
Members Absent: None.

1. CALL TO ORDER: Doe called the meeting to order at 4:00 p.m.

2. MINUTES OF THE PREVIOUS MEETINGS: Motion by Namatevs to receive and file the minutes of the July 26, 2005 meeting. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

3. NEW BUSINESS:

A. Request to Approve – Request for Proposal re: Organization Analysis - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the request for proposals for the organization analysis. He indicated that the Personnel Committee met on August 12, 2005 to make final adjustments to the document. Mr. Thomas also explained that dates for receiving proposals has been extended in order to accommodate the Authority’s desire to advertise the RFP in national publications. He pointed out that the organization analysis is in response to the special Board meeting held on April 13, 2005.

Mr. Thomas recommended approval of the Request for Proposal re: Organization Analysis.

Edward B. Koryzno commented that the Personnel Committee did indeed meet and considered the suggestions for vendors received from the Board, the YCUA auditor, the YCUA labor attorney, the Michigan Municipal League, and a team-building consultant. He added that the Personnel Committee solicited suggestions from the union but none were received. Mr. Koryzno indicated that a list has been compiled of 20 potential...
vendors, which will all be contacted. He also advised that the RFP will be advertised in publications such as Craine’s Detroit Business as well as any applicable trade journals to provide the widest exposure possible.

Mr. Koryzno reiterated that the desire to advertise nationally will delay the bid opening to November 15th, at which time the evaluation committee will begin preparing a recommendation to the YCUA Board for the January 2006 Board meeting.

He indicated that, in response to concerns regarding interviewing of employees, the RFP is worded so that each vendor will describe its individual interview process so that the committee can examine each thoroughly. Mr. Koryzno also advised that the Personnel Committee recommends that retirees and former employees not be included in this process as it is meant to move the organization forward in a positive direction, which is best accomplished by interviewing the current employees. He concluded by stating that he was happy to answer any questions.

Motion by Koryzno to approve the Request for Proposal re: Organization Analysis. Support by Namatevs. In favor: Four. Opposed: One. (Motion carried)

B. Request to Approve – Agreement to Permit Superior Charter Township’s Third Connection to the YCUA Water Utility System - Larry R. Thomas

Mr. Thomas directed the Board’s attention to an agreement regarding a third connection of the Superior Township water system into the YCUA system. He indicated that the connection will be made at the intersection of LeForge and Clark Roads. Mr. Thomas also explained that, due to the configuration of the pipe work in the area, a short piece of existing water main will become dead-end rather than looped. He pointed out that YCUA had originally requested that Superior Township construct an additional main to re-loop the main in question but that, due to easement issues, they were unable to accomplish this.

Mr. Thomas explained that, as an alternative, Superior Township has agreed to pay to YCUA $100,000, which the Authority will use at a future time to re-loop the main when an easement becomes available. He further advised that YCUA attorney Thomas E. Daniels reviewed the agreement and has advised that the language is acceptable. Mr. Thomas stated that the agreement is a good compromise to resolve the situation.

Mr. Thomas recommended approval of the request for authorization for him to sign the agreement to permit Superior Charter Township’s third connection to the YCUA water utility system.
Edward B. Koryzno, Jr. commented that he was involved in the initial discussion on this topic and is disappointed that the easement wasn’t obtained since that is obviously best for the system. He asked some of the costs be recouped from the developer if the loop project is delayed considerably, causing a substantial increase in the cost. Mr. Thomas responded that if, at any time, the property is developed, the new owner must install the main at its expense. He added that there is language in the agreement with Superior Township indicating that if there is development on the property within five years, YCUA must refund the $100,000.

Motion by Wagner to approve the request for authorization for Larry R. Thomas to sign the agreement to permit Superior Charter Township’s third connection to the YCUA water utility system. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

C. Request to Approve – Resolution No. 05-15 re: Treasury Management Services - Larry R. Thomas

Mr. Thomas advised the Board that this is a resolution required by the YCUA’s primary banking provider, National City, which adds the Authority’s new Finance Director, Jeffrey L. Williams, to the list of signatories. He indicated that, as Finance Director, Mr. Williams needs to be able to access the Authority’s financial information.

Mr. Thomas recommended approval of Resolution No. 05-15 re: Treasury Management Services.

