11,151,188	13,253,256	13,423,614
	Inmate Billing	72,693	80,965	103,017
	Substance Abuse Treatment Grant	90,997	161,000	192,742
362	Other Correctional Activities	77,351	100,000	90,000
426	Emergency Prepardness	255,258	304,205	319,993
	2017 Homeland Security Grant	66,548	-	-
	2018 Homeland Security Grant	29,940	109,379	-
	2019 Homeland Security Grant	53,068	75,000	150,000
	Solution Area Planners	88,735	150,000	149,996
	Port Security Grants	187,500	-	-
	Annual Breakfast	1,274	-	-
	EOC Incident	26,037	-	-
428	Hazardous Materials Handling	29,937	39,800	39,800
430	Animal Shelter	508,781	490,022	550,073
		22,675,195	26,656,028	26,717,546
440 Public Works				
445	Drain - Public Benefit	768,975	751,915	714,473
600 Health and Welfare				
648	Medical Examiner	442,241	548,266	531,912
649	Mental Health	955,672	955,672	955,672
661	Public Guardian	466,768	528,933	667,514
681	Veteran's Burial	6,600	15,000	15,000

ST. CLAIR COUNTY
2022 PROPOSED GENERAL FUND BUDGET
EXPENDITURES

DEPT. #	DEPARTMENT	2020 ACTUAL	2021 ESTIMATED	2022 PROPOSED
		1,871,281	2,047,871	2,170,098
690 Community and Economic Development				
400	Planning	595,452	689,446	696,175
	Planning Donation Projects	398		-
	Coastal Management Grant	-	-	-
	SEMCOG Trail Grant	-	-	-
401	Transportation Planning	482	8,350	8,350
		596,332	697,796	704,525
850 Other Functions				
890	Contingencies	-	100,194	227,155
		-	100,194	227,155
		59,263,401	63,387,311	64,588,325

2022 Estimated Budgets of Funds Receiving a General Fund Appropriation

ST. CLAIR COUNTY
2022 ESTIMATED BUDGETS OF FUNDS RECEIVING
GENERAL FUND APPROPRIATION

	HEALTH DEPARTMENT	CHILD CARE PROBATE	DEPARTMENT OF HUMAN SERVICES	CONVENTION CENTER	MI INDIGENT DEFENSE	PUBLIC IMPROVEMENT	COMMUNICATION TOWERS DEBT FUND	CONVENTION CENTER DEBT FUND
REVENUES								
Taxes	-	-	-	-		-	-	-
License and Permits	291,024	-	-	-		-	-	-
Intergovernmental	5,832,526	3,547,312			2,350,681	-	-	94,000
Charges for Services	945,000	74,000		565,610		-	-	-
Fines and Forfeits					120,000	-	-	-
Interest and Rents						-	-	-
Other Revenues	101,579	-	-	-		-	-	182,060
Debt Proceeds	-	-	-	-		-	-	-
	7,170,129	3,621,312	-	565,610	2,470,681	-	-	276,060
EXPENDITURES								
Judicial								
General Government					3,093,513			
Health and Welfare	8,894,817	6,639,520	21,001					
Community and Economic Dev								
Recreation and Culture				1,101,386				
Capital Outlay						3,000,000		
Debt Service							294,500	508,344
	8,894,817	6,639,520	21,001	1,101,386	3,093,513	3,000,000	294,500	508,344
OTHER SOURCES								
Transfers In	1,724,688	2,947,008	21,001	535,776	622,832	700,000	294,500	232,284
Transfers Out	-	-	-			-	-	-
	1,724,688	2,947,008	21,001	535,776	622,832	700,000	294,500	232,284
Net Income (Loss)	-	(71,200)	-	-	-	(2,300,000)	-	-
Fund Balance/Retained Earnings at Beginning of Year (est.)	5,180,060	1,656,716	34,899	588,680	413,964	6,345,433	300,824	155,183
Fund Balance/Retained Earnings at End of Year (est.)	5,180,060	1,585,516	34,899	588,680	413,964	4,045,433	300,824	155,183

Supplementary Information

2022 Proposed General Fund Budget Highlights

- The total General Fund budget increased 1.89% ($1,201,014) over the current 2021 amended budget.
- The General Fund fund balance remains strong at 17% of 2022 of proposed expenditures.
- Tax revenues are projected to increase 2.5%.
- County revenue sharing from the State increased by 2% ($4,003,818).
- Other revenues such as charges for services have conservatively been reduced or remain flat due to the anticipated continued effect of COVID-19.
- Revenues from Federal/ICE inmates remain flat due to reflect current trends.
- In addition to normal step increases, a 2% wage adjustment has been included for all employees.
- Employer contributions to the pension system are included at 27% of eligible payroll (1.5% increase), or 100% of the required contribution. Retiree health care contributions remain at 6% of eligible payroll.
- Employer matching contributions to the defined contribution system (457 plan) have been budgeted based on employees actual benefit elections vs. the maximum allowable, the same as we had done for 2021.
- Employee health insurance premiums have decreased by .2% for 2022, with employees continuing to contribute a 20% premium co share.
- Departmental non-personnel budgets remain relatively flat compared to 2021 except where additional funding was needed to reflect actual spending trends.
- A small budget of $20,000 was included for the Gypsy Moth Suppression program.
- A budgeted contingency is included at $227,155

The following manning table changes have been included in the 2022 proposed budget:

ANIMAL CONTROL

Since the pandemic started, Animal Control has not been able to utilize the trustees from the Jail in order to stop the spread of the virus within the facility. Due to this, the Animal Control office is in need of additional labor. We are proposing to add the 3 (three) Part-time Kennel Attendants - $13,931 each, for a total of $41,794.

HUMAN RESOURCES

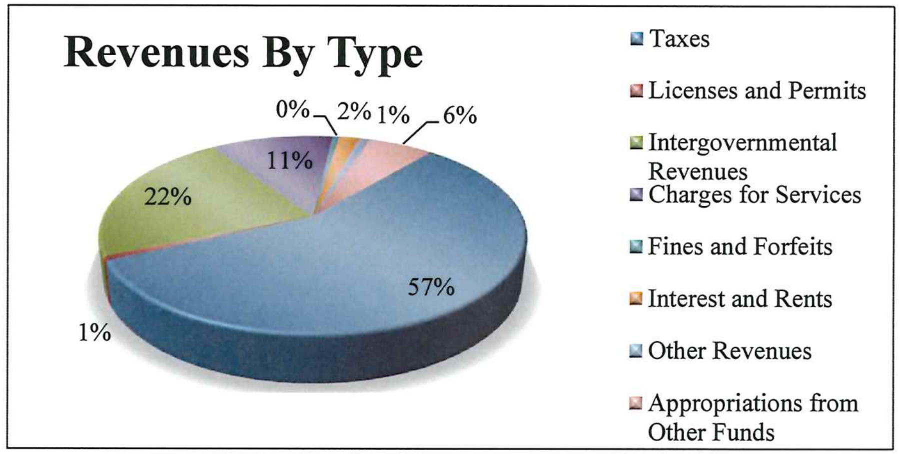
Human Resources is working on succession planning among departments. In order to train and plan for succession within the HR department, they are proposing to eliminate the 2 (two) Senior HR Specialists and create (2) two new HR Coordinator positions. They are also proposing to convert one of their HR Generalist positions to a HR Specialist.

With this manning table change they plan to shift the percentages charged to the General fund, the insurance fund and the retirement fund for each of these positions.

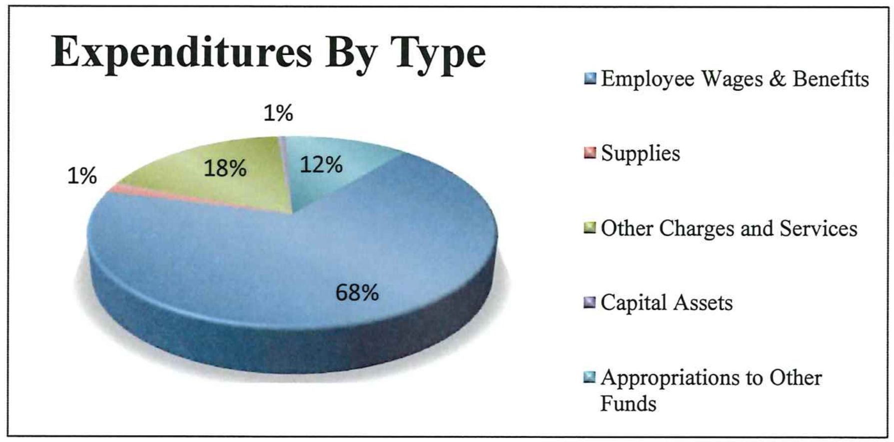
The manning table change would reduce the costs in the retirement fund and the insurance fund by $10,876 and $3,068 respectively, and would increase the cost to the General fund by $13,944.

2022 Proposed General Fund
Revenues and Expenditures by Type

Revenues		
Taxes	36,703,817	56.83%
Licenses and Permits	432,700	0.67%
Intergovernmental Revenues	14,227,847	22.03%
Charges for Services	7,192,407	11.14%
Fines and Forfeits	371,000	0.57%
Interest and Rents	1,238,313	1.92%
Other Revenues	600,634	0.93%
Appropriations from Other Funds	3,821,607	5.92%
Total	**64,588,325**	**100.00%**

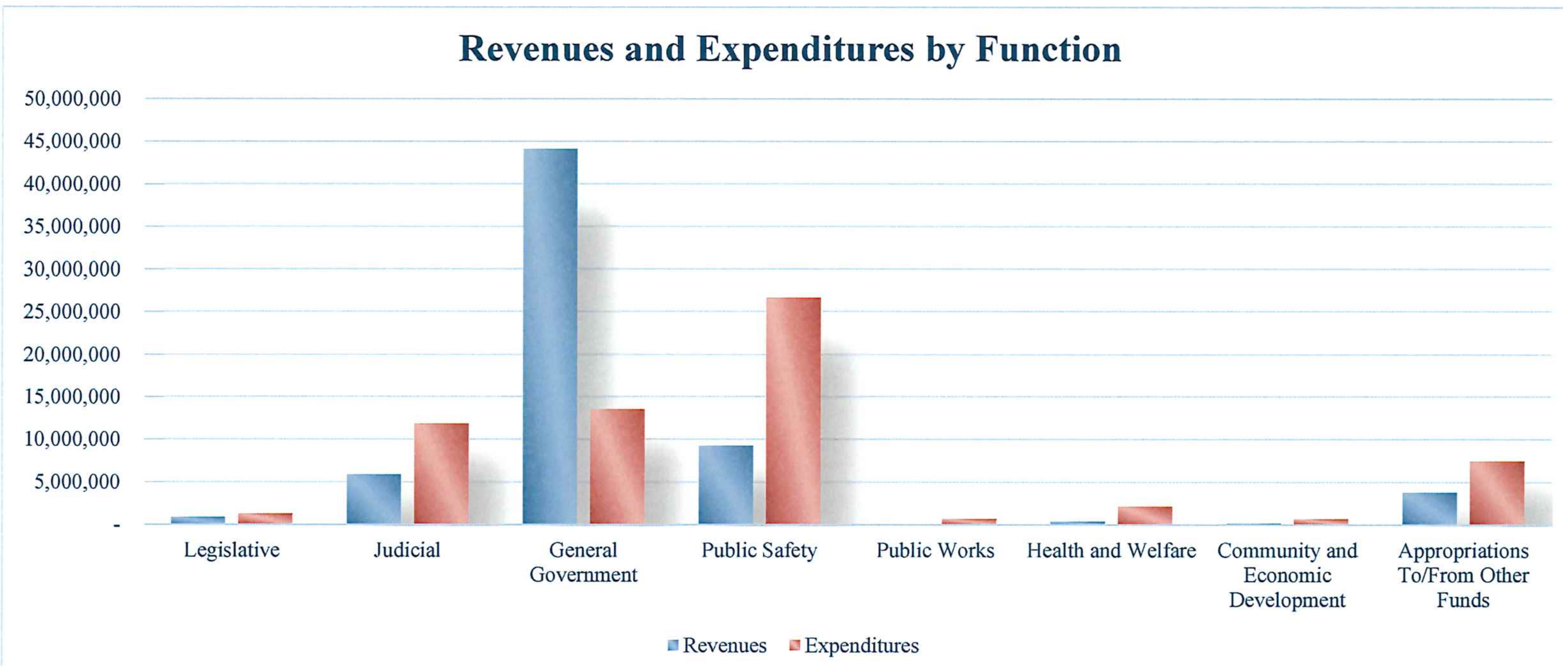


Expenditures		
Employee Wages & Benefits	43,891,916	67.96%
Supplies	1,080,942	1.67%
Other Charges and Services	11,512,350	17.82%
Capital Assets	463,582	0.72%
Appropriations to Other Funds	7,639,535	11.83%
Total	**64,588,325**	**100.00%**



2022 Proposed General Fund
Revenues and Expenditures by Function

	Revenues		Expenditures	
Legislative	900,000	1.39%	1,287,560	1.99%
Judicial	5,903,144	9.14%	11,911,138	18.44%
General Government	44,132,399	68.33%	13,578,616	21.02%
Public Safety	9,271,223	14.35%	26,717,546	41.37%
Public Works	-	0.00%	714,473	1.11%
Health and Welfare	384,952	0.60%	2,170,098	3.36%
Community and Economic Development	175,000	0.27%	704,525	1.09%
Appropriations to/from Other Funds	3,821,607	5.92%	7,504,369	11.62%
Total	**64,588,325**	**100.00%**	**64,588,325**	**100.00%**



2022 General Fund Budgeted Positions

Department Personnel	Full Time	Part Time	Temporary
Board of Commissioners	7	-	-
Circuit Court	14	-	-
District Court	28	5	-
Court Security	5	10	-
Friend of the Court	36	7	-
Probate Court	11	2	-
Circuit Court Family	14.5	1	-
District Court Probation	10	7	-
Administration	3.85	-	-
Elections	1	-	3
Purchasing	1	-	-
Accounting	3	1	-
Clerk	9	2	-
Equalization	9	2	-
Human Resources	4.2	-	-
Prosecuting Attorney	28	4	-
Register of Deeds	0.5	2	-
Treasurer	5.36	1	-
MSU Extension	2	1	-
Information Technology	15.5	2	-
Building and Grounds	20	6	1
Drain Commissioner	6	-	-
Communications	22	2	-
Sheriff	74.1	2	3
Marine Patrol	1	51	-
Dive Team	-	27	-
Jail	102	18	-
Hazardous Materials	-	-	33
Emergency Management	4	4	-
Animal Control	5	5	-
Public Guardian	8	2	-
Planning	7	-	8
Total	457.01	164	48

General Fund History with Budget Projections

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Amended	2022 Proposed	2023 Estimated	2024 Estimated
Revenues															
Taxes	32,035,654	30,794,650	29,827,872	29,016,571	29,151,784	30,334,605	30,271,313	31,197,487	32,041,958	33,396,493	34,458,580	36,031,333	36,703,817	37,804,932	38,750,055
Licenses and Permits	503,553	581,615	513,059	562,790	552,170	528,430	453,076	488,129	415,745	481,128	331,707	470,000	432,700	432,700	432,700
Intergovernmental	9,655,982	9,223,988	9,142,403	12,217,426	12,434,950	12,401,270	13,367,134	14,893,233	12,762,253	13,468,378	12,262,841	13,885,044	14,227,847	14,434,180	14,616,951
Charges for Services	7,708,666	9,535,750	9,167,184	8,605,623	7,497,224	6,550,891	8,063,964	8,101,574	9,220,421	8,504,523	6,599,821	6,933,524	7,192,407	7,409,747	7,563,097
Fines and Forfeits	331,054	302,644	363,221	392,020	412,189	367,202	317,441	317,032	343,506	396,995	279,987	371,000	371,000	371,000	371,000
Interest and Rents	1,124,202	1,157,039	1,001,886	904,917	923,506	945,000	863,050	1,038,064	1,407,862	1,587,714	1,028,083	1,350,506	1,238,313	1,133,818	1,116,974
Other Revenues	1,091,713	817,950	1,678,340	3,003,863	1,236,371	1,238,988	1,188,280	775,350	1,958,551	516,501	538,208	354,797	600,634	600,634	600,634
Transfers In	7,264,288	7,156,065	7,792,432	4,624,490	3,383,106	3,503,784	3,459,000	3,698,647	3,745,887	3,388,911	3,931,321	3,991,107	3,821,607	3,821,607	3,821,607
Other Financing Source	1,486,255	1,140,839	-	-	107,361	-	-	-	-	-	-	-	-	-	-
Total Revenues	61,201,367	60,710,540	59,486,397	59,327,700	55,698,661	55,870,171	57,983,258	60,509,516	61,896,183	61,740,643	59,430,548	63,387,311	64,588,325	66,008,618	67,273,018
Expenditures															
Employee Wages & Benefits	35,792,339	37,023,354	36,912,247	36,042,272	35,257,082	36,371,986	36,851,899	37,476,025	38,525,336	39,686,069	37,345,734	43,467,234	43,891,916	45,073,743	46,119,559
Supplies	1,079,598	1,175,165	1,176,173	1,141,738	1,140,564	1,057,469	1,085,671	1,143,738	1,086,860	1,210,016	886,543	1,086,142	1,080,942	1,086,347	1,091,778
Other Charges and Services	13,051,599	12,023,495	11,518,145	10,915,830	10,963,001	9,943,662	10,521,514	12,536,230	11,998,411	10,603,455	11,022,600	11,021,641	11,512,350	11,569,912	11,627,761
Capital Assets	1,191,110	1,651,003	983,391	1,464,964	455,079	627,717	662,011	637,816	426,593	1,020,079	561,070	536,659	463,582	463,582	463,582
Transfers Out	9,842,056	8,720,180	8,843,870	9,650,344	7,833,707	7,550,749	8,626,054	8,552,809	9,524,040	8,931,636	9,447,455	7,275,635	7,639,535	7,801,114	7,922,473
Total Expenditures	60,956,702	60,593,198	59,433,825	59,215,147	55,649,433	55,551,584	57,747,149	60,346,618	61,561,240	61,451,255	59,263,402	63,387,311	64,588,325	65,994,698	67,225,153
General Fund Gain (Loss)	244,665	117,342	52,572	112,553	49,228	318,588	236,109	162,898	334,943	289,388	167,146	-	-	13,920	47,865

2022 Pension and Retiree Health Care Contribution Rates

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Memo SCCERS Contribution Rate Pension to BOC	10/29/2021	Cover Memo
🗋	2022 Pension and Retiree Health Care Contribution Rates	10/8/2021	Cover Memo
🗋	2021 SCCERS Pension Mgmt Summary	10/29/2021	Cover Memo
🗋	2021 SCCERS OPEB Mgmt Summary	10/29/2021	Cover Memo
🗋	21-01 Recommended Contibutions 2022	10/29/2021	Cover Memo

MEMO

To: St. Clair County Board of Commissioners

From: Retirement Board of Trustees

Date: Friday, August 20, 2021

Re: 2022 Recommended Contribution Rates for basic pension benefits

The Board of Trustees of the St. Clair County Employees' Retirement System recommend to the St. Clair County Board of Commissioners that the actuarially determined employer contribution amounts and rates outlined by Nyhart Actuaries at their August 17, 2021 annual presentation be implemented for the calendar year beginning January 1, 2022.