Motion by Wagner to approve Resolution No. 05-15 re: Treasury Management Services. Support by Scott. In favor: All. Opposed: None. (Motion carried)

D. Request to Approve – Resolution No. 05-16 re: MERS Health Care Savings Program - Larry R. Thomas

Mr. Thomas directed the Board’s attention to a resolution from MERS. He indicated that approval of this resolution will allow the Authority to set up a retired employees’ health care trust fund. Mr. Thomas also explained that the creation of this trust will permit the Authority to begin funding for an expense that YCUA anticipates will grow at a rate much faster than the rate of inflation. He pointed out that the budget that will be considered later in the meeting allocates $1,960,600 as next year’s contribution to the trust fund. Mr. Thomas advised that YCUA attorney Thomas E. Daniels has reviewed the resolution and concurs that it is in compliance with the Authority’s needs.

Mr. Thomas recommended approval of Resolution No. 05-16 re: MERS Health Care Savings Program.

Edward B. Koryzno, Jr. inquired as to whether the agreement allows for flexibility in the future in terms of a proactive response as opposed to a
reactive response. Mr. Thomas responded affirmatively, indicating his feeling that this program would allow for that. Gwyn Belcher concurred, indicating that the Authority could simply qualify eligible groups.

J. Ray Scott commented that this is a very proactive piece from the Authority administration to head off the general aging of the work force and budgeting for any problems that could occur down the road. He congratulated YCUA management for stepping out and taking action.

Motion by Namatevs to approve the Resolution No. 05-16 re: MERS Health Care Savings Program. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

E. Request to Approve – Final Acceptance of Airport Industrial Park Project - T. Michael Jessee

Mr. Jessee reminded that Board that the Airport Industrial Park in Ypsilanti Township was built around 1980. He indicated that, as part of this new construction, water and sewer mains and a sewage pump station were installed on those grounds. Mr. Jessee also explained that, since that time, YCUA has treated their water and sewer system as a private system, meaning that any problems with those mains or the pump station would not be repaired by the Authority but by the property owner.

He pointed out that it recently came to YCUA’s attention that, in 1980, easements were prepared and recorded and that the infrastructure was dedicated to and accepted by the Authority. Mr. Jessee explained that the owner of the property recently spent $4,110 on repair and maintenance work at the pump station and has requested reimbursement. He further advised that properly recorded easements and an infrastructure agreement have recently been discovered, which require the Authority to formally accept the infrastructure as well as reimburse the property owner for his expenses. Mr. Jessee stated that there are sufficient funds available.

Mr. Jessee recommended approval of the acceptance water and sewer mains in the Airport Industrial Park and to reimburse Airport Industrial Center LLC in the amount of $4,110.

Mark Namatevs requested verification that documentation has been provided that the current property owner has indeed spent $4,000 as indicated. Mr. Jessee responded that that documentation has indeed been received. Mr. Namatevs also inquired as to the existence of any prior maintenance agreements that the Authority could be held liable for. Mr. Jessee responded that this is the only claim being made. Thomas E. Daniels interjected that he spoke with Bill Kinley and that he indicated that his records show no claims. Mr. Thomas advised that this agreement does not set any precedent for any prior claims or any subsequent claims whatsoever.
Motion by Namatevs to approve the acceptance of water and sewer mains in the Airport Industrial Park and to reimburse Airport Industrial Center LLC in the amount of $4,110. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

F. Request to Approve – Warner Street Construction Services Proposal from Orchard, Hiltz, and McCliment - T. Michael Jessee

Mr. Jessee advised the Board that the Authority is preparing to replace the water main in Warner Street in the City of Ypsilanti in conjunction with a paving project at that location. He directed the Board’s attention to a proposal from Orchard, Hiltz, and McCliment for construction services on the water main portion of the project. Mr. Jessee also explained that OHM provides the Authority’s construction inspection services in such projects. He pointed out that this item can be paid from unrestricted funds through the capital acquisition budget.

Mr. Jessee recommended approval of the proposal from Orchard, Hiltz, and McCliment for construction services on the water main portion of the Warner Street project with a budget of $40,000 to be paid from unrestricted funds through the capital acquisition budget along with a $4,000 contingency.

Motion by Koryzno to approve the proposal from Orchard, Hiltz, and McCliment for construction services on the water main portion of the Warner Street project with a budget of $40,000 to be paid from unrestricted funds through the capital acquisition budget along with a $4,000 contingency. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

G. Request to Approve – Road Excavation Repairs - T. Michael Jessee

Mr. Jessee advised the Board that, each year, the Authority open-cuts several roads in the City and Township to affect emergency repairs. He indicated that, during the summer of each year, YCUA hires a contractor to repair all of the Authority’s road cuts made during the previous season.

Mr. Jessee also explained that a request for proposals was prepared and advertised pursuant the Authority’s policy. He pointed out that bids were opened on August 12th and that three bids were received with the lowest bid from Belden Asphalt Company in the amount of $94,751. Mr. Jessee explained that road repairs must be done pursuant to City of Ypsilanti Department of Public Works and Washtenaw County Road Commission requirements. He further advised that this is an O & M expense as budgeted yearly.

Mr. Jessee recommended approval of the road excavation repairs contract with Belden Asphalt Company in the amount of $94,751 plus a contingency amount of $14,249, for a total of $109,000.
J. Ray Scott inquired as to whether the contingency amount is high enough to offset any possible additional costs. Mr. Jessee responded that the amount is well within the ballpark and that he expects the project to actually come in $4,000 - $5,000 less than what is budgeted.

Motion by Koryzno to approve the road excavation repairs contract with Belden Asphalt Company in the amount of $94,751 plus a contingency amount of $14,249, for a total of $109,000. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

H. Request to Approve – Wastewater Treatment Plant Construction Phase Services Amendment No. 2 - T. Michael Jessee

Motion by Namatevs to table this item pending further discussion. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

I. Request to Approve – Change Order No. 19 re: Wastewater Treatment Plant Expansion/Improvements Project - T. Michael Jessee

Mr. Jessee directed the Board’s attention to Change Order No. 19 for the wastewater treatment plant expansion/improvements project as well as his memo regarding the change order. He indicated that the change order covers several items addressed in his memo and represents an increase in the project cost in the amount of $229,648. Mr. Jessee also explained that this change order brings total changes to $2,358,340. He pointed out that the change order addresses items that were discovered during the project as well as changes that YCUA staff requested. Mr. Jessee explained that there are sufficient funds in the contingency fund to cover this increase. He went on to give a detailed report of the individual items in excess of $10,000.

Mr. Jessee recommended approval of Change Order No. 19 for the wastewater treatment plant expansion/improvements project in the amount of $229,648.

Philip W. Wagner inquired as to how item no. 1901 was missed on the original documents. Mr. Jessee responded that it was omitted from the bidding documents and the prints used for the bidding process.

Motion by Scott to approve Change Order No. 19 for the wastewater treatment plant expansion/improvements project in the amount of $229,648. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

J. Request to Approve Change Order No. 2 re: DDA Parking Lot Water Main Repaving - T. Michael Jessee

Mr. Jessee directed the Board’s attention to information regarding Change Order No. 2 for the DDA parking lots water main replacement project. He indicated that his memo describes the five issues in the change order. Mr.
Jessee also explained that Change Order No. 2 increases the cost of the project by $20,152.08. He pointed out that conditions unanticipated in the original contract were encountered, resulting in increased cost to the contractor, which is now being billed to us. Mr. Jessee explained that funds are available to cover this expense.

Mr. Jessee recommended approval of Change Order No. 2 for the DDA Parking Lot Water Main Repaving in the amount of $20,152.08.

Mark Namatevs commented that he was under the impression that the damage to the bakery building was caused by the contractor and inquired as to why the Authority is paying for something that seems outside of its realm of responsibility. Mr. Jessee responded YCUA was responsible for maintaining public safety and traffic and, therefore, instructed the contractor to stop work until that building’s structural integrity was investigated and also installed temporary stone. Therefore, he indicated, there was a period of approximately 10 days where costs were incurred that fell within YCUA’s responsibility. Mr. Jessee added that there is a damage claim between the contractor and the owner of the bakery rumored in the amount of $15,000 and that that issue has nothing to do with YCUA.