Retiree Basic Pension Benefit 2022 Recommended Employer Contribution

General County	$5,344,705	(27.1%)
Mental Health	$1,554,719	(18.1%)
Road Commission	$702,161	(26.6%)

Respectfully,

ST. CLAIR COUNTY RETIREMENT
BOARD OF TRUSTEES

Attachment: Exhibit 5A SCCERS Resolution 21-01
Retirement System Management Summary as of 12/31/2020
Post Employment Benefits Management Summary as of 12/31/2020

MEMO

To: Board of Commissioners

From: Dena Alderdyce, Finance Director

Date: October 7, 2021

Re: 2022 Pension and Retiree Health Care Contribution Rates

On August 17, 2021 the Retirement Board held its annual actuary meeting to discuss the findings of the 2020 Actuarial Valuation made by Nyhart Actuaries. The retirement board voted to set the contribution rates based on the actuarial findings, which are as follows:

Pension Contribution:	
County of St. Clair	$5,344,705
Community Mental Health	$1,554,719
Road Commission	$ 702,161

Also included in the budget is 6% of eligible payroll to be contributed to retiree healthcare. Community Mental Health and Road Commission will determine the amounts they will contribute to retiree healthcare separately.

It is my recommendation that the pension contribution amount of $5,344,705 be approved along with a 6% of eligible payroll contribution to the Health Care Trust Fund.

St. Clair County Employees' Retirement System

12/31/2020 Funding Valuation Management Summary

Nick Meggos, EA, FCA
nick.meggos@nyhart.com • 618-307-9090

Taylor Clary, ASA
taylor.clary@nyhart.com • 317-845-3624

August 17, 2021

Certification

This report was prepared for St. Clair County to summarize the results of the forthcoming 12/31/2020 valuation relating to the St. Clair County Employees' Retirement System and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Except where indicated otherwise, the results included in this report are based on the same data, assumptions, methods, and plan provisions as the forthcoming 12/31/2020 funding valuation.

This report has been prepared in accordance with generally accepted actuarial principles and practice.

The undersigned is compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Nick H. Meggos

Nick Meggos, EA, FCA

Plan Highlights

1 Changes

- Good asset return at 9%
- 1% demographic loss mostly due to salary increases
- Employee contribution increases

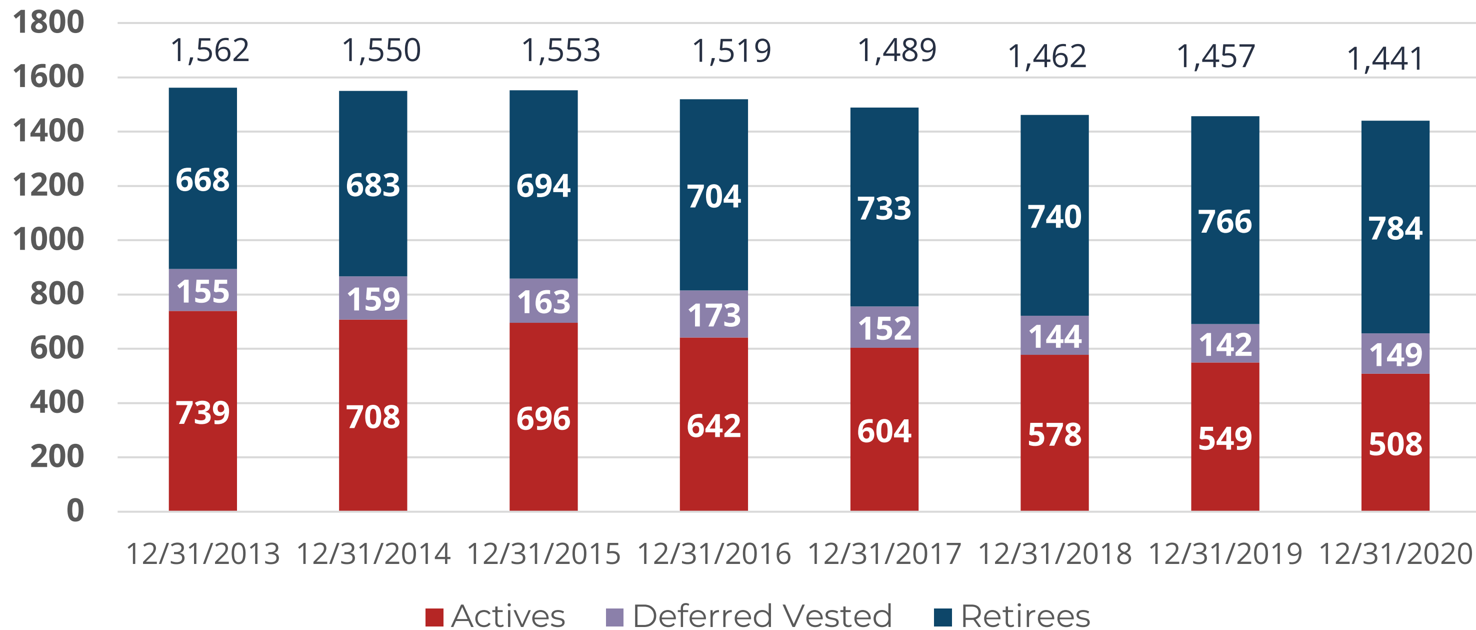
2 Current Year

- Funded ratio increased from 85.4% to 86.0% - Actuarial Value Basis
- Funded ratio increased from 86.1% to 88.0% - Market Value Basis
- Recommended contribution remained unchanged at $7.6 million

3 Looking Ahead

- 10-yr projections
- 2021 asset return impacts

Participant Information

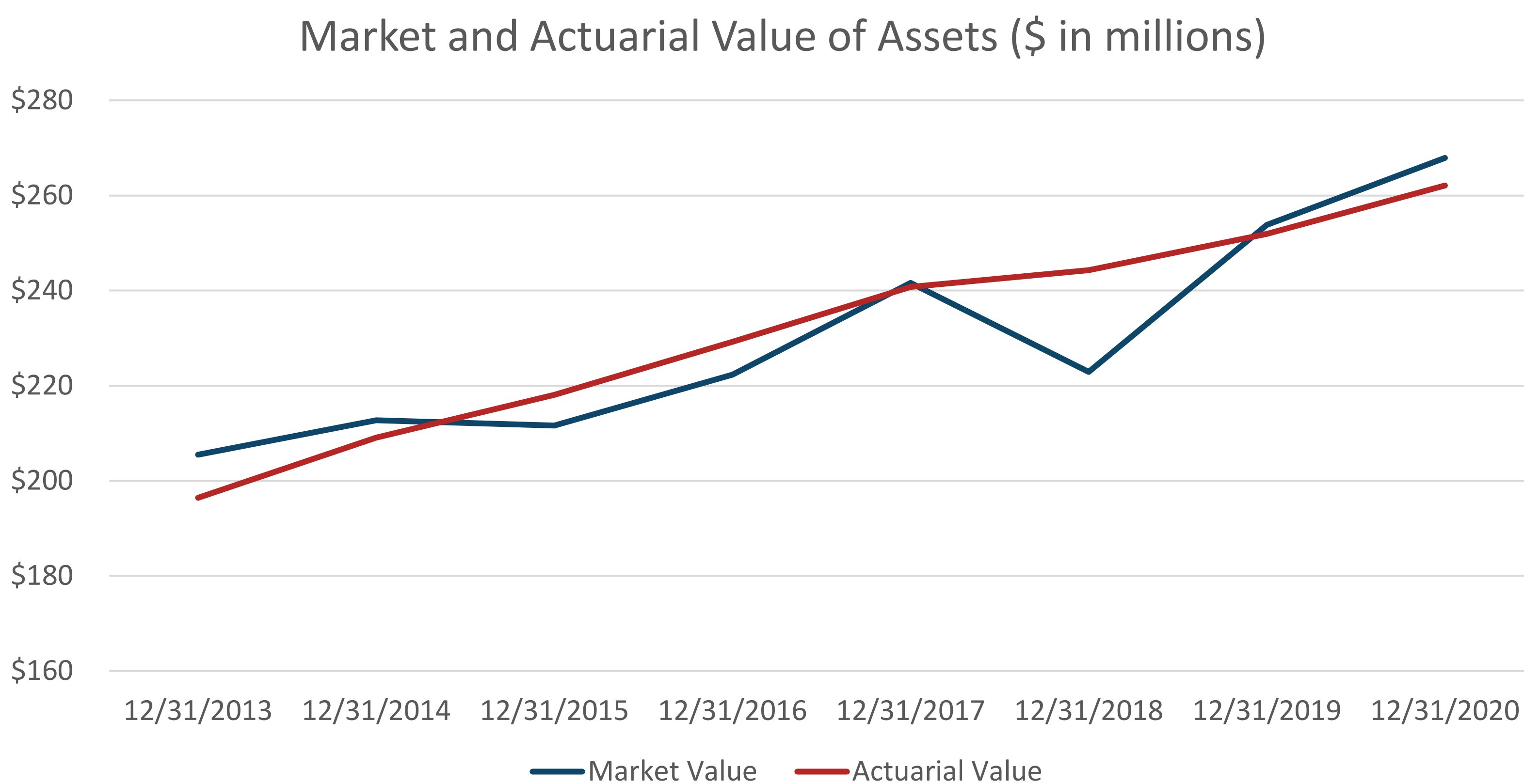


	December 31,							
Active Demographics	2013	2014	2015	2016	2017	2018	2019	2020
Average Age	46.8	47.1	47.5	48.0	48.6	49.2	49.6	49.8
Average Service	12.6	13.1	13.5	14.2	14.8	15.5	16.2	16.8
Average Plan Compensation	$51,330	$52,744	$53,777	$55,579	$56,587	$58,248	$61,286	$64,136

Participant Information

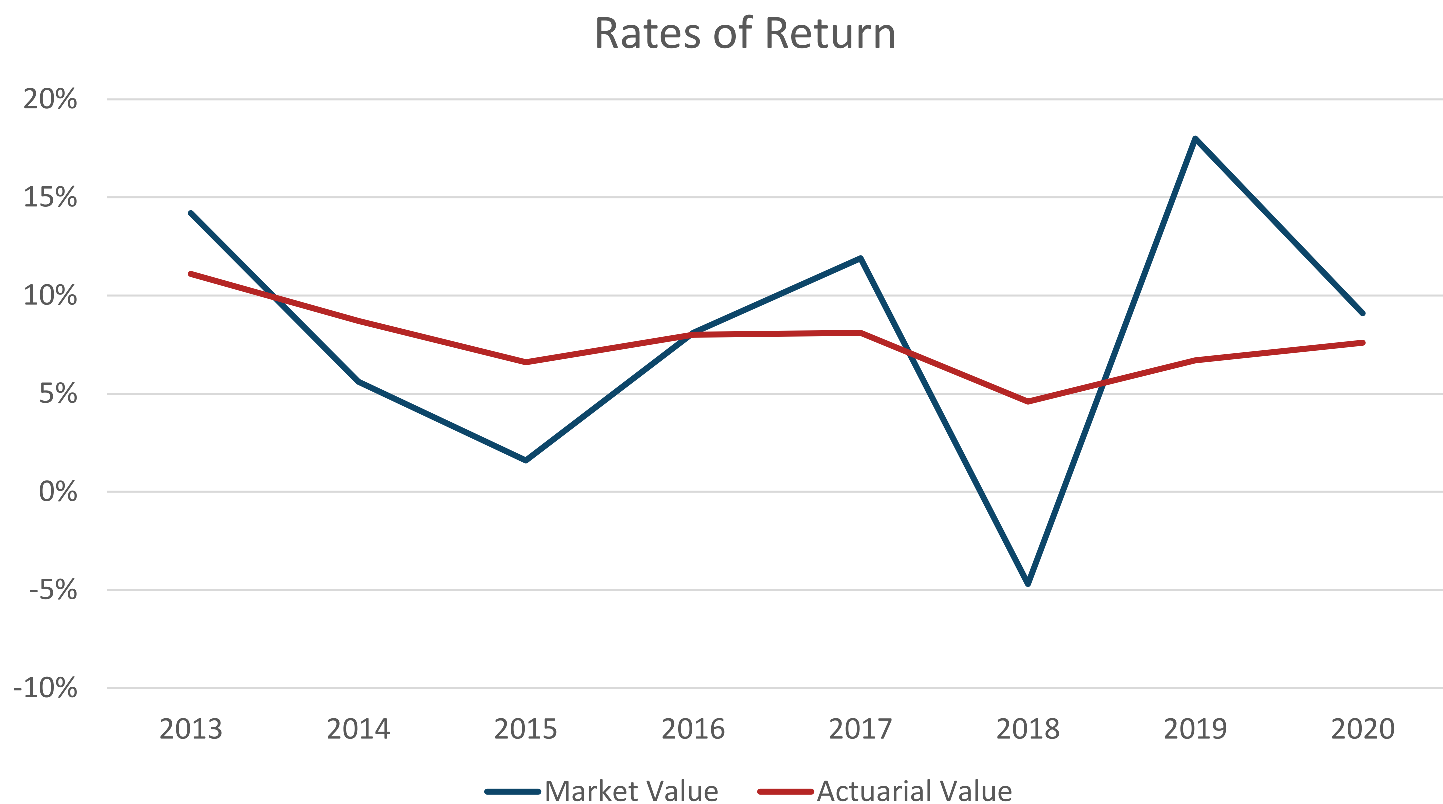
December 31, 2020	General	Mental Health	Road Commission	Total
Actives				
Number	325	140	43	508
Average Age	49.6	49.3	53.3	49.8
Average Service	17.3	13.6	22.1	16.7
Average Pay	$63,790	$63,684	$68,230	$64,136
Estimated 2021 Pay	$20,922,806	$9,068,289	$2,882,316	$32,873,411
Estimated 2022 Pay	$19,688,620	$8,566,644	$2,638,549	$30,893,813
Retirees				
Number	516	134	134	784
Average Age	71.5	70.2	72.5	71.5
Total Monthly Benefits	$914,510	$217,877	$245,573	$1,377,960
Terminated Vested				
Number	70	49	8	127
Average Age	52.5	51.9	53.2	52.3
Total Monthly Benefits	$74,143	$53,292	$7,817	$135,252
Return of Contributions				
Number	10	11	1	22
Total Benefits	$60,800	$86,676	$116	$147,592

Asset Information



	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Market Value	$205.5	$212.7	$211.6	$222.3	$241.6	$222.9	$253.8	$267.9
Actuarial Value	$196.4	$209.1	$218.1	$229.2	$240.8	$244.3	$251.9	$262.1
Actuarial Value / Market Value	96%	98%	103%	103%	100%	110%	99%	98%

Asset Information



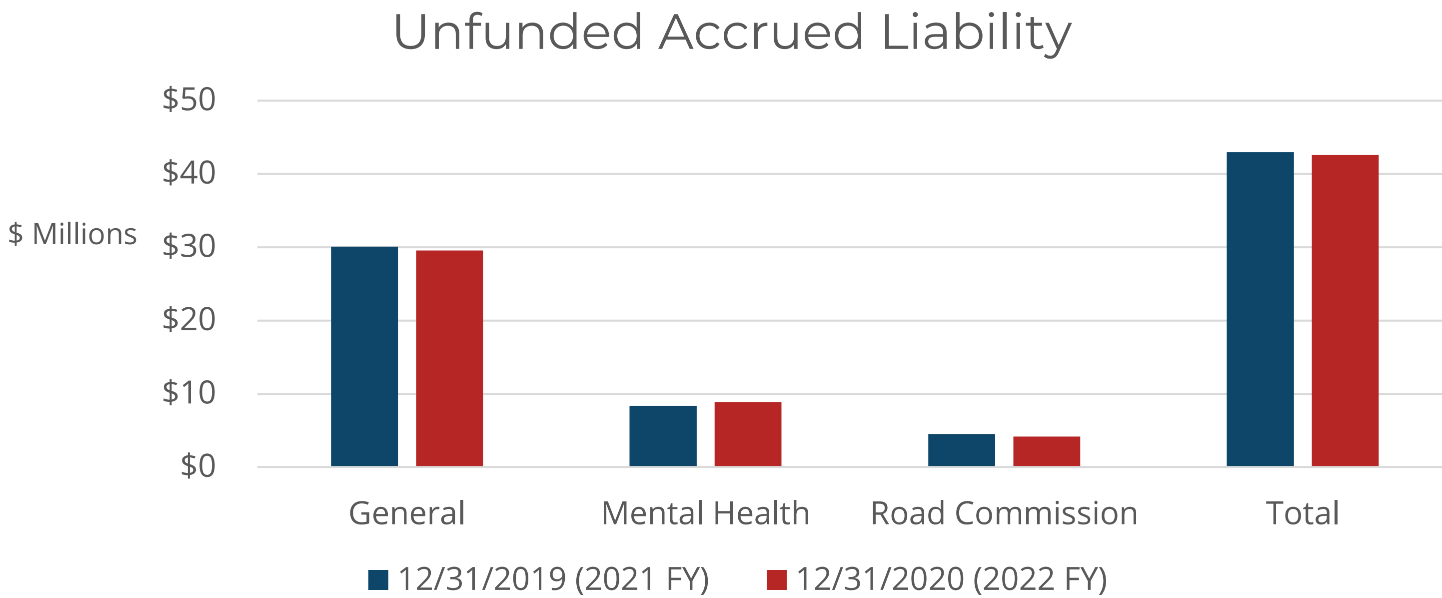
Annual Returns	2013	2014	2015	2016	2017	2018	2019	2020
Market Value	14.2%	5.6%	1.6%	8.1%	11.9%	-4.7%	18.0%	9.1%
Actuarial Value	11.1%	8.7%	6.6%	8.0%	8.1%	4.6%	6.7%	7.6%

ACTUARY'S COMMENT	Over the past 8 years, the average rate of return on a Market Value Basis is 7.8% and the average rate of return on an Actuarial Value basis is 7.7%

Actuarial Value of Assets Reconciliation

December 31, 2020	General	Mental Health	Road Commission	Total
Actuarial Value of Assets, 12/31/2019	$165,636,557	$46,724,684	$39,518,167	$251,879,408
Employer Contributions	$3,923,266	$1,060,747	$1,011,042	$5,995,055
Employee Contributions	$1,247,078	$454,064	$258,745	$1,959,887
Benefit Payments	($11,011,311)	($2,580,727)	($2,920,695)	($16,512,733)
Expenses	($96,736)	($27,288)	($23,080)	($147,104)
Investment Income	$12,409,847	$3,522,906	$2,950,970	$18,883,723
Actuarial Value of Assets, 12/31/2020	**$172,108,701**	**$49,154,386**	**$40,795,149**	**$262,058,236**

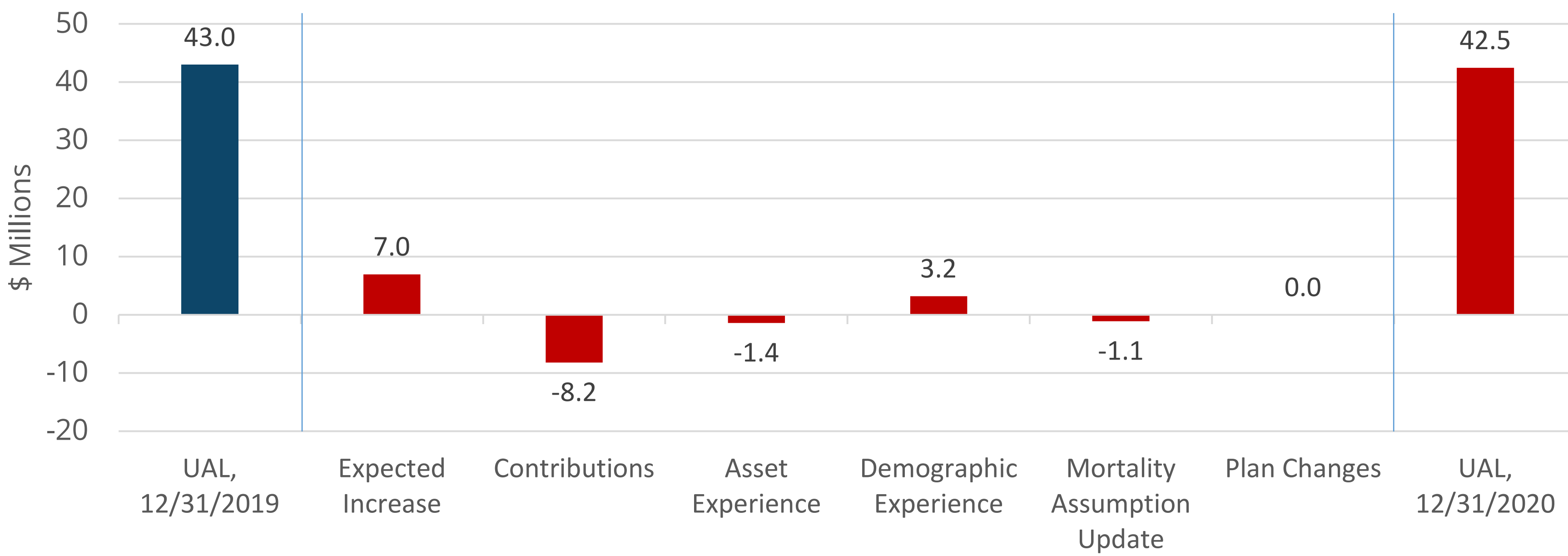
Liabilities and Funded Position



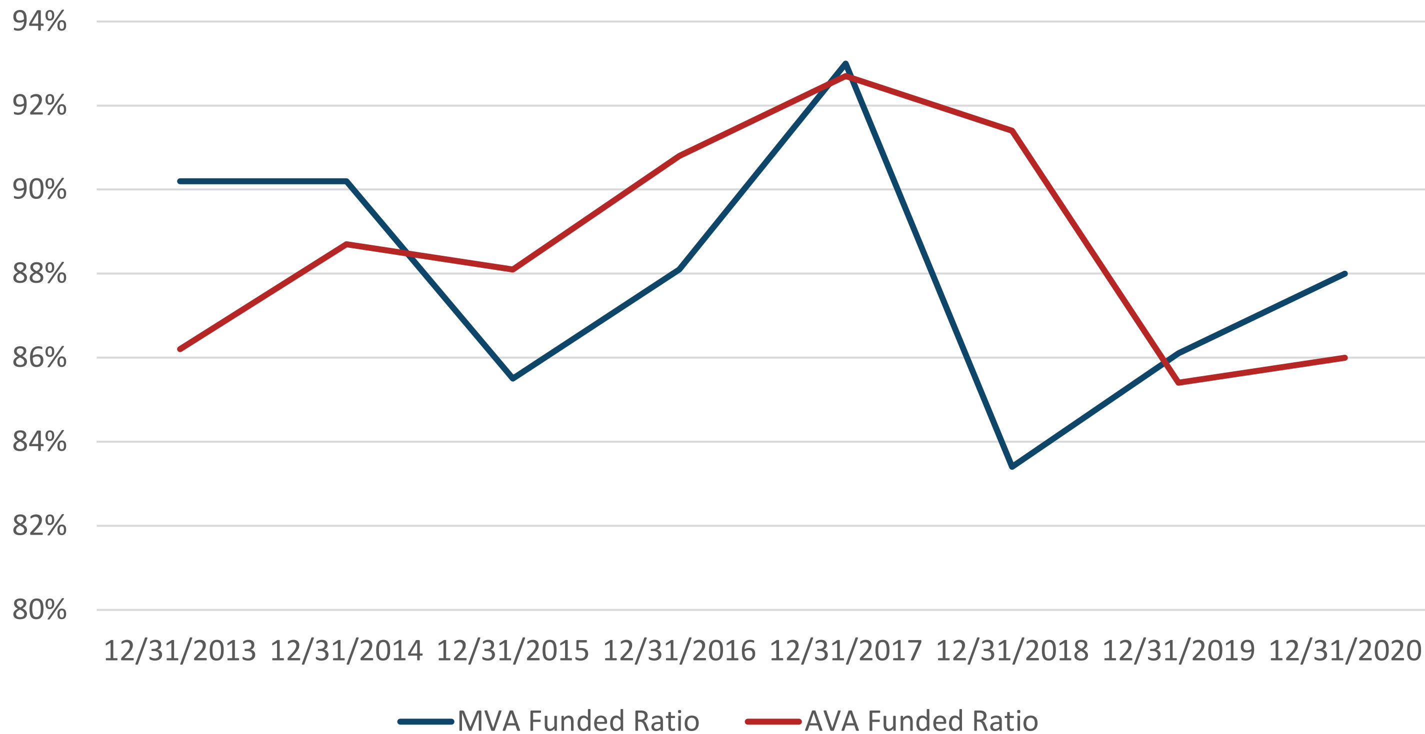
12/31/2019 (FY 2021)	General	Mental Health	Road Commission	Total
Accrued Liability	$195.7	$55.1	$44.0	**$294.9**
Actuarial Value of Assets	$165.6	$46.7	$39.5	**$251.9**
Unfunded Accrued Liability	$30.1	$8.4	$4.5	**$43.0**
12/31/2020 (FY 2022)	**General**	**Mental Health**	**Road Commission**	**Total**
Accrued Liability	$201.7	$58.0	$44.9	**$304.6**
Actuarial Value of Assets	$172.1	$49.2	$40.8	**$262.1**
Unfunded Accrued Liability	$29.6	$8.8	$4.1	**$42.5**

Due to rounding, all numbers may not sum.

Unfunded Accrued Liability (UAL) Reconciliation



Funded Status



Funded Ratios	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020
Market Value	90.2%	90.2%	85.5%	88.1%	93.0%	83.4%	86.1%	88.0%
Actuarial Value	86.2%	88.7%	88.1%	90.8%	92.7%	91.4%	85.4%	86.0%

ACTUARY'S COMMENT

The Funded Ratio is the value of assets divided by the accrued liability. The Accrued Liability is the present value of benefits to be paid in the future allocated to service earned to date. The future benefits are discounted from expected time of payment back to the valuation date at 7.0%. The graph above shows the funded ratio based on the actuarial value of assets (AVA) and market value of assets (MVA) to demonstrate the impact of the asset smoothing method.

Retiree Reserve Balance

Retiree Reserve Balance	12/31/2019	12/31/2020
Retiree Accrued Liability	$170,021,237	$176,300,472
Retiree Reserve	171,092,142	173,831,033
Unfunded Accrued Liability	($1,070,905)	$2,469,439

General – Funded Position and Contribution Requirement

Valuation Date Fiscal Year	12/31/2019 2021	12/31/2020 2022
Funded Position		
Actuarial Accrued Liability	$195,709,934	$201,654,831
Actuarial Value of Assets	165,636,557	172,108,701
Unfunded Accrued Liability	$30,073,377	$29,546,130
Funded Ratio	84.6%	85.3%
Fiscal Year Employer Contribution Requirement		
Total Normal Cost	$2,510,620	$2,445,680
Employee Contributions	1,128,885	1,189,072
Employer Normal Cost	1,381,735	1,256,608
Amortization Payment	3,465,218	3,575,567
Interest	512,651	512,530
Total	$5,359,604	$5,344,705
Est. Fiscal Year Payroll	$20,004,413	$19,688,620
Total as of Percent of Est. Fiscal Year Payroll	26.8%	27.1%

Mental Health – Funded Position and Contribution Requirement

Valuation Date Fiscal Year	12/31/2019 2021	12/31/2020 2022
Funded Position		
Actuarial Accrued Liability	$55,102,690	$58,023,534
Actuarial Value of Assets	46,724,684	49,154,386
Unfunded Accrued Liability	$8,378,006	$8,869,148
Funded Ratio	84.8%	84.7%
Fiscal Year Employer Contribution Requirement		
Total Normal Cost	$990,921	$933,865
Employee Contributions	461,139	438,332
Employer Normal Cost	$529,782	$495,533
Amortization Payment	828,856	910,079
Interest	143,691	149,107
Total	$1,502,329	$1,554,719
Est. Fiscal Year Payroll	$8,920,174	$8,566,644
Total as of Percent of Est. Fiscal Year Payroll	16.8%	18.1%

Road Commission – Funded Position and Contribution Requirement

Valuation Date Fiscal Year	12/31/2019 2021	12/31/2020 2022
Funded Position		
Actuarial Accrued Liability	$44,042,843	$44,943,807
Actuarial Value of Assets	39,518,167	40,795,149
Unfunded Accrued Liability	$4,524,676	$4,148,658
Funded Ratio	89.7%	90.8%
Fiscal Year Employer Contribution Requirement		
Total Normal Cost	$410,804	$352,637
Employee Contributions	252,782	222,915
Employer Normal Cost	158,022	129,722
Amortization Payment	519,498	505,451
Interest	71,157	66,988
Total	$748,677	$702,161
Est. Fiscal Year Payroll	$2,977,119	$2,638,549
Total as of Percent of Est. Fiscal Year Payroll	25.1%	26.6%

Total – Funded Position and Contribution Requirement

Valuation Date Fiscal Year	12/31/2019 2021	12/31/2020 2022
Funded Position		
Actuarial Accrued Liability	$294,855,467	$304,622,172
Actuarial Value of Assets	251,879,408	262,058,236
Unfunded Accrued Liability	$42,976,059	$42,563,936
Funded Ratio	85.4%	86.0%
Fiscal Year Employer Contribution Requirement		
Total Normal Cost	$3,912,345	$3,732,182
Employee Contributions	1,842,806	1,850,319
Employer Normal Cost	$2,069,539	$1,881,863
Amortization Payment	4,813,572	4,991,097
Interest	727,499	728,625
Total	$7,610,610	$7,601,585
Est. Fiscal Year Payroll	$31,901,706	$30,893,813
Total as of Percent of Est. Fiscal Year Payroll	23.9%	24.6%

Key Risks

The results of our valuation rely on the use of a number of assumptions. As the sponsor of the pension program, it is important that the plan sponsor understand the potential impact to the plan should these assumptions prove not to be met and possible ways that the risks could potentially be assessed, or mitigated.

INVESTMENT RISK

Currently the plan assumes assets will return 7.00% annually. To the extent asset returns out-perform/under-perform this expectation, the funded position of the plan will increase/decrease. The potential exposure to this risk can be best understood by performing scenario testing and/or a stochastic asset-liability study. The asset mix could be adjusted to increase or decrease the investment risk of the plan, but would have funding implications.

DEMOGRAPHIC RISK

The plan's liabilities represent the present value of the benefits expected to be paid to participants in the future. Those expected payments rely on assumptions about salary increases, when participants will separate from employment, commence payment, their form of payment, and how long they will live. This risk can be better understood through sensitivity and stress testing analysis, along with an experience study. Assumptions need to be periodically reviewed to ensure they are reasonable for your population.

Key Risks

The results of our valuation and projections rely on the use of a number of assumptions. As the sponsor of the pension program, it is important that the plan sponsor understand the potential impact to the plan should these assumptions prove not to be met and possible ways that the risks could potentially be assessed, or mitigated.

CONTRIBUTION RISK

Currently the contribution is calculated assuming that ongoing annual accruals will be paid year by year and the unfunded liability will be paid as a level amount over 15 years for most groups. To the extent contributions exceed this expectation, the funded position of the plan will increase. In contrast, if contributions do not meet the recommendation, the funded position of the plan will decrease. The potential exposure to this risk can be best understood by performing a scenario and stress testing.

Comments on Projections

The cost projections contained in this report are based on the valuation results and assumptions noted in the forthcoming December 31, 2020 actuarial valuation report. Reasonable actuarial techniques and assumptions were used to produce the cost projections.