Philip W. Wagner inquired as to how much stone YCUA installed and, if it was removed, what was done with it. Mr. Jessee responded that 75 cubic yards of dirt was removed and 44.98 tons of MDOT 21AA stone was installed. Mr. Wagner commented that the cost on the stone was probably $10.00 per ton with delivery. Mr. Jessee responded that YCUA was charged $337.50 for the removal of the dirt and $427 for the stone itself. He added that the Authority also incurred eight hours of straight time and two hours of overtime for the foremen, eight hours of straight time and 12 hours of overtime for the operator, and eight hours straight time and two hours of overtime for two laborers. Mr. Wagner responded that from his professional experience, that is a lot of labor to put in that much stone.

Motion by Wagner to table the item pending further investigation. Support by Koryzno. In favor: All. Opposed: None. (Motion carried)

K. Request to Approve Purchase of Computer Network Server - T. Michael Jessee

Mr. Jessee advised the Board that a request for proposals for a new computer network server was prepared and advertised in compliance with the Authority’s purchasing policy. He indicated that seven servers will be purchased, three for wastewater treatment, one for the service center, one for email, and four for disaster recovery to backup the Civic and Kronos server. Mr. Jessee added that this purchase will include security solutions including spy ware, virus, email spam, Internet scanning and monitoring...
and firewall protection as well as set up on user desktops and print servers and consolidation of GroupWise and Internet email.

He stated that bids were opened on August 12th. Mr. Jessee also explained that seven contractors responded but four did not meet minimum specifications. He pointed out that IDSI was the low bidder meeting all specifications at $81,807.07. He pointed out that this is a budgeted item.

Mr. Jessee recommended approval of the purchase of new computer network server from IDSI in the amount of $81,807.07.

Mark Namatevs inquired as to what kind of ongoing updates will IDSI or the software manufactures provide. Mr. Jessee responded that a two-year contract is typical and he assumes that something similar will be part of the purchase price.

Philip W. Wagner inquired as to how much was budgeted for this item. Mr. Jessee responded that $100,000 was projected for this particular purchase.

Motion by Namatevs to approve the purchase of new computer network server from IDSI in the amount of $81,807.07. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

L. Request to Approve Engineering Services for Bradley/Snow/I-94 Water Main Improvements, Ecorse/Emerick/I-94 Water Main Improvements, and Hewitt/Congress/Valley Water Main Improvements - T. Michael Jessee

Mr. Jessee reminded the Board that YCUA’s capital improvement plan for next year’s construction projects includes three areas in Ypsilanti Township: Bradley/Snow/I-94, Ecorse/Emerick/I-94, and Hewitt/Congress/Valley. He indicated that YCUA has applied for DWRF funds for these three projects and is pursing them through MDEQ.

Mr. Jessee also explained that, in order to stay on schedule, the engineering phase needs to begin now. He directed the Board’s attention to a proposal from Orchard, Hiltz, and McClinton for design services for the three projects. Mr. Jessee explained that the lump sum fee for all three projects is $532,000. He further advised that if these projects are funded by the DWRF loan program, the cost associated with the design is eligible for reimbursement. Mr. Jessee stated that if the projects do not proceed, he would recommend that the engineering costs be paid out of unrestricted capital acquisition funds.

Mr. Jessee recommended approval of the proposal from Orchard, Hiltz, and McClinton for the engineering services for 2006 Drinking Water Revolving Fund projects in the lump sum fee of $532,000.
Motion by Koryzno to approve proposal from Orchard, Hiltz, and McCliment for the engineering services for 2006 Drinking Water Revolving Fund projects in the lump sum fee of $532,000. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

M. Request to Approve – Huron Street/Huron River Drive Agreement - T. Michael Jessee

Mr. Jessee directed the Board’s attention to an agreement between the Washtenaw County Road Commission and YCUA regarding the Huron Street/Huron River Drive road project. He indicated that the county road commission will be realigning the Huron River Drive/Huron Street intersection in Ypsilanti Township. Mr. Jessee also explained that as part of this project, the water main will be relocated and replaced. He pointed out that the WCRC will bid the water main relocation as part of their project and YCUA will reimburse them for their expenses. Mr. Jessee explained that staff is estimating the water main construction costs at approximately $38,100, engineering at $3,100, with a recommended contingency of $3,800 for a total project cost of $45,000.

He further advised that the county should get a better price for the water main replacement as part of their larger project than could be done with an independent bid. Mr. Jessee stated that, additionally, the project should go more smoothly with one contractor for the entire project. He acknowledged that sufficient unrestricted capital acquisition funds are available.

Mr. Jessee recommended approval of the request for authorization to enter into an agreement with the Washtenaw County Road Commission regarding the water main relocation/replacement at the Huron Street/Huron River Drive intersection the amount of $38,100 with engineering totaling $3,100 and a recommended contingency of $3,800 for a total project cost of $45,000.

Motion by Scott to approve the Washtenaw County Road Commission regarding the water main relocation/replacement at the Huron Street/Huron River Drive intersection the amount of $38,100 with engineering totaling $3,100 and a recommended contingency of $3,800 for a total project cost of $45,000. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

N. Fund Balance Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Fund Balance Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Informational only; no motion from the Board required.

Mr. Thomas directed the Board’s attention to the Financial Report – Authority Net Assets Reports for July. He then proceeded to give a detailed report of the information contained in the reports and answered questions from the Board.

Mark Namatevs commended Jeffrey L. Williams on the colorful graphics presented in the report. He inquired as to why operating expenses are down so much. Mr. Thomas responded that, for some line items, the report contains only 10 months of the operating expenses compared to the 12 months reported in the previous report.

Informational only; no motion from the Board required.

P. Usage Report – Consumption Report - Larry R. Thomas

Mr. Thomas directed the Board’s attention to the Usage Report – Consumption Report. He then proceeded to give a detailed report of the information contained in the report and answered questions from the Board.

Edward B. Koryzno, Jr. inquired as to whether the positive position in the City Division is because the report now compares apples to apples in terms of the billing software. Mr. Thomas responded affirmatively.

Philip W. Wagner commented that he is still concerned that Augusta Township’s consumption is not reflecting the remarkable growth in that area. Mr. Thomas reminded him that part of that is due to the same timing issues as in the City of Ypsilanti, particularly since last year, Augusta Township was billed on a bi-monthly cycle. He added that Lakeview Mobile Home Park is under new management and he thinks they are watching their water consumption more closely than the previous owners.

Informational only; no motion from the Board required.

Q. Director’s Report - Larry R. Thomas

Mr. Thomas advised the Board that, as part of the fiscal year 2005 - 2006 budget, there are two new staff positions. He reminded them that five other positions have been delayed until such time as flows from WTUA can finance those costs. Mr. Thomas indicated that both the Personnel and Finance Committees reviewed the information and concur with the plan.

4. OLD BUSINESS:

R. Request to Approve – Fiscal Year 2005 –2006 Budget (Tabled Item) - Larry R. Thomas

Motion by Wagner to remove this item from table. Support by Scott. In favor: All. Opposed: None. (Motion carried)

Mr. Thomas directed the Board’s attention to the draft budget for fiscal year 05-06. He indicated that water and sewer sales have been projected
based on activities of the previous two years as well as the Authority’s ongoing conversations with the Authority’s major customers. Mr. Thomas also explained that the budget includes an increase the water rate for both divisions of 4.6% and a sewer rate increase of 2.0%.

Mr. Thomas explained that the largest increase in expenses is due to the creation of a retired employee health trust fund. He further advised that the creation of this fund will reduce the liability YCUA is accruing from the increases in costs for the Authority’s retired employees’ health care. Mr. Thomas stated that he is recommending a payment into this health trust fund this year of $1,960,600. He acknowledged that, from this fund, current retired employees’ health care expenses will be paid and the excess invested to cover future liabilities. Mr. Thomas confirmed that he met with representatives from MERS regarding the creation of this health trust fund. He explained that he is recommending that YCUA enter into an agreement with MERS in order for them to perform an actuarial analysis of the Authority’s liabilities and provide a recommendation on the amount to fund this trust on a yearly basis. Mr. Thomas pointed out that the budget must be approved prior to September 1st, the beginning of the Authority’s new budget year.

Mr. Thomas recommended approval of the budget for fiscal year 2005-2006 along with approval to enter into an agreement with MERS to create the retired employees’ health trust fund and a payment into this health trust fund this year of $1,960,600.