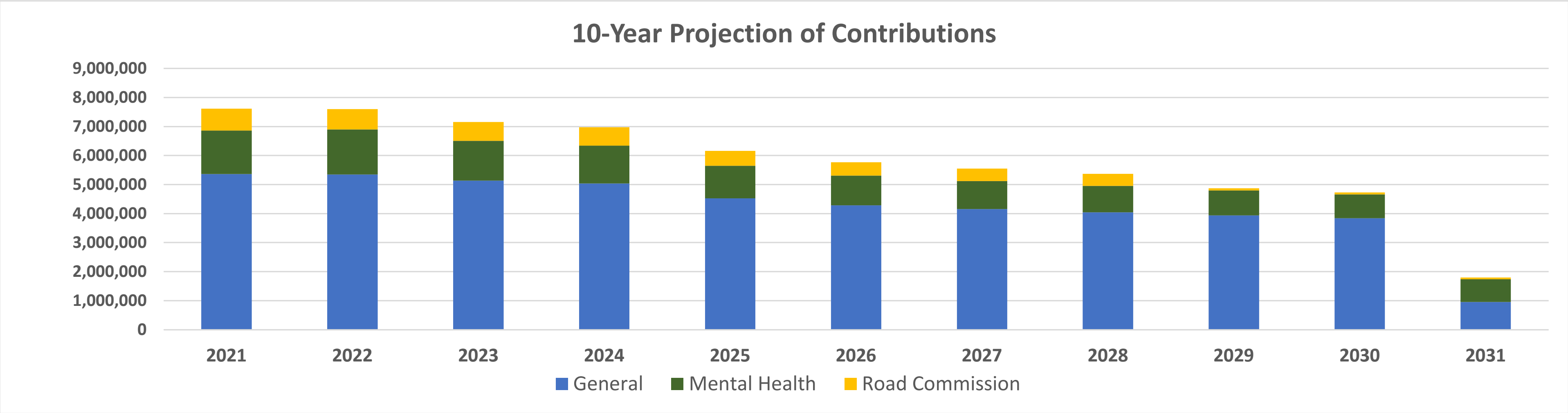
The following pages show cost projections under different economic scenarios. Note sophisticated demographic projections of participant data were not completed due to the scope of the project. Actual results will vary from projections shown in this report, perhaps significantly, due to changes in the assumptions, plan provisions, participant demographics, interest rate movement, actual asset performance, and other actual experience of the plan. Depending on the use of this information, additional cost projections may be necessary to quantify the sensitivity of results.

While a diligent effort has been made to produce reasonable projections, by their very nature projections are speculative. Plan sponsors are cautioned against placing too much reliance on any particular scenario.

Cost Projection Assumptions

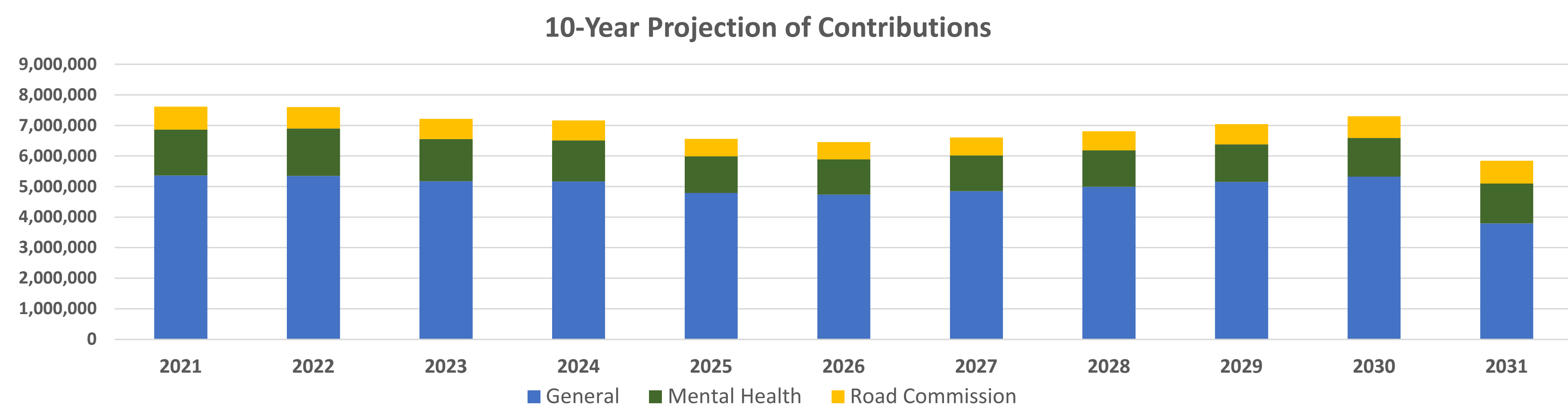
- Assets earn 7.0% every year, unless otherwise specified
- Each division contributes the recommended contribution every year
- The Sheriff group has a flat population over the entire projection period
- All other assumptions are consistent with those described in the 12/31/2020 valuation report

Cost Projections – 7.0% Return Every Year



Contribution for Plan Year Beginning 1/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
General	$5,359,604	$5,344,705	$5,134,627	$5,037,600	$4,524,859	$4,284,900	$4,154,182	$4,041,438	$3,934,540	$3,840,750	$957,168
Road Commission	$748,677	$702,161	$648,292	$628,541	$513,053	$459,098	$435,265	$415,750	$76,074	$67,841	$61,333
Mental Health	$1,502,329	$1,554,719	$1,368,835	$1,305,755	$1,123,405	$1,022,563	$962,653	$911,591	$863,289	$818,973	$778,400
Total	**$7,610,610**	**$7,601,585**	**$7,151,754**	**$6,971,896**	**$6,161,317**	**$5,766,561**	**$5,552,100**	**$5,368,779**	**$4,873,903**	**$4,727,564**	**$1,796,901**
Funded %	**85.4%**	**86.0%**	**87.8%**	**89.0%**	**92.0%**	**93.7%**	**94.9%**	**96.0%**	**97.2%**	**98.3%**	**99.4%**

Cost Projections – 6.0% Return Every Year



Contribution for Plan Year Beginning 1/1	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
General	$5,359,604	$5,344,705	$5,173,931	$5,162,975	$4,786,321	$4,734,791	$4,846,445	$4,991,237	$5,149,880	$5,326,594	$3,792,095
Road Commission	$748,677	$702,161	$657,522	$657,622	$572,912	$560,662	$589,249	$624,124	$661,864	$702,390	$743,857
Mental Health	$1,502,329	$1,554,719	$1,380,138	$1,342,153	$1,199,974	$1,155,288	$1,168,165	$1,194,964	$1,227,412	$1,265,722	$1,308,882
Total	**$7,610,610**	**$7,601,585**	**$7,211,591**	**$7,162,750**	**$6,559,207**	**$6,450,741**	**$6,603,859**	**$6,810,325**	**$7,039,156**	**$7,294,706**	**$5,844,834**
Funded %	**85.4%**	**86.0%**	**87.6%**	**88.5%**	**90.9%**	**91.9%**	**92.3%**	**92.5%**	**92.7%**	**93.0%**	**93.4%**

2023 Cost Projections – Various 2021 Returns

Contribution for Plan Year Beginning 1/1	2021	2022	2023 Based on Various 2021 Returns			Approximate 1% Impact
			0%	7%	14%	
General	$5,359,604	$5,344,705	$5,409,693	$5,134,627	$4,859,406	$39,295
Road Commission	$748,677	$702,161	$712,886	$648,292	$583,663	$9,228
Mental Health	$1,502,329	$1,554,719	$1,447,940	$1,368,835	$1,289,684	$11,301
Total	**$7,610,610**	**$7,601,585**	**$7,570,519**	**$7,151,754**	**$6,732,753**	**$59,824**
Funded %	**85.4%**	**86.0%**	**86.6%**	**87.8%**	**89.0%**	

Next Steps

- Final formal 12/31/2020 funding report
- GASB 68 report
- Monitor 2021 returns

Questions?

Appendix

Summary of Plan Provisions

PLAN YEAR AND EFFECTIVE DATE

The plan year is January 1 to December 31. The effective date of the plan is January 1, 1964.

STATUS OF THE PLAN

Plan is closed to new hires for most of General County employees, Mental Health, and Commission.

NORMAL RETIREMENT DATE

Sheriff: 25 Years if service regardless of age

Others: Age 55 with 25 years of service

All: Age 60 with 8 years of service or when age plus service equals 80 and service is at least 25 years

NORMAL RETIREMENT BENEFIT (MODIFIED MEMBERS)

Final Average Compensation (FAC) multiplied by:

Years of Service	**Annual Multiplier**
1-10	1.75%
11-19	2.00%
20-24	2.00%
25-29	2.40% (2.50% for Sheriff Department Supervisors

Before 20 years of service, separate multipliers are used for the first 10 years of service and service over 10 years. After 20 years of service, the multiplier applies to all years of service.

NORMAL RETIREMENT BENEFIT (ORIGINAL MEMBERS)

Final Average Compensation multiplied by service times 2% subject to maximums (64% - 75%)

DUTY DISABILITY BENEFIT

Sheriff Department Eligibility: 10 years of service
Benefit: 50% of compensation at the time of disability – offsets apply

Other Eligibility: no age or service requirements; must be in receipt of Worker's Compensation payments
Benefit: computed as a regular retirement; upon termination of Worker's Compensation payments, additional service credit is granted and benefit is recomputed – offsets apply

TERMINATION BENEFIT

Participants become vested in their accrued benefit after 8 years of service

FINAL AVERAGE COMPENSATION

Highest 3 of 10 except for Mental Health and Friend of the Court which are highest 5 of 10 and Road Commission is highest 3 of 5. Only base pay for certain General County and Sheriff's Department members.

CREDITED SERVICE

Service is credited for employees working more than 1,000 hours (nearest 1/12th). Full year of service is granted for more than 1,950 hours and partial credit is provided for hours worked between 1,000 and 1,950.

Summary of Actuarial Assumptions and Methods

FUNDING INTEREST RATE

7.00% (net of all expenses)

ANNUAL PAY INCREASES

2.25% plus merit scale (0.00% - 4.75%)

MORTALITY RATES

Pub-2010 tables with generational improvements based on the Society of Actuaries Scale MP-2020

EXPENSE LOADING

Preceding year's administrative expenses, rounded up to the nearest $10,000. Expenses are assumed to occur mid-year.

ACTUARIAL COST METHOD

Entry Age Normal Cost (as a percent of pay)

ASSET VALUATION METHOD

Market Value with 5 year smoothing of asset gains and losses

COST-OF-LIVING INCREASES

None

RETIREMENT RATES

Varies with age, service, and employee type.
Earliest assumed age is 50 and latest is 70.

WITHDRAWAL RATES

Varies by age, service, and employee

DISABILITY RATES

Age	Rate
40	0.20%
50	0.49%
60	1.41%

AMORTIZATION OF UNFUNDED ACCRUED LIABILITY

General County –
Closed, level dollar amortization (9 years for initial UAL at 12/31/2014, 10 years for 2015 gain/loss at 12/31/2015, 11 years for 2016 gain/loss at 12/31/2016, 12 years for 2017 gain/loss at 12/31/2017, 13 years for 2018 gain/loss at 12/31/2018, 14 years for 2019 gain/loss at 12/31/2019, and 15 years for 2020 gain/loss at 12/31/2020)

Mental Health –
Closed, level dollar amortization (15 years as of 12/31/2020)

Road Commission –
Closed, level dollar amortization (11 years for initial UAL at 12/31/2016, 12 years for 2017 gain/loss at 12/31/2017, 13 years for 2018 gain/loss at 12/31/2018, 14 years for 2019 gain/loss at 12/31/2019, and 15 years for 2020 gain/loss at 12/31/2020)

nyhart

St. Clair County Employees' Post-Employment Benefits Plan

MANAGEMENT SUMMARY

December 31, 2020 GASB 74 Actuarial Valuation

August 17, 2021

Certification

This report was prepared for St. Clair County, MI to summarize projected results based on information provided as of December 31, 2020 and may not be appropriate for other uses. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than the intended use.

Except where indicated otherwise, the funding results included in this report are based on the same substantive plan provisions, and actuarial methods and assumptions as the FYE December 31, 2020 GASB 74/75 valuation (as of December 31, 2019). Census data was updated as of December 31, 2020.

The report shows cost projections under different economic scenarios. Actual results will vary from projections shown in this report, perhaps significantly, due to changes in the assumptions, plan provisions, participant demographics, interest rate movement, actual asset performance, and other actual experience of the plan. Depending on the use of this information, additional cost projections may be necessary to quantify the sensitivity of results. While a diligent effort has been made to produce reasonable projections, by their very nature projections are speculative. Plan sponsors are cautioned against placing too much reliance on any particular scenario. Nyhart cannot, and does not, guarantee or warrant any result presented in this exhibit. The Plan Sponsor should carefully review all information presented herein and notify Nyhart immediately if any information differs from that which the Plan Sponsor possesses.

This report has been prepared in accordance with generally accepted actuarial principles and practice. The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States.

Emily Clauss

Emily Clauss, ASA, MAAA

Rosemary Howell

Rosemary Howell, FSA, EA, MAAA

Agenda

Highlights

Positive Claims Experience

- Favorable health plan experience since last valuation is reflected for pre-Medicare benefits effective on January 1, 2021. Post-Medicare premiums reduced effective January 1, 2021.

Investment Rate of Return Decrease

- HCT fund manager lowered 30-year real return expectations from 3.79% to 3.13% (excluding inflation).

Trust Lifespan

- Health Care Trust assets still expected to last greater than 30 years, with a slightly longer/improved outlook compared to last year. Improved outlook is a function of investment income being higher than expected in 2020 and benefit payments/administrative expenses coming in lower than expected.

OPEB Liability Reconciliation

CY 2020		
Total OPEB Liability (TOL) as of 12/31/2019 (6.00% discount rate)	$	84,529,048
Normal cost for CY 2020		1,209,665
Interest adjustment for CY 2020		5,020,291
Benefit payments for CY 2020		(4,195,495)
Expected TOL as of 12/31/2020	$	86,563,509
Differences between expected and actual experience		(19,616,962)
TOL as of 12/31/2020 before assumption changes	**$**	**66,946,547**
Changes in assumptions		7,492,579
Final TOL as of 12/31/2020 with assumption changes (5.25% discount rate)	**$**	**74,439,126**

ACTUARY'S COMMENTS

- Differences between expected and actual experience include any deviation on demographic experience (turnover, retirement, death) and health care costs (premium rates and actual pay-go).
- The proposed assumption changes made in this year's valuations are:
  - Reducing the investment rate of return from 6.00% to 5.25%. This change caused an increase in liabilities.
  - Reset health care cost increases for pre-65 retirees to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5% and change health care cost increases for post-65 retirees to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.0%. This change caused an increase in liabilities.
  - Updated mortality scale from MP-2019 to MP-2020, which caused a slight decrease in liabilities.

Premium Rates Summary

Medical / Rx	Eff. 1/1/2020	Expected 1/1/2021**	Eff. 1/1/2021 (County Adopted Budget Rates)	Eff. 1/1/2021 (Premium Equivalent Rates)
Non-Hardship* Pre-Medicare Retiree Rates				
Single	$615.65	$664.90	$499.70	$548.39
2-Person	$1,477.55	$1,595.75	$1,199.29	$1,314.84
Non-Hardship* Medicare Retiree Rates				
Single	$161.51	$162.09	$105.61	$105.61
2-Person	$323.02	$324.18	$211.22	$211.22

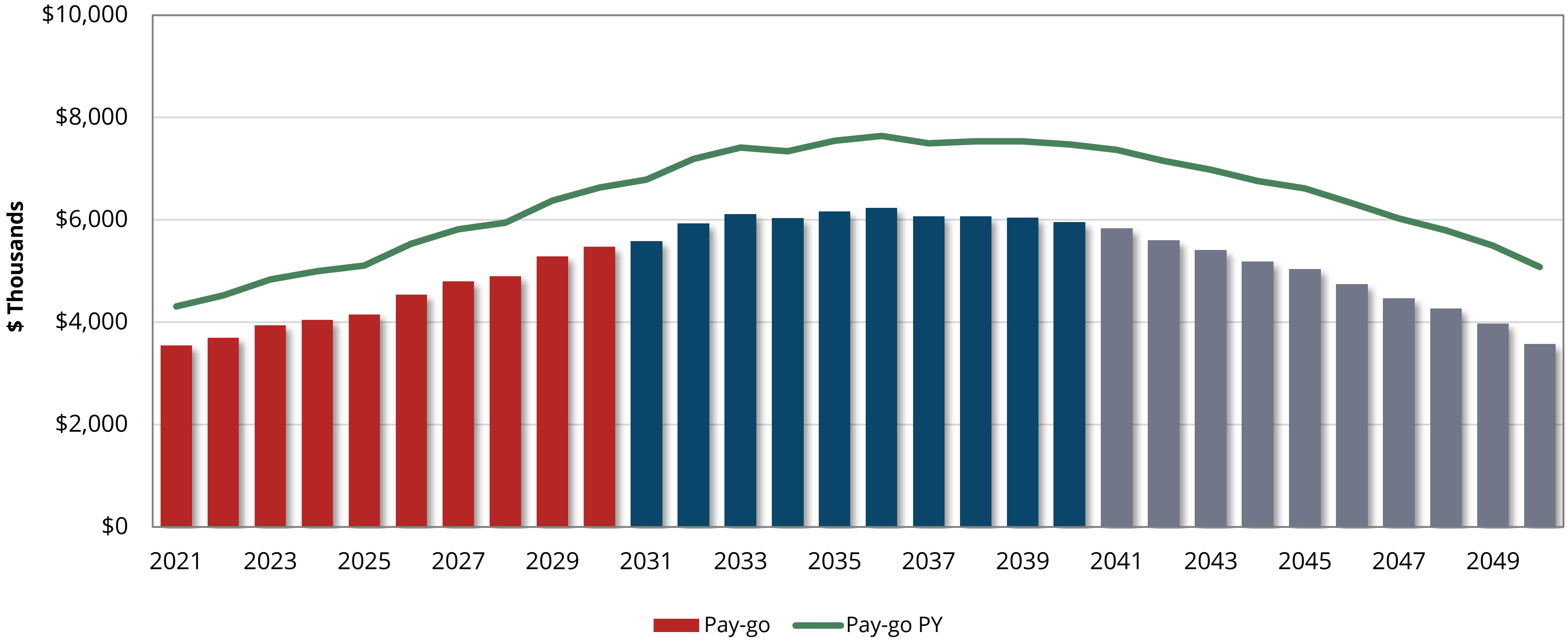
* The County has separate Hardship plans that have the same medical provisions as Non-Hardship plans but with better prescription drug benefits. Effective 1/1/2013, Hardship Retirees are defined as any participants with annual household income of $24,999 or less and have at least 20 years of service at retirement. Annual household income means any and all income (taxable or not) received by a retired member and/or their spouse residing in the same household.

** Expected 1/1/2021 premium rates for pre-Medicare retirees are assumed to be 8.0% higher than 2020 and 0.36% higher for Medicare retirees.

The above rates are applicable to all locations (County, Mental Health, and Road Commission).

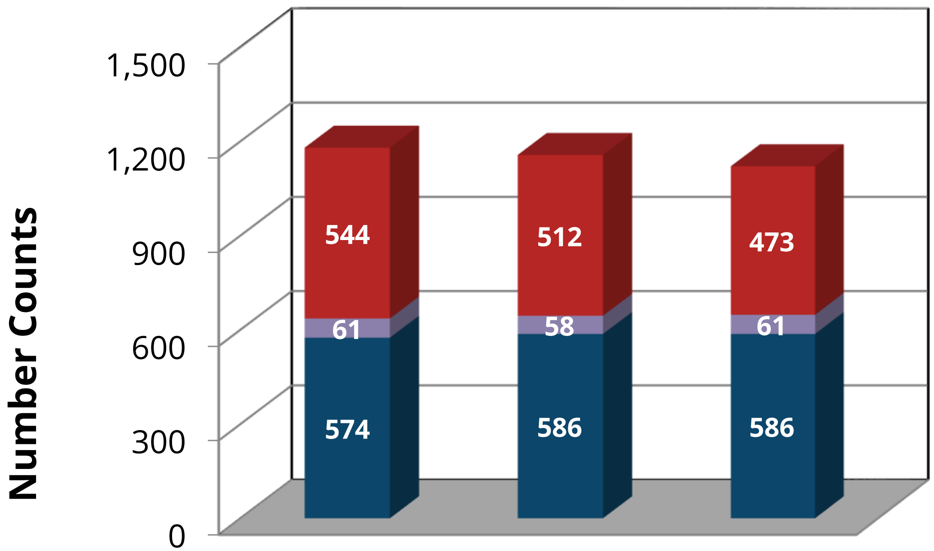
Premium equivalent rates determined by the County's healthcare consultants are used for determining the per capita cost assumption.

Projected Pay-go Costs



In thousands	2021	2026	2031	2036	2041	2046	2051
Current year	$3,546	$4,539	$5,581	$6,227	$5,836	$4,745	$3,405
Prior year	$4,308	$5,531	$6,786	$7,640	$7,368	$6,324	$4,887

Participant Information



	2018	2019	2020
Actives	544	512	473
Deferred Vesteds	61	58	61
Retirees	574	586	586

As of 12/31/2018	Average Active Age	49.8
	Average Service	15.9
	Average Plan Compensation	$ 58,404

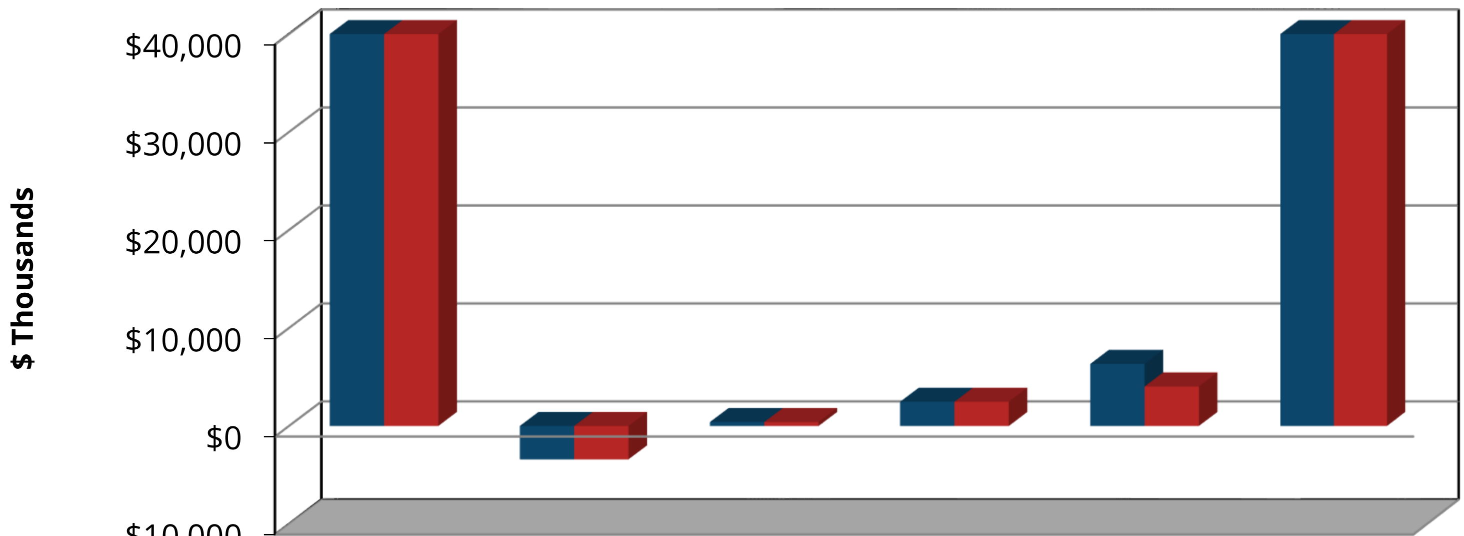
As of 12/31/2019	Average Active Age	50.3
	Average Service	16.7
	Average Plan Compensation	$ 61,499

As of 12/31/2020	Average Active Age	50.6
	Average Service	17.4
	Average Plan Compensation	$ 64,763

ACTUARY'S COMMENTS

- Since the plan is closed, the total number of participants (actives, deferred vested, and retirees) is expected to decline very gradually in the future.
- Proportion of retirees as a % of total participants will continue to increase for several years in the future as the number of employees retiring are expected to be more than the number of retirees who passed away. There were 18 total retirements and 7 vested terminations in 2020.

2020 Asset Reconciliation

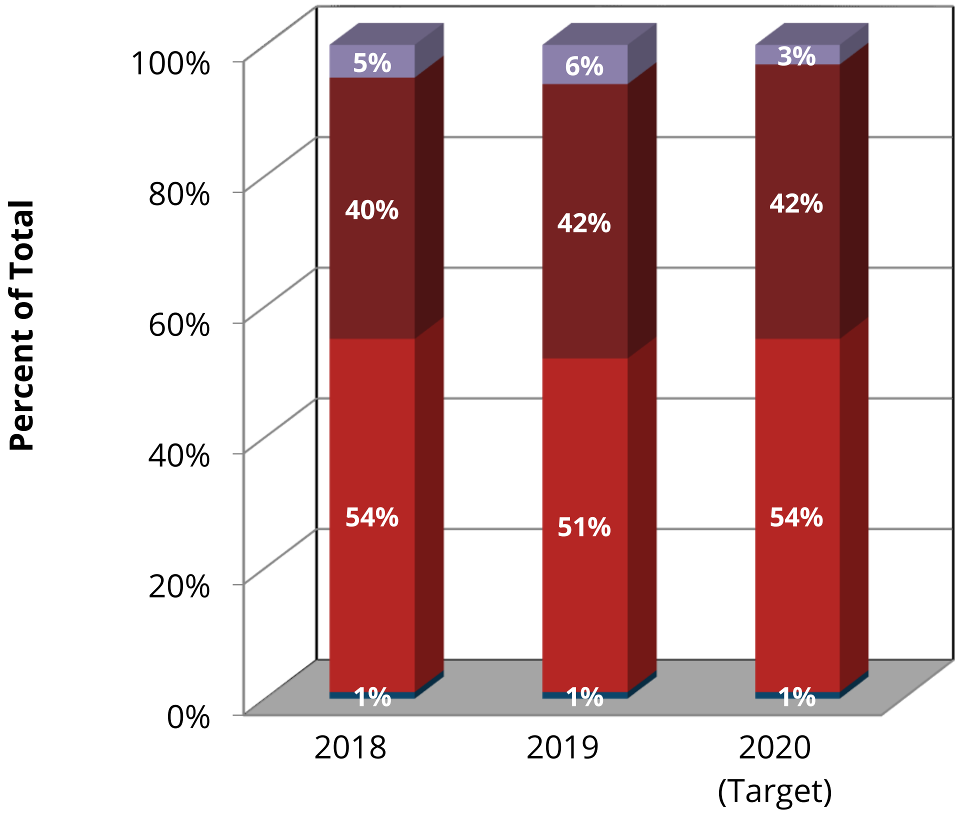


	12/31/19	Bfts Paid	EE Cont.	ER Cont.	Inv. Return	12/31/20
Market Value of Assets	$51,183	-$3,408	$403	$2,475	$6,335	$56,988
Actuarial Value of Assets	$47,022	-$3,408	$403	$2,475	$4,031	$50,523

ACTUARY'S COMMENTS

- Actuarial Value of Asset is used to determine the funding requirement of the plan where asset gains and losses are being realized gradually over five years. While this "smoothing" approach will not reduce long-term costs, it will change the timing at which the costs are accounted for. The theoretical rationale for this approach is that gains and losses will offset one another before they must be paid.

Asset Class Allocation



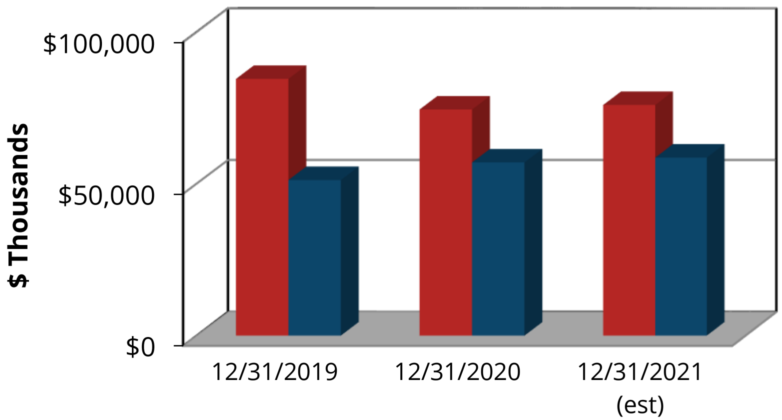
	2018	2019	2020 (Target)
Cash/Money Market	5%	6%	3%
Fixed income	40%	42%	42%
Equities	54%	51%	54%
Other	1%	1%	1%

ACTUARY'S COMMENTS

- The target plan asset mix should be considered when setting the expected investment return assumption used in determining the contribution requirements.
- The current target for plan assets as of 12/31/2020 is slightly more equity-based relative to 12/31/2019.

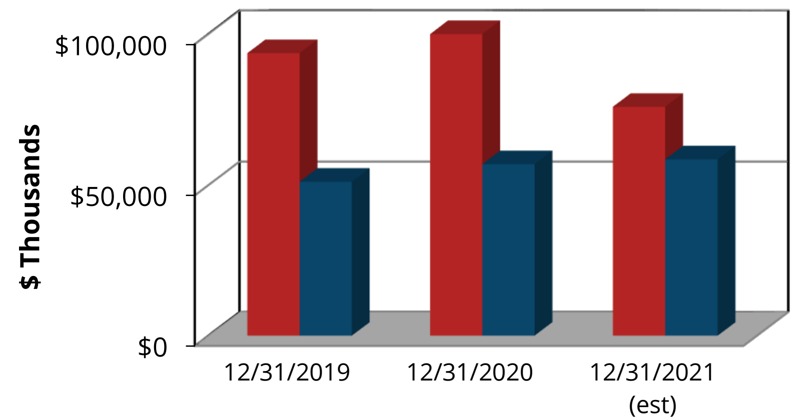
Funded Status (Funding vs Accounting)

FUNDING



	12/31/2019	12/31/2020	12/31/2021 (est)
AAL	$84,529	$74,439	$75,941
MVA	$51,183	$56,988	$58,584

ACCOUNTING



	12/31/2019	12/31/2020	12/31/2021 (est)
AAL	$93,695	$120,378	$75,941
MVA	$51,183	$56,988	$58,584

		12/31/2019	12/31/2020	12/31/2021 (projected)*
Funding	Funded %	60.6%	76.6%	77.1%
	Unfunded AAL	$33,346	$17,451	$17,357
	Discount Rate	6.00%	5.25%	5.25%
Accounting	Funded %	54.6%	47.3%	77.1%
	Unfunded AAL	$42,512	$63,390	$17,357
	Discount Rate	5.50%	3.90%	5.25%

ACTUARY'S COMMENTS

- Under GASB 75, a blended discount rate must be used if the HCT is projected to be depleted at some point in the future. This approach uses MVA. Last year, HCT assets were not projected to grow to $56M until 2022. The increase in Trust assets using MVA allows for use of the investment rate of return for discount rate purposes. However, 2021 performance will be considered as well as the municipal bond rate at 12/31/21.

Funded Status (By Group)

Funding Valuation (Discount rate = 5.25%)								
Funded Status at 12/31/2020		**Total**		**County**		**Mental Health**		**Road Commission**
Actuarial Liability (AAL)	$	74,439,126	$	49,860,581	$	13,832,094	$	10,746,451
Smoothed value of assets (AVA)		(50,522,707)		(25,918,525)		(20,006,358)		(4,597,824)
Unfunded AAL	$	23,916,419	$	23,942,056	$	(6,174,264)	$	6,148,627
Funded Ratio		67.9%		52.0%		144.6%		42.8%

GASB 74 / 75 (Discount rate = 3.9%)								
Funded Status at 12/31/2020		**Total**		**County**		**Mental Health**		**Road Commission**
Total OPEB Liability (TOL)	$	120,378,302	$	80,547,308	$	22,556,597	$	17,274,397
Plan fiduciary net position*		(56,987,538)		(29,235,031)		(22,566,350)		(5,186,157)
Net OPEB Liability (NOL)	$	63,390,764	$	51,312,277	$	(9,753)	$	12,088,240
Funded Ratio		47.3%		36.3%		100.0%		30.0%

* Based on market value of assets.

Actuarially Determined Contribution (ADC)

(in thousands)

Total

Funded Status at End of Year	1/1/2020	1/1/2021	1/1/2022[1]
Actuarial Liability (AAL)	$ 84,529	$ 74,439	$ 75,941
Smoothed value of assets (AVA)	(47,022)	(50,523)	(53,133)
Unfunded AAL	$ 37,507	$ 23,916	$ 22,808
Funded Ratio	55.6%	67.9%	70.0%

Fiscal Year ADC	2020	2021	2022[1]
ADC[2]	$ 6,081	$ 5,065	$ 5,341
Covered payroll[3]	$ 31,488	$ 30,633	$ 28,980
ADC as % of payroll	19.3%	16.5%	18.4%
Projected benefit payments	$ 4,195	$ 4,308	$ 3,699

As of 12/31/2019	Actives	512
	Retirees / Survivors	586
	Terminated Vested[4]	58
	Total	1,156

As of 12/31/2020	Actives	473
	Retirees / Survivors	586
	Terminated Vested[4]	61
	Total	1,120

Funded Status shown above is based on a 6.00% discount rate for 2020 and a 5.25% discount rate for FYE 2021 and 2022 (funding assumption), which is amortized and included as a component of the Actuarially Determined Contribution (ADC).

[1] Projected on a "no gain/loss" basis from 12/31/2020 valuation.
[2] Includes normal cost (reduced for estimated employee contributions) and amortization of unfunded AAL.
[3] FY 2022 covered payroll is projected from FY 2021 and takes into account anticipated terminations and retirements.
[4] Including those eligible for retiree health benefits only.