Motion by Wagner to approve the budget for fiscal year 2005-2006 along with approval to enter into an agreement with MERS to create the retired employees’ health trust fund and a payment into this health trust fund this year of $1,960,600. Support by Scott. In favor: All. Opposed: None. (Motion carried)

S. Request to Approve – Award of Bid for Engineering Services re: Bridge Road Demolition Project (Tabled Item) - T. Michael Jessee

Motion by Koryzno to remove this item from table. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

Mr. Jessee reminded the Board that, at the May meeting, this item was tabled due to an unintentional omission in the memo from Scott D. Westover. He reiterated that the Bridge Road facility is an attractive nuisance and that Meadowbrook Insurance Company, the Authority’s general liability insurance provider, has been recommending for years the demolition or disposal of this facility due to the possibility of trespassers being injured on the Authority’s grounds.

Mr. Jessee stated that the Ypsilanti Township Board requested time to investigate possibilities for reuse of the building and that last month, they moved that they would not accept the building in its present condition.
Mr. Jessee directed the Board’s attention to Mr. Westover’s completed memo. He pointed out that YCUA is in a position to begin the Authority’s demolition activities on the property, specifically the preparation of engineering documents. Mr. Jessee explained that requests for proposals for engineering services were prepared, advertised, and opened in May in compliance with the Authority’s bidding procedures. He further advised that staff is recommending that the contract for demolition engineering services be awarded to Ayres, Lewis, Norris, and May with a budget of $78,950. Mr. Jessee stated that this is a budgeted item.

Mr. Jessee recommended approval of the award of the engineering services contract on the Bridge Road water treatment plant demolition to Ayres, Lewis, Norris, and May with a budget of $78,950.

Philip W. Wagner inquired as to whether all options for the reuse of the property have fallen by the wayside. Mr. Jessee responded affirmatively. Larry R. Thomas interjected that there is still time for someone to come forward since this is only the engineering phase. J. Ray Scott added that only serious proposals taking into consideration cost and liability can be considered. He commended YCUA’s attorney for his due diligence in looking at the possibilities with that in mind.

Motion by Koryzno to approve the award of the engineering services contract on the Bridge Road water treatment plant demolition to Ayres, Lewis, Norris, and May with a budget of $78,950. Support by Wagner. In favor: All. Opposed: None. (Motion carried)

5. OTHER BUSINESS:

Edward B. Koryzno, Jr. thanked Mr. Scott for his comments relative to the MERS health care savings item. He reiterated that, in presenting this item, the YCUA administration was both retrospective and prospective.

Mr. Koryzno advised the Board that it is once again time for the director’s evaluation. He distributed a packet of information relative to the same and indicated that the form will be emailed to them as well. Mr. Koryzno indicated that Mr. Thomas will complete his self-assessment and, at the end, each Board member will document the goals that should be made priority for the next year. He stated that the completed forms should be sent to him for compiling by September 16th.

Mr. Koryzno indicated that the composite evaluation will be presented to the Board at the September 27th meeting at which time Mr. Thomas and the Board will share his self-assessment followed by a discussion to identify the goals for the coming year. Mr. Koryzno advised that Mr. Thomas will also be sharing his progress report on this year’s goals within the next week or two.
6. **STATEMENTS AND CHECKS:** Motion by Namatevs to pay the bills in the amount of $4,842,711.61 plus an addendum in the amount of $988,048.42. Support by Wagner. In favor: All. Opposed: None. (Motion carried.)

7. **PUBLIC COMMENTS:**

There were no public comments for the month.

8. **ADJOURNMENT:** Motion by Wagner to adjourn the meeting at 5:09 p.m. Support by Namatevs. In favor: All. Opposed: None. (Motion carried)

Respectfully submitted,

MARK NAMATEVS, Secretary/Treasurer
CERTIFIED TREASURY MANAGEMENT RESOLUTIONS
For Corporations, Unincorporated Associations, and Governmental Entities

I, Mark Namatevs, Secretary-Treasurer of the Board of Commissioners of Ypsilanti Community Utilities Authority, a(n) Municipal Corporation organized under the laws of the State/Commonwealth of Michigan, do hereby certify that (a) at a meeting of the governing body duly called and held, at which meeting a quorum of the governing body was present and voting, or (b) by an action without a meeting as authorized under the laws of the State, such as a writing or writings filed with or entered upon the records of the entity, resolutions, of which the following are a full and true copy as appears by said records, were duly adopted, and the proceedings of the governing body were in accordance with the rules and regulations, if any, of the entity, and that the resolutions as set forth below are now in full force and effect.