Actuarially Determined Contribution (ADC)

(in thousands)

County

Funded Status at End of Year		1/1/2020		1/1/2021		1/1/2022[1]
Actuarial Liability (AAL)	$	56,515	$	49,861	$	50,962
Smoothed value of assets (AVA)		(24,355)		(25,919)		(26,409)
Unfunded AAL	$	32,160	$	23,942	$	24,553
Funded Ratio		43.1%		52.0%		51.8%

Fiscal Year ADC		2020		2021		2022[1]
ADC[2]	$	4,862	$	3,891	$	4,200
Covered payroll[3]	$	18,995	$	18,783	$	17,739
ADC as % of payroll		25.6%		20.7%		23.7%
Projected benefit payments	$	2,745	$	2,800	$	2,370

As of 12/31/2019	Actives	314
	Retirees / Survivors	386
	Terminated Vested[4]	30
	Total	730

As of 12/31/2020	Actives	290
	Retirees / Survivors	380
	Terminated Vested[4]	32
	Total	702

Funded Status shown above is based on a 6.00% discount rate for 2020 and a 5.25% discount rate for FYE 2021 and 2022 (funding assumption), which is amortized and included as a component of the Actuarially Determined Contribution (ADC).

[1] Projected on a “no gain/loss” basis from 12/31/2020 valuation.
[2] Includes normal cost (reduced for estimated employee contributions) and amortization of unfunded AAL.
[3] FY 2022 covered payroll is projected from FY 2021 and takes into account anticipated terminations and retirements.
[4] Including those eligible for retiree health benefits only.

Actuarially Determined Contribution (ADC)

(in thousands)

Mental Health

Funded Status at End of Year	1/1/2020		1/1/2021		1/1/2022[1]	
Actuarial Liability (AAL)	$	15,219	$	13,832	$	14,259
Smoothed value of assets (AVA)		(18,975)		(20,006)		(21,207)
Unfunded AAL	$	(3,756)	$	(6,174)	$	(6,948)
Funded Ratio		124.7%		144.6%		148.7%

Fiscal Year ADC	2020		2021		2022[1]	
ADC[2]	$	0	$	275	$	282
Covered payroll[3]	$	9,289	$	8,916	$	8,567
ADC as % of payroll		0.0%		3.1%		3.3%
Projected benefit payments	$	632	$	672	$	637

As of 12/31/2019	Actives	148
	Retirees / Survivors	82
	Terminated Vested[4]	23
	Total	253

As of 12/31/2020	Actives	140
	Retirees / Survivors	85
	Terminated Vested[4]	24
	Total	249

Funded Status shown above is based on a 6.00% discount rate for 2020 and a 5.25% discount rate for FYE 2021 and 2022 (funding assumption), which is amortized and included as a component of the Actuarially Determined Contribution (ADC).

[1] Projected on a "no gain/loss" basis from 12/31/2020 valuation.
[2] Includes normal cost (reduced for estimated employee contributions) and amortization of unfunded AAL. If fully funded under the long-term expected discount rate, as shown above for the Mental Health group, an entity could contribute $0. However, for long-term sustainability purposes, Nyhart would recommend contributing the normal cost plus interest for years in which that entity is fully funded (total for employer + employee contributions). For FY 2021 and 2022, the Mental Health's final recommended contribution reflects the normal cost plus any applicable positive interest, consistent with their assumed funding policy going forward.
[3] FY 2022 covered payroll is projected from FY 2021 and takes into account anticipated terminations and retirements.
[4] Including those eligible for retiree health benefits only.

Actuarially Determined Contribution (ADC)

(in thousands)

Road Commission

Funded Status at End of Year		1/1/2020		1/1/2021		1/1/2022[1]
Actuarial Liability (AAL)	$	12,795	$	10,746	$	10,720
Smoothed value of assets (AVA)		(3,692)		(4,598)		(5,517)
Unfunded AAL	$	9,103	$	6,149	$	5,203
Funded Ratio		28.9%		42.8%		51.5%

Fiscal Year ADC		2020		2021		2022[1]
ADC[2]	$	1,219	$	899	$	859
Covered payroll[3]	$	3,204	$	2,934	$	2,675
ADC as % of payroll		38.0%		30.6%		32.1%
Projected benefit payments	$	818	$	836	$	692

As of 12/31/2019	Actives	50
	Retirees / Survivors	118
	Terminated Vested[4]	5
	Total	173

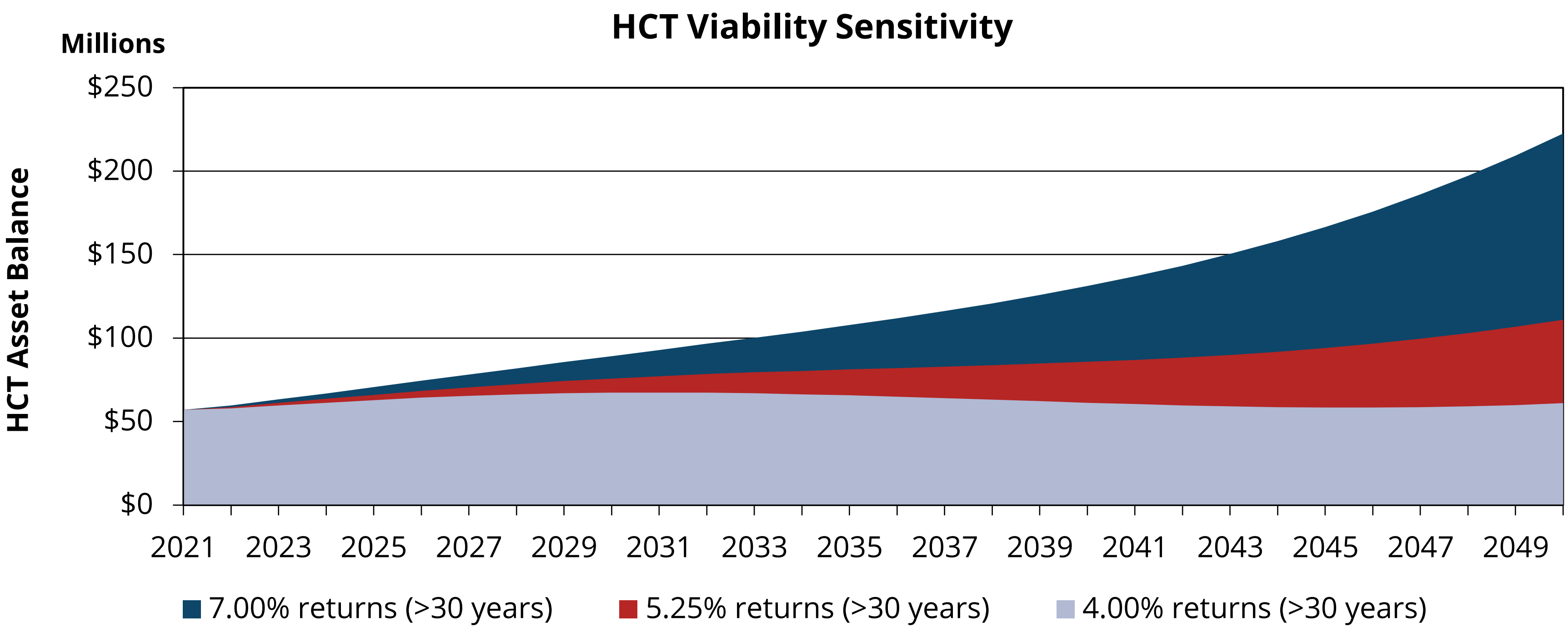
As of 12/31/2020	Actives	43
	Retirees / Survivors	121
	Terminated Vested[4]	5
	Total	169

Funded Status shown above is based on a 6.00% discount rate for 2020 and a 5.25% discount rate for FYE 2021 and 2022 (funding assumption), which is amortized and included as a component of the Actuarially Determined Contribution (ADC).

[1] Projected on a "no gain/loss" basis from 12/31/2020 valuation.
[2] Includes normal cost (reduced for estimated employee contributions) and amortization of unfunded AAL.
[3] FY 2022 covered payroll is projected from FY 2021 and takes into account anticipated terminations and retirements.
[4] Including those eligible for retiree health benefits only.

HCT Projections

All Locations



- Viability of Health Care Trust (HCT) is sensitive to investment income earned and future Trust contributions. Below is a comparison of the viability of the Trust under three different return scenarios:

	Low Return (4.00%)	Expected Return (5.25%)	High Return (7.00%)
# of years until depletion	>30	>30	>30

HCT Projections

All Locations

Assumptions used to determine the viability of HCT:

- Market Value of Asset as of 1/1/2021 of $57.0 million.
- Active employee contribution of 2.5% for all County employees and 2.0% for Mental Health (hired after 11/7/2007). Contribution is limited to the first $50,000 of salary for a majority of County employees.
- Future salary is projected from 12/31/2020 salary and takes into account future terminations and retirements.
- Flat dollar employer contributions as shown below, which are determined based on the average contribution in the past three years. This assumption has been updated since last year and the comparison of current and prior year assumptions are as shown below.

	County (including Sheriff)	Mental Health	Road Commission
Current	$ 980,000	$ 254,000	$ 1,443,000
Prior	$ 929,000	$ 423,000	$ 1,289,000

- Under the GASB 75 accounting standard, the depletion date of the Trust can affect the discount rate used for accounting disclosure purposes. However, due to the market value of assets as of 1/1/2021 and continued (assumed) contributions, the Trust is not expected to be depleted based on GASB 75 requirements for this calculation.

HCT Projections

By Location

Viability of HCT varies greatly between locations. Based on the market value of assets by location, the viability of HCT using a 5.25% assumption is as shown below.

	County (including Sheriff)	Mental Health	Road Commission
MVA as of 1/1/2021 (in millions)	$ 29.2	$ 22.6	$ 5.2
HCT depleted in	23 years	>30 years	>30 years

PA 202: Additional Reporting

The County will be required to report under the PA 202 uniform assumption requirements for Form No. 5572 similar to last year. These disclosures include the Actuarial Value of Assets (AVA), Actuarial Accrued Liability (AAL), and Actuarially Determined Contribution (ADC). The 2021 Uniform Assumption requirements are described briefly below:

Assumption	Uniform Assumption Guidance
Investment Rate of Return	Maximum of 7.00%
Discount Rate	Blended discount rate calculated per GASB 74/75: • Maximum of 7.0% where plan assets are sufficient to make projected benefit payments • 2.20% for periods where assets are insufficient to make projected benefit payments
Salary Increase	Minimum of 3.00% or based on actuarial experience study within the past 5 years
Mortality Table	A version of PUB-2010 with Scale MP-2019 generational mortality improvement or based on actuarial experience study within the past 5 years
Amortization Period	Maximum closed period of 28 years for Retiree Health Systems
Asset Valuation	Market Value as reported on Financial Statements
Healthcare Inflation	Non-Medicare: 7.50% decreasing 0.25% per year to a 4.50% long-term rate Medicare: 5.75% decreasing 0.25% per year to 4.50% long-term rate

Next Steps

1. Identify follow-ups based on today's meeting
2. Issue December 31, 2020 funding valuation report
3. Issue December 31, 2021 accounting valuation report (after FY 2021 assets are available)

APPENDIX

Substantive Plan Provisions

ELIGIBILITY

Original Plan Members – earlier of:

- Age 55 (or age 50 for Sheriff) with 25 years of service (YOS)
- Age 60 with 8 YOS
- 25 YOS and 80 points

Modified Plan Members – earlier of:

- Age 55 (or age 50 for Sheriff) with 25 YOS
- Age 60 with 20 YOS
- 25 YOS and 80 points

RETIREE CONTRIBUTIONS

Employees are eligible for retiree health benefits if they meet all of the following requirements:

- Original Plan Members – have at least 8 YOS at retirement and contribute to Health Care Trust (HCT) while actively employed if it's required in their Collective Bargaining Agreement (CBA).
- Modified Plan Members – have at least 20 YOS at retirement and contribute to HCT while actively employed if it's required in their CBA.
- All employees may purchase retiree health benefits if they have at least 11 YOS at retirement regardless of whether they contribute to HCT while actively employed.

STATUS OF THE PLAN

Plan is closed to new hires for all General County, Mental Health, and Road Commission.

TERMINATED VESTED EMPLOYEES

- Commencing at age 55 or age 60 if they have at least 25 YOS or fewer than 25 YOS at termination respectively.
- Contribution requirements follow regular retirees.

SPOUSE BENEFIT

Surviving spouse can continue coverage upon death of the retiree or active employees who have at least ten YOS at time of death. Surviving spouse contribution requirement follows member's contribution requirements prior to their death.

DISABILITY RETIREMENT (Sheriffs Only)

- No age / service requirement for duty disability, ten YOS for non-duty disability.
- Contribution requirements follow regular retirees.

Actuarial Assumptions

Interest Rate	5.25% for funding valuation as of 12/31/2020 and 5.25% for accounting purposes as of 7/31/2021[1]
Annual Pay Increases	2.25% plus merit scale based on the December 2019 Pension Experience Study
Mortality Rates	Various Pub-2010 Headcount-weight Mortality Tables using scale MP-2020
Actuarial Cost Method	Entry Age Normal Cost (as a % of pay)
Amortization Method	Level dollar for County and level % of pay for Mental Health and Road Commission Amortization period used in calculating FY 2021 ADC is 9 years
Asset Valuation Method	Actuarial value of assets with 5-year smoothing of asset gains and losses
Retirement and Withdrawal Rates	Varies by age, service, and employee type – based on December 2019 Pension Experience Study
Disability Rates	Varies by age – only valued for Sheriff group (25% of disability is assumed to be line of duty)
Medical/Rx Trend Rates	Pre-65: Initial rate of 8.0% decreasing to an ultimate rate of 4.5% in 7 years for all locations Post-65: Initial rate of 7.0% decreasing to an ultimate rate of 4.0% in 6 years for all locations
Dental Trend Rates	Constant 5.0%
Health Care Coverage Election Rate	Active employees with coverage: • 90% for County General • 75% for Mental Health • 80% for Sheriff • 85% for Road Commission 100% of terminated vested 100% of retirees with current coverage All participants without current coverage are assumed never to elect coverage.

[1] Will be updated as of 12/31/2021 when available

ST. CLAIR COUNTY EMPLOYEES' RETIREMENT SYSTEM

RESOLUTION NO. R 21-01

RESOLUTION REGARDING RECOMMENDED CONTRIBUTION AMOUNT AND RATES FOR EMPLOYER PORTION RETIREMENT FOR RETIREE BASIC BENEFITS FOR THE YEAR 2022.

WHEREAS, the Board of Trustees is in receipt of the Basic Retirement System Management Summary Presentation as of December 31, 2020 prepared by Nyhart Actuary, and

WHEREAS, the Board's actuary has appeared before the Board of Trustees and presented the Annual Actuarial Valuation Management Summary for Basic Retirement Benefits which was reviewed and discussed by the Board, and

WHEREAS, the Board of Trustees has the legal and fiduciary obligation to assure that employer contributions are in accordance with Article 9 Section 24 of the State of Michigan Constitution, and

WHEREAS, the actuary has presented the actuarial computed contributions for the Basic Retirement Benefits and calculated the contribution dollar amounts and/or rates for the three basic membership groups. The Board of Trustees is providing and recommending contributing the dollar amounts and/or appropriate percentages of payroll for the General County, Mental Health and Road Commission divisions to fund the system appropriately.

Division	Employer Contributions	
General County	$ 5,344,705	(27.1%)
Mental Health	$ 1,554,719	(18.1%)
Road Commission	$ 702,161	(26.6%)

WHEREAS, the Board of Trustees accepted and approved the valuation management summary results as presented by the actuary and requested the issuance of the December 31, 2020 Basic Retirement Benefits valuation report, and further

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the St. Clair County Employees' Retirement System recommends to the St. Clair County Board of Commissioners this actuarially determined dollar amount and rates outlined in the three divisions for Basic Retirement Benefits be implemented for the calendar year beginning January 1, 2022 and further

RESOLVED, that a copy of this resolution, the December 31, 2020 Basic Retirement System Management Summary Report and the December 31, 2020 Post-Employment Benefits Plan Management Summary Report be forwarded to the St. Clair County Board of Commissioners.

EXHIBIT 5A

Resolution 21-01

January 1, 2022 Contribution Amount and Rates for Basic Retirement Benefits

Dated: August 17, 2021

MEMBERS, BOARD OF TRUSTEES

Deborah L. Martin

Deborah Martin, Chairperson

William Herpel

William Herpel, Vice Chairperson

Jorja Baldwin, Trustee

Karry Hepting, Trustee

William Blumerich, Trustee

ABSENT

William Oldford, Trustee

Geoffrey Donaldson

Geoff Donaldson, Trustee

James Spadafore, Trustee

Karen A. Farr

Karen Farr, Trustee

Contract Approval Request - Toledo Elevator

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
	Contract Approval Request -Toledo Elevator 2022_2023	10/22/2021	Cover Memo
	Toledo Elevator_Addendum	10/22/2021	Cover Memo

COUNTY OF ST.CLAIR
Purchasing Division

CONTRACT APPROVAL REQUEST

☐ NEW CONTRACT ☒ CONTRACT RENEWAL ☐ CONSOLIDATION OF EXISTING CONTRACTS

☐ BIDS REQUIRED
☐ BIDS RECEIVED

☐ NO BIDS REQUIRED
☐ SINGLE SOURCE
☒ CONTRACT EXTENSION
☐ INCREASE WITHIN CPI-U
☐ VALUE LESS THAN THRESHOLD

☒ BOC POLICY COMPLIANCE
☒ REVIEWED BY CORP COUNSEL

VENDOR: Toledo Elevator

VALUE: $40,224 ($1676/month)

TERM: 2 years, 1/1/22 - 12/31/23

CONTRACT TYPE: Service Agreement

SERVICE DESCRIPTION: Elevator Preventive Maintenance and Testing

DEPARTMENT(S): Administration, Main Library, Port Huron Courthouse, Health Department, and Intervention Center buildings

COMMENTS: This addendum extends the original service contract with Toledo Elevator for two additional years with a 3% increase in pricing.

Rev. 9/20/2021

TOLEDO ELEVATOR

ADDENDUM TO AGREEMENT

The following terms and conditions are incorporated into and form a part of the agreement to which they are attached (the "Agreement") for all purposes. St. Clair County 200 Grand RiverAve, Port Huron MI and Toledo Elevator Co.

Addendum Item 1- **Terms of Service Agreement**.

- Toledo Elevator Term of this agreement is effective for two years starting 01/01/2022.To ensure continuous service, this agreement will be renewed for two-year periods.
- Rate Increase for 01/01/2022 will be $1676.00

Addendum Controlling. In the event there is a conflict between the terms and conditions of the Agreement and this Addendum, this Addendum will control.

Toledo Elevator:	**Responsible Building Representative:**
By: [signature]	By:
Name: BRENDA PRESSON	Name:
Title: Nothern Ops Manager	Title:
Date: 9/22/21	Date:

Corporate Approval

By: Jayna Gwin

Signature:

Title: Chief Financial Officer

Date:

Health Department Manning Table Change - Reclassifications

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Memo	10/25/2021	Cover Memo
🗋	Health Dept Manning Table Change 10.22.21	10/27/2021	Cover Memo
🗋	DBarbour Memo to Board Job Classification and Reclass Public Health October 2021	10/27/2021	Cover Memo

ST. CLAIR COUNTY
HEALTH DEPARTMENT

Our Community. Our Environment.

3415 28th Street Port Huron MI 48060

Divisions

ADMINISTRATION
P 810.987.5300
F 810.985.2150

DENTAL CLINIC
P 810.984.5197
F 810.984.0747

EMERGENCY PREPAREDNESS
P 810.987.5300
F 810.987.0630

ENVIRONMENTAL HEALTH
P 810.987.5306
F 910.985.5533

HEALTH EDUCATION
P 810.987.5300
F 810.986.2150

NURSING DIVISION
P 810.987.5300
F 810.985.4487

TEEN HEALTH
P 810.987.1311
F 810.966.2898

WIC PROGRAM
P 810.987.8222
F 810.966.2898

www.scchealth.co
/scchdmi | @scchdmi

TO: St. Clair County Board of Commissioners

FROM: Greg Brown, Health Department Administrator

SUBJECT: Health Department Manning Table Change

DATED: October 25, 2021

The Health Department is receiving State funding (CAHC and E3 Grants) for social workers to provide mental health services/therapy/counseling to adolescents within three school districts. These social workers have been working under a generic Health Department Social Worker classification, however the scope of treatment and services that they provide is beyond what is described in that classification. The Health Department Social Worker is largely a case management position, whereas these adolescent social workers are providing clinical treatment that is billed as professional Psychotherapy, and Psychiatric Diagnostic services.

I am requesting approval to re-classify the department's three adolescent Social Worker positions to Adolescent Mental Health Therapist classification. The annual cost increase for these re-classifications is $25,129. The additional cost will be able to be absorbed within each of these program budgets. No additional county funds will be needed.

MEMO

To: Board of Commissioners

From: Dena Alderdyce, Finance Director

Date: October 22, 2021

Re: Health Department Manning Table Change

The Health Department has received funding from the State of Michigan for mental health, therapy and counseling services to adolescents within the three school districts that they have contracts with. The scope of treatment and services they are providing is more in line with the job description of the mental health therapists.

The Health Department is requesting to reclassify three (3) social worker positions to three (3) mental health therapists.

The increase in wages and fringes will cost an additional $25,129, in which the grant funding will fully cover all of those costs.

An additional County appropriation will not be needed. Administration recommends the approval of the department's request.

COUNTY OF ST. CLAIR

MEMO

To: Board of Commissioners

From: Diane Barbour, Director of Human Resources

Date: October 15, 2021

Subject: Additional Classification Request- Mental Health Therapists

☒ COMPLIANCE WITH HUMAN RESOURCE POLICIES

Background:

Greg Brown, Health Administrator, is requesting to add the Mental Health Therapist position at the Health Department. Due to advance responsibilities and liabilities, certain Social Workers (Wage Range II-F) are working comparatively to the Mental Health Therapists (II GG) in Day Treatment Night Watch. These duties include preparing treatment plans and providing clinical work for adolescents which increases their liability. Also, additional licensing to practice is required for this role which is also required in the DTNW position.

The Health Department will maintain the Social Worker job classification for those roles not requiring additional licensing and responsibilities.

For this reason, I support the addition of the Mental Health Therapist position and subsequent reclassification of certain Social Workers to Mental Health Therapists. Thank you,

Diane Barbour
Director-Human Resources

Health Department Manning Table Addition - Part-time Publice Health Nurse - FINAL ACTION

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Health Dept Manning Table Addition PT PHN 10-27-21	10/27/2021	Cover Memo
🗋	Marysville Nurse Memo 2021-22	10/28/2021	Cover Memo

MEMO

To: Board of Commissioners

From: Dena Alderdyce, Finance Director

Date: October 27, 2021

Re: Health Department Manning Table Addition

The Health Department is requesting a part-time Public Health Nurse position be added to their manning table. This new position would be funded by the contract with Marysville Public Schools. The School District is receiving State funding to pay for public health services in the schools.

If the contract is not renewed, the position would be eliminated.

The cost of a part-time Public Health Nurse is $50,016 annually. This cost would be fully funded by the School District.

An additional County appropriation will not be needed. Administration recommends the approval of the department's request.

ST. CLAIR COUNTY
HEALTH DEPARTMENT

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Divisions

ADMINISTRATION
P 810.987.5300
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F 810.985.2150

NURSING DIVISION
P 810.987.5300
F 810.985.4487

TEEN HEALTH
P 810.987.1311
F 810.987.0651

WIC PROGRAM
P 810.987.8222
F 810.966.2898

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MEMORANDUM

DATE: October 25, 2021

TO: St. Clair County Board of Commissioners

FROM: Greg Brown, Administrator

RE: St. Clair County - Marysville School District
Nursing Agreement

Dear Commissioners:

St. Clair County Health Department is requesting approval to enter in to an agreement to provide additional nursing services for the Marysville School District.

St. Clair County Health Department (SCCHD) is proposing to hire a part time Public Health Nurse (PHN) to provide SCCHD services to Marysville students three days a week. The services provided will include vaccinations, health screenings, health consultations, health education, and Covid-19 testing and guidance. The agreement is for Marysville School District (MSD) to provide SCCHD $34.36 per hour at 22.5 hours a week. This will cover the cost for a .6 FTE Public Health Nurse (PHN).

Should this agreement ever be terminated, SCCHD would remove this nursing position from our manning table.

Due to the time it takes to hire, and with classes already under way in Marysville schools, we are respectfully requesting final action on this agreement.

American Rescue Plan Act Funds

Summary:

ATTACHMENTS:

	Description	Upload Date	Type
🗋	Commisioner ARPA Allocations	10/29/2021	Cover Memo
🗋	DetermeLawfulExpend	10/29/2021	Cover Memo
🗋	American Rescue Plan Act Project Requests	10/29/2021	Cover Memo

COUNTY OF ST. CLAIR
OFFICE OF THE ADMINISTRATOR/CONTROLLER

Karry Hepting, CPA
Administrator/Controller

MEMO

To: Board of Commissioners

From: Karry Hepting

Date: October 29, 2021

Re: American Rescue Plan Act Funds

Per your request, Administration has developed a proposal to provide an allocation to each commissioner district to assist the local units with priority projects. Each commissioner will have $500,000 available for their district. ARPA fund spending must fall into one of the allowable categories under the act. Eligible uses include the following:

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Address Negative Economic Impacts
- Premium Pay for Essential Workers
- Water and Sewer Infrastructure
- Broadband Infrastructure

Due to the complicated and extensive reporting requirements associated with these funds, it is my recommendation that $3,500,000 of our ARPA funds be applied toward 2020 lost revenue. The funds can then be set aside for the commissioner district allocations. This will allow the commissioner allocations greater flexibility in how the funds are spent in each district. Funds still must be spent on eligible government services. Attached is a publication from the Michigan Department of Treasury that is helpful in determining what is lawful expenditures.

Administrative Office Building · 200 Grand River Avenue, Suite 203 · Port Huron, MI 48060
Phone: 810-989-6900 · Fax: 810-985-3463 · Web Address: www.stclaircounty.org

Determining Lawful Expenditures

This narrative is intended as a reference for local government officials, employees and governmental auditors of selected references to the Michigan Constitution of 1963, court decisions, opinions of the attorney general and Michigan statutes that address some of the questionable expenditures of local government. This narrative should not be considered a legal opinion of the statutes, court decisions or opinions of the attorney general. Please consult your legal advisor if a legal opinion is needed.

BASIC PREMISE OF LOCAL GOVERNMENT

Some of the basic guidelines and legal restrictions imposed on local governments are summarized in the following legal citations. This listing in not complete, but does highlight the basic restrictive authority granted to Michigan's local units of government.

CONSTITUTIONAL PROVISIONS--MICHIGAN CONSTITUTION OF 1963

(a) Each organized township shall be a body corporate with powers and immunities provided by law (Art. 7, Sec. 17).

(b) The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their rate of ad valorem property taxation for municipal purposes, and restrict the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law (Art. 7, Sec. 21).

(c) Under general laws the electors of each city and village shall have the power and authority to frame, adopt and amend its charter, and to amend an existing charter of the city or village heretofore granted or enacted by the legislature for the government of the city or village. Each such city and village shall have power to adopt resolutions and ordinances relating to its municipal concerns, property and government, subject to the constitution and law. No enumeration of powers granted to cities and villages in this constitution shall limit or restrict the general grant of authority conferred by this section (Art. 7, Sec. 22).

(d) Except as otherwise provided in this constitution, no city or village shall have the power to loan its credit for any private purpose or, except as provided by law, for any public purpose (Art. 7, Sec. 26).

(e) Any county, township, city, village, authority or school district empowered by the legislature or by this constitution to prepare budgets of estimated expenditures and revenues shall adopt such budgets only after a public hearing in a manner prescribed by law (Art. 7 Sec. 32)

(f) The provisions of this constitution and law concerning counties, townships, cities and villages shall be liberally construed in their favor. Powers granted to counties and townships by this constitution and by law shall include those fairly implied and not prohibited by this constitution (Art.7, Sec. 34).

(g) The credit of the state shall not be granted to, nor in aid of any person, association or corporation, public or private, except as authorized in this constitution (Art. 9, Sec. 18). (NOTE: The Supreme Court in the decision of Black Marsh Drainage District v. Rowe [1958], 350 Mich. 470, held that this provision applies to all political subdivisions of the state.)

(h) Neither the legislature nor any political subdivision of this state shall grant or authorize extra compensation to any public officer, agent or contractor after the service has been rendered or the contract entered into (Art 11, Sec. 3).

SUPREME COURT DECISIONS

(a) Local governments have no inherent powers and possess only those limited powers which are expressly conferred upon them by the State Constitution or State statutes or which are necessarily implied therefrom (Hanselman v. Killeen [1984] 419 Mich. 168).

(b) A county is a municipal corporation and possesses only those powers which have been conferred upon it by the Constitution and the statutes (Mosier v. Bd. of Auditors 295 Mich. 27, 29).

(c) Local units of government derive their powers of taxation from the legislature and such power cannot be exercised except in pursuance of express statutory authority (City of Berkley v. Township of Royal Oak [1948] 320 Mich. 597).

OPINIONS OF THE ATTORNEY GENERAL

(a) Appropriation of township funds which is not expressly authorized or necessarily implied with express statutory powers is unlawful whether with or without a vote of the township electors (Opinion of the Attorney General, 1955-56, No. 1704, page 32). The general belief is that an illegal or unauthorized expenditure of governmental funds by any local governmental unit can not be changed to a legal or authorized expenditure by a vote of the electors.

(b) City funds may not be used for contributing to the expenses of private voluntary groups operating recreation facilities for children (Opinion of the Attorney General, 1957, No. 3066, page 476).

(c) Village has no authority to appropriate public funds for lighting a recreation field controlled by a veterans' organization even though the entertainment provided therein were free to the public (Opinion of the Attorney General, 1935-36, page 5).

(d) Since money can be raised by a township only for township purposes, township cannot pay part of the expenses of a county children's worker (Opinion of the Attorney General, 1947-48, No. 694, page 574).

(e) Appropriation of money by township for construction, improvement or maintenance of state trunk lines is ultra vires and such spending is misappropriation of funds (Opinion of the Attorney General, 1952-54, No. 1738, page 285).

These legal citations specify that a local government unit and the officials of local governments have only those duties specifically granted to them by the Michigan Constitution and statutes. If the action to be taken is not specifically authorized by the Constitution, a statute, court decision or legal opinion, that action can not be legally executed.

Provisions specified in a local unit's Charter or Ordinance, legally adopted by vote of the electorate or approved by the legislative body after publication, must be followed when those procedures are more restrictive than the general statute.

General Budget Provisions

Michigan Compiled Law (MCL) section 141.412 requires that a public hearing be held on the proposed budget prior to the legislative body formally adopting the budget. The time, date and location of the public hearing must be published at least six days prior to the hearing. Copies of the proposed budget must be available for public inspection from the date the notice of the public hearing is published and thereafter.

Specific budget procedures for charter townships are required by MCL 42.24 through 42.27. Charter township budgets must be adopted at least 60 days prior to the start of their fiscal year and after a public hearing notice published at least 7 days prior to the date of the public budget hearing. Cities and Villages may have Charter Provisions or Local Ordinances requiring specific budgetary procedures. The local procedures must be followed when they are more restrictive than the general statute.

MCL 141.421 et seq.--"Uniform Budgeting and Accounting Act"--requires a local unit to adopt a General Appropriation Act (approved budget) after a public hearing.

Expenditures can not exceed the amount authorized in the Appropriation Act unless the local Appropriation Act is amended. Expenditures can not be authorized unless that are provided for in the Appropriation Act.

Expenditures can not be authorized that exceed the amount appropriated or in excess of the available funds as that action creates a debt against the unit or a deficit within the fund.

The Appropriation Act may include a narrative authorizing the fiscal officer to make transfers between activities, cost of personnel, capital outlay or other budgetary action authorized by the legislative body.

Authorized expenditures in excess of or contrary to the Appropriation Act (budget) can be recovered by civil proceedings brought by the Attorney General or prosecuting attorney (MCL 141.420).

Any budgetary procedure specified in a Charter or Ordinance of a local unit that is more restrictive than the general statute must be followed.

Paying Claims--vendor bills
CITIES (MCL 87.7) All claims against the city shall be filed with the clerk for adjustment, and after examination thereof, the clerk shall report the claims with all accompanying vouchers and counter claims of the city, and the true balance as found by the clerk, to the council for allowance, and when allowed shall draw the city warrant upon the treasurer for the payment thereof, designating thereon the fund from which payment is to be made.

(MCL 88.20) The council shall audit and allow all accounts chargeable against the city but no account or claim or contract shall be received for audit or allowance, unless it shall be accompanied with a certificate of an officer of the corporation (city), or an affidavit of the person rendering it, to the effect that he verily believes that the services therein charged have been actually performed or the property delivered for the city, that the sums charged therefore are reasonable and just, and that no set-off exists, nor payment has been made on account thereof.

COUNTIES [MCL 46.11(q)] and (MCL 46.71) It shall be the duty of the county board of commissioners or county auditors to adjust, allow and authorize the payment of all claims against the county. Any claim not adjusted or ordered paid shall not be paid.

Exceptions (MCL 46.53) This section authorizes the county board of commissioners in counties with less than 75,000 population to provide by resolution for the appointment of a finance committee. When the statutory committee is appointed, the finance committee approves all claims.

Exceptions (MCL 46.63) This section authorizes the county board of commissioners in counties with not less than 75,000 population to provide by resolution for the appointment of a finance committee. When the statutory committee is appointed, the finance committee audits all claims. Approval for payment by the county board of commissioners after audit by the finance committee.

TOWNSHIPS (41.75) The township board shall approve claims against the township and authorize payment of allowed claims. Paid claims are filed and preserved by the township clerk. The treasurer shall pay claims upon order of the township board, signed by the clerk.