RESOLVED, that this entity enter into agreements with NATIONAL CITY BANK OF MICHIGAN/ILLINOIS ("Bank"), from time to time, to furnish treasury management services to this entity, which agreements may relate to one or more of the deposit accounts of this entity with Bank;

RESOLVED FURTHER, that, in connection herewith, (a) any of the following, namely: be and each of them is authorized for and on behalf of this entity to execute and deliver to Bank such agreements and other writings, if any, as Bank may require, which agreements and other writings, if any, each shall be in such form and contain such representations, agreements, authorizations, waivers, and other provisions as Bank may require and as the person executing such agreements on behalf of this entity may approve, and (b) any of the following, namely: be and each of them is authorized for and on behalf of this entity to make and do all such further and other acts and things, including, but not limited to, supplying operational and procedural information to Bank, as Bank may from time to time deem necessary or advisable in connection with the foregoing, and, in each case, any such person's execution thereof or other acts in connection therewith shall be conclusive evidence of his or her approval and the approval of this governing body;

RESOLVED FURTHER, that the authority of the aforesaid individuals shall not impinge upon or expand the authority previously, concurrently, or hereafter granted to certain employees of this entity for the transaction of business in connection with deposit accounts of this entity with Bank, and that Bank's treasury management personnel may rely exclusively on the authority herein granted without reference to any such resolution of this governing body;

RESOLVED FURTHER, that all such agreements and other writings heretofore executed and delivered to Bank and other acts taken in connection therewith on behalf of this entity are hereby ratified, confirmed, and approved by this governing body; and

RESOLVED FURTHER, that a certified copy of these resolutions and a certification of the names, titles and specimen signatures of the persons herein authorized to act on behalf of this entity shall be furnished to Bank, and that Bank is authorized to rely on these resolutions and such certification until written notice of any change therein, in a form satisfactory to Bank, shall have been received by an appropriate officer of Bank.

I further certify that set forth below is the name, title, if any, and specimen signature of each person authorized above to act on behalf of the entity and that, where a title appears, such person is a duly elected and acting officer of the entity with the title indicated.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Specimen Signature</th>
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<tbody>
<tr>
<td>Larry R Thomas</td>
<td>Director</td>
<td>Larry R Thomas</td>
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<tr>
<td>Jeffrey L Williams</td>
<td>Finance Director</td>
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<tr>
<td>Venita A Terry</td>
<td>Accountant</td>
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<tr>
<td>Cathryn G Moorman</td>
<td>Cust Serv Manager</td>
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Certified at Ypsilanti, Michigan, on the 23rd day of August, 2005.

SIGNED: Mark Namatevs, Secretary-Treasurer
VCUA RESOLUTION No. 05-16

HEALTH CARE SAVINGS PROGRAM
DEFINED BENEFIT PROGRAM PLAN 3

UNIFORM RESOLUTION

YPSILANTI COMMUNITY UTILITIES AUTHORITY
(Participating Employer)

Municipal Employees’ Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917
517-703-9030

Adopted: May 14, 2003
(As amended August 11, 2004)
UNIFORM RESOLUTION ADOPTING THE MERS HEALTH CARE SAVINGS PROGRAM: DEFINED BENEFIT PROGRAM PLAN 3

(EXCLUDING PLANS GOVERNED BY INTERNAL REVENUE CODE SECTION 401(H))

WHEREAS, the Municipal Employees’ Retirement System (“MERS”) Plan Document of 1996, effective October 1, 1996, authorized the Municipal Employees’ Retirement Board (“Board”) to establish additional programs including but not limited to defined benefit and defined contribution program (MERS Plan Document Section 36(2)(a)); and the Municipal Employees Retirement Act of 1984, Section 36(2)(a) as amended by 1996 PA 220, MCL 38.1536(2)(a));