VILLAGES (MCL 65.7) Council to audit and allow all accounts chargeable against the village; but no account or claim or contract shall be received for audit or allowance, unless it shall be accompanied with a certificate of an officer of the corporation, or an affidavit of the person rendering it, to the effect that he verily believes that the services therein charged have been actually performed or the property delivered for the village, that the sums charged therefore are reasonable and just, and that to the best of his knowledge and belief, no set-off exists, nor payment has been made on account thereof.

NOTE: Some volunteer fire departments, parks departments and similar governmental functions performed by a group, committee or agency of a local unit are paying their claims without the prior approval of the legislative body, which is improper. Unless the agency (fire, parks etc) is a statutory authority with the authority to approve its own claims for payment, its claims must be approved by the legislative body. In some circumstances, we have found that the legislative body has turned a tax levy over to a volunteer group or department to expend as the department or group deem necessary, which is also improper. In most circumstances, the taxing authority is with the unit of government and the levy is to provide specified services. The local unit must establish a fund, prepare a budget and when appropriate, should contract with the department or group to provide the service for a specific dollar amount.

Special Statutory Expenditure Provisions
Advertising the Agricultural, Industrial, Commercial, Educational or Recreational Advantages of the State, County or Local Unit.
COUNTIES (MCL 46.161) by special tax levy or general fund appropriation
CITIES & VILLAGES (MCL 123.881) from a specific tax levy
TOWNSHIPS (MCL 41.110c) by appropriation

Places of Recreation, Parks.
COUNTIES (MCL 46.351) County board to appoint commission to operation parks and places or recreation. County commissioners set policy, approve budget, debt, tax levy.

(MCL 123.61 et seq.) To authorize county expenditures for parks, recreational facilities and airports to townships, cities and villages to operate and maintain. We recommend that they have a written contract or letter which specifies procedures, limits, financial reporting, audits, etc.

CITIES & VILLAGES (Constitution: Art. 7 Sec. 23) Any city or village may acquire, own, establish and maintain, within or without its corporate limit, parks, boulevards, cemeteries, hospitals and all works which involve the public health or safety.

(MCL 41.428) may appropriate to a township to acquire and operate free recreational facilities. Contributions to be made to the township park commission.

TOWNSHIPS (MCL 41.421 et seq.) Townships may establish a park commission to acquire, maintain, manage and control township parks and recreational facilities.

CITY, VILLAGE, COUNTY OR TOWNSHIP (MCL 123.51) may operate a system of public recreational facilities.

Armistice, Independence, Memorial Days, Diamond Jubilee or Centennial Celebrations
CITY, TOWNSHIP OR VILLAGE (MCL 123.861) may expend money for observances, under the control of the governmental unit, to celebrate armistice, independence, memorial days, diamond jubilee or centennials. These claims shall be paid in the same manner as other expenses of the unit.

Armistice Day
COUNTIES (MCL 46.11a) County board of commissioners are authorized to appropriate such sum as they deem fit for public celebration on Armistice Day, in a matter the board may determine.

NOTE: It is improper for a unit of government to expend public money for an annual picnic, golden jubilee or other celebration that is not specifically authorized by law.

Community College Maintained by a School District
COUNTY, TOWNSHIP, OR OTHER GOVERNMENTAL UNIT (MCL 380.1607) by action of its governing body may contribute annually towards the support of a community college maintained by a school district.

Libraries
- CITY, TOWNSHIP OR VILLAGE (MCL 397.201 et seq.) may establish and maintain a public library.
- CITY may, without vote of the electorate, levy one mill for the library.
- CITY, TOWNSHIP OR VILLAGE, after voter approval, may levy up to two mills to establish, operate and maintain a library.
- COUNTY LIBRARY (MCL 397.301)
- SCHOOL LIBRARIES-- Under boards of education (MCL 397.261 et seq.)

NOTE--Several other statutes may authorize contributions to established libraries for library services to its inhabitants or the consolidation of library services.

REGIONAL LIBRARIES (MCL 387.151 et seq.)
DISTRICT LIBRARIES (MCL 397.171 et seq.)
LIBRARY NETWORK ACT (MCL 397.131 et seq.)

Hospitals
COUNTY (MCL 331.151) May establish and operate a county hospital after vote of the electorate.

PROHIBITED from contributing to a private, nonprofit corporation operating a hospital. (AGO 4851 dated Nov. 4, 1974)

May contract for services (AGO 5083) with a private, nonprofit corp. to provide health or welfare services to persons who are the proper concern of the county pursuant to guidelines and where final authority to take discretionary action remains with the public body.

COUNTY, CITY, VILLAGE (MCL 331.1101) Municipal Health Facilities Corporations Act--County board, city or village council may incorporate 1 or more corporations under this act. **NOTE** A health care corporation established under this act is a discretely presented component unit of the incorporating unit.

Joint Municipal (Community) Hospitals--(MCL 331.1 et seq.) Two or more CITIES, TOWNSHIPS AND VILLAGES, or any combinations may incorporate a hospital authority to establish, expand and or operate a hospital or health care facilities.

TOWNSHIP (MCL 41.712) board may, by majority vote, pay from unexpended balances in its contingent fund to any hospital, a sum that fairly represents the reasonable share of the township in the maintenance and support of the hospital whose facilities are made available to the residents of the township at standard rates. However, the hospital and township board shall agree upon the number of residents of the township to which the hospital shall make facilities available during each year.

Historical Activities, Commissions, Districts
TOWNSHIPS (MCL 399.161) may appropriate money that the town board believes advances and fosters historical interests of the township.

CITIES, COUNTIES, TOWNSHIPS and VILLAGES (MCL 399.171) (Historical Commissions) may individually or jointly appropriate money to or by ordinance, create a commission to advance the historical interests of the unit or units.

CITY, COUNTY, TOWNSHIP or VILLAGE (MCL 399.201) may, by ordinance establish historical districts and a commission to preserve and refurbish historical structures.

Juvenile Delinquency--Curbing
CITY, COUNTY, TOWNSHIP, or VILLAGE (MCL 123.461) may levy taxes and appropriate funds for operating centers open exclusively to youths under 21 years of age and aimed at curbing juvenile delinquency within the community. May require a vote of electors.

Economic Development
COUNTY (MCL 125.1231) commissioners may create a county commission to promote economic development and provide in the county budget for the expenses of the commissions.

CITY, COUNTY, TOWNSHIP or VILLAGE (MCL 125.1601) may approve an application to incorporate an economic development corporation, file articles of incorporation and fund projects of said EDC, which are for a public benefit and as approved by the legislative bodies.

Installment Purchases
CITY, TOWNSHIP, or VILLAGE (MCL 123.721) may enter into a agreement with the contractor or vendor to purchase land, buildings or equipment for a period not to exceed 15 years or the life of the item purchased and pay installments. The liability for such purchases, exclusive of interest shall not exceed 1 and 1/4 percent of the units State Equalized Assessed Value. The purchases must be for a public purpose, within the unit's budgetary appropriations and without the prior approval of the Michigan Municipal Finance Commission. Otherwise a unit of government cannot borrow without the prior approval of the Municipal Finance Commission.

COUNTIES (MCL 46.11b) may purchase and pay in installments for a period not to exceed 10 years or the life of the item purchased. The liability shall not exceed 1/2 of 1 percent of the SEV. The county can not levy a tax to pay the principal or interest. Special provisions apply for a few purchases that can be extended for a period of not to exceed 15 years. (see statute)

ROAD COMMISSIONS (COUNTY) (MCL 224.10) may enter into a contract or agreement for the purchase of machines, tools, appliances and materials (excludes buildings and land) to be used for public purposes that are paid for in installments over a period not to exceed 5 years or the useful life of the property acquired, whichever is less.

Urban Cooperation Act
CITY, COUNTY, TOWNSHIP, CHARTER TOWNSHIP or VILLAGE (MCL 124.501) may exercise jointly with any other public agency of the state, any other state, or public agency of the Dominion of Canada or the US Government, any power, privilege or authority which such agencies share in common and which each might exercise separately.

Intergovernmental Transfer of Functions and Responsibilities
CITY, VILLAGE, OTHER INCORPORATED POLITICAL SUBDIVISION, COUNTY, SCHOOL DISTRICT, COMMUNITY COLLEGE, INTERMEDIATE SCHOOL, TOWNSHIP, CHARTER TOWNSHIP, SPECIAL DISTRICT or AUTHORITY (MCL 124.531) Any two or more political subdivisions are authorized to enter into a contract with each other providing for the transfer of functions or responsibilities to one another or any combination thereof upon the consent of each political subdivision involved.

NOTE Several other specific statutes authorize the joint operations of sewer, water and other public functions by governmental units.

Tax Tribunal (SEV) Appeals
COUNTY and all SCHOOL BOARDS [211.44(3)] may contribute to the defense of tax tribunal issues defended by a local tax assessing unit to the extent that the cost of the appeal exceeds 1 percent of the administration fee available to the tax assessing unit.

Senior Citizens/Older Persons
CITY, COUNTY, TOWNSHIP or VILLAGE (MCL 400.571) authorizes a legislative body to appropriate funds to a public or private non-profit organization for the purpose of providing services to older persons 60 years or older. Appropriations to a private organization must be specified in a contract. The terms of the contract must be published within 10 days of its approval in a local newspaper specifying the terms of and services to be performed.

COFFEE/MEALS
The purchase of coffee, donuts and sandwiches first must be for a public, not an individual or private group or purpose. These expenditures for use at a regular or special meetings, for fire fighters, volunteer or full time employees, when working an extended period of time or when dedicating public buildings are normally considered expenditures for a public purpose.

Coffee and donuts for employees use during normal working hours is considered personal, not for a public purpose, and improper unless specifically provided for in a collective bargaining agreement or duly adopted employment policy of the governmental unit (fringe benefit).

RETIREMENT/RECOGNITION FUNCTIONS
Retirement functions, gifts or plaques for employees or officials, recognition dinners for volunteer fire fighters or ambulance staff are usually not for a public purpose, therefore not an allowable expense. Travel and meals as part of the cost of training volunteers to perform emergency services within the township are deemed a public purpose, payable as a expense when properly budgeted, authorized and approved.

A TOWNSHIP board may, by resolution, establish retirement, health, life and/or accident insurance benefits for township officials and employees. (MCL 41.110b) The board may provide that officials or employees pay a portion of the premium and deduct that cost by payroll deduction.

COUNTY RETIREMENT (MCL 46.12a) County commissioners may by resolution establish retirement systems.

ALL LOCAL UNITS (MCL 38.1501 et seq.)

LEGAL EXPENSES
A governmental unit is not authorized to expend public money to assist residents with legal cost in defending the home owners from possible civil action by a neighboring city to condemn their property for public use by the city. We are unable to see a "public purpose" for the township in this expenditure. Also this expenditure may be prohibited under the provisions of Article 9, Section 18 of the 1963 Michigan Constitution that prevents a governmental unit from lending its credit to the aid of any person, association or corporation, public or private, except as authorized in the Constitution.

OTHER LAWFUL EXPENDITURES
Contracts with public or private, profit or nonprofit organizations for a specific public service or benefit that the unit can legally perform and money is available within the budgeted appropriations. These may includes contracts for fire protection, ambulance service, assessing and tax collections, trash/rubbish collections, employee benefits, etc. Contracts should address financial reporting, auditing, review of records and related matters.

Membership dues to governmental associations as MTA, MML, MAC, and similar organizations that advise, inform and educate officials and employees. (See court decision Hayes v City of Kalamazoo, 316 Mich. 443).

Meals and refreshments during extended working hours for emergency services by firefighters, police officers and for authorized seminars of an educational nature to officials and employees.

Registration fee, lodging and travel for attendance at useful public informational or educational workshops and seminars.

UNLAWFUL EXPENDITURES BY A GOVERNMENTAL UNIT
Contributions or appropriations which are not specifically authorized by the Constitution or State Statute cannot be authorized regardless of the worthiness of the cause. Examples of such prohibited expenditures where there is no contract for specific services to lawful wards or functions of the local unit have been negotiated are as follows:

- Contributions to churches, veterans, non-profit organizations.
- Payment of funeral expenses for a person injured on government property.
- Donations to a private ambulance or EMS service not under contract with the governmental unit.
- Donations, including use of property or equipment to Little League, Scouts, Big Brothers/Sisters.
- Donations to community organizations.
- Expenses for private road construction or maintenance.
- Office refreshments, picnics.
- Presents to officials and employees or retirement recognition events.
- Flowers to the sick or departed.
- Mileage of officials and employees to and from their residence to the city, township or village hall, county building or meeting rooms.
- Per diem compensation to township supervisor, clerk and treasurer on a salary basis for attending township board meetings. (Check City and Village Charters for their compensation procedures or restrictions) Extra compensation for summer tax collections unless part of the initial salary resolution or authorized within statutory procedures for an increase in salary.
- Extra compensation for special elections unless part of initial salary resolution or authorized under statutory procedures for an increase in salary.

The foregoing is not intended to be an exhaustive list of legal or illegal expenditures, but is an attempt to explain the most common questions and concerns raised on these issues.

We again advise that this information consists of a narrative addressing a few legal citations concerning governmental expenditures. It is intended for training purposes only and should not be considered a legal interpretation of the items presented. Please consult your legal advisor if a legal opinion is needed.

Personnel from our office are available to assist you.
Michigan Department of Treasury
Local Audit and Finance Division
4th Floor, Treasury Building
Lansing, Michigan 48922
Phone (517) 373-3227

Karry Hepting, CPA
Adminidtrator/Controller

MEMO

To: Board of Commissioners

From: Dena Alderdyce, Finance Director

Date: October 26, 2021

Re: American Rescue Plan Act Funding County Department Proposals

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As you may be aware, Administration solicited project proposals from County departments back in September for ARPA funding consideration. The Administration team reviewed these proposals to determine whether they would be an allowable expenditure under the ARPA funding. The Federal Government is stating that as long as we follow the latest Interim Final Rule, the expenditures would not be subject to recoupment. Therefore we made sure that each project that was proposed would fall under one of the ARPA categories.

Each department that submitted a project needed to fill out the project form and explain how the expenditures related to the COVID 19 Public Health emergency or explain what economic harm it would address.

Attached is a list of the projects that we received. A majority of the proposals are in relation to enhancing remote work operations. During the pandemic, it was clear that while the county did have some infrastructure in place for remote operations, we did need to enhance the connectivity across the county departments.

At this time we are requesting that the proposals be broken into 2 phases. Phase I projects have all been determined to qualify under the ARPA. Phase II projects need more clarification and to see if these will be mandated by SCAO. If so, any mandates from SCAO should be funded by the State. Also, the laptops are currently under a 2 year warranty and are not up for replacement for another 2 years. We would plan to replace them in 2 years with ARPA funding.

We are requesting that the board reserve $1,036,458 for the County department ARPA projects for Phase I and II.

American Rescue Plan Act - Department Project Requests

PHASE I

Administration			
1	Update equipment for remote meetings in conference room and auditorium	34,000	
2	26 Mile Road corridor study for water/sewer infrastructure investment	144,635	178,635
Animal Control			
1	Wifi added to building and 3 webcams for Zoom court hearings	3,000	
2	Kennel repairs for housing animals, increase in animals as result of pandemic	4,000	7,000
Courts			
1	Installation of permanent glass barriers in remaining offices	26,500	
2	Polycom for referee courtroom and FOC referees (4 rooms)	33,850	
3	Courthouse wi-fi upgrades	12,000	
4	Courtroom cameras - install digital cameras	3,000	
5	Marine City wireless connection to I/C, backup connection	70,000	
6	Storage - increased recording storage for courtrooms, increase resolution	225,000	
7	Judge Armstrong holding cell for inmates before trials	76,500	446,850
Jail/Sheriff/Courts			
1	Backup microwave link from IC/Dispatch to Courthouse-equip upgrade, connection	60,000	60,000
Jail			
1	3 Temperature scanners	6,000	
2	Wireless Access Points for connection inside building ($1,500 x 3)	4,500	10,500
Maintenance			
1	Emergency Mgmt Fresh Air/Sanitizer Project	3,000	
2	Replacement MEW V-10 Air Fileters at all sites	4,850	
3	Restroom - Hands free fixtures (sinks/toilets)	5,550	
4	Animal Control - Power Exhaust Roof Fans	10,950	24,350
Prosecuting Attorney			
1	Projector, camera, phone intercom for conference room	4,000	4,000
			731,335

PHASE II

Courts		
Portable courtroom reporting equipment for offsite proceedings	34,824	
Cynapp - Allows remote evidence presentation in courtroom	88,299	
Judge Armstrong courtroom remodel to space people apart	125,000	
32 laptops/chromebooks for attorneys	57,000	**305,123**
Total Phase I and Phase II		**1,036,458**

Projects that do not qualify under the American Rescue Plan Act

Courts		
Security upgrades to courthouse swipe card readers, 8 panel box	117,816	
Communications		
Dispatch encryption and backup encrypted radios	71,460	
Prosecuting Attorney		
Office furniture to add 2 staff members working under the CESF grant	6,305	**195,581**