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

WHEREAS, the Board has established a governmental trust under Section 115 of the Internal Revenue Code (the “Trust Fund”) to hold the assets of the HCSP, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS’ duly-appointed Program Administrator;

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

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

WHEREAS, adoption of this Uniform Resolution (the “Uniform Resolution”) by the Eligible Employer is necessary and required in order that the benefits available under the MERS Health Care Savings Program -Defined Benefit Program Plan 3 may be extended;

WHEREAS, this Uniform Resolution has been approved by the Board under the authority of 1996 PA 220, MERS Plan Document Section 36(2)(a), MCL 38.1536(2)(a), declaring that the Board “shall determine . . . and establish” all provisions of the retirement system. The MERS HCSP shall not be implemented with respect to any Eligible Employer unless in strict compliance with the terms and conditions of this Resolution, the HCSP Document, and Trust Agreement.
• It is expressly agreed and understood as an integral and nonseverable part of extension or continuation of coverage under this Uniform Resolution Adopting MERS HCSP-Defined Benefit Program Plan 3 that Section 43B of the MERS Plan Document shall not apply to this Uniform Resolution, its administration or interpretation.

• In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS HCSP-Defined Benefit Program Plan 3 is made or occurs, under MERS Plan Document Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty: to administer (or to have administered) the MERS HCSP or its Trust Fund; or to continue administration.

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts the MERS PA 149 Health Care Trust Fund as provided below.

SECTION 1. MERS PROGRAM PLAN 3 PARTICIPATION

EFFECTIVE August 23, 2005, the MERS HCSP-Defined Benefit Program Plan 3 is hereby adopted by the YPSILANTI COMMUNITY UTILITIES AUTHORITY (MERS municipality or court or other Eligible Employer).

CONTRIBUTIONS shall be made only by the Eligible Employer, remitted to MERS by the Eligible Employer, and credited to the Eligible Employer’s separate fund within the trust sub-fund for MERS HCSP-Defined Benefit Program Plan 3.

INVESTMENT of funds accumulated and held in the Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to the Public Employee Retirement System Investment Act (“PERSIA”), 1965 PA 314, as provided by MERS Plan Document Section 39; MCL 38.1539, and PA 149.

THE ELIGIBLE EMPLOYER shall abide by the terms of MERS HCSP-Defined Benefit Program Plan 3, including all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.

SECTION 2. IMPLEMENTATION DIRECTIONS FOR MERS AS HCSP INVESTMENT FIDUCIARY AND TRUSTEE

(A) The governing body of this Eligible Employer desires that all assets placed in its MERS HCSP Trust Fund-Defined Benefit Program Plan 3 (as a sub-fund within all pooled HCSP Trust Funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.
(B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS HCSP Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all HCSP funds held in trust for all Eligible Employers.

(C) All monies in the MERS HCSP Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of "Eligible Employees" who shall constitute "qualified persons" who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.

(D) The Eligible Employer will fund its MERS HCSP Trust sub-fund to provide funds for health care benefits for "Eligible Employees" who shall constitute "qualified persons." Participation in and any coverage under HCSP-Defined Benefit Program Plan 3 shall not constitute nor be construed to constitute an "accrued financial benefit" under Article 9 Section 24 of the Michigan Constitution of 1963, nor shall any contribution method for Eligible Employer funding other than "pay as you go" cash funding be required or imposed, and all benefits, rights, and obligations conferred by or arising under HCSP shall be as provided under the HCSP documents.

(E) The Eligible Employer generically designates the following groups of persons as "Eligible Employees" who shall constitute "qualified persons," to receive retiree health care benefits subsidized under the MERS HCSP trust sub-fund. Groups may include any dependent(s) as specified in your bargaining agreement and/or personnel policy (provide copies of any governing agreement or other policy):

For example "non-union employees"

Non-union employees (executive and confidential employees),
AFSCME employees, and Teamster employees.

(F) Director (use title of official, not name) shall be the Eligible Employer’s HCSP DB Plan 3 Coordinator; shall direct payment of fund monies for the benefit of the Eligible Employees identified in (E) under any MERS (or non-MERS) retiree health care benefit program, including, but not limited to, MERS HCSP DC Plans, or MERS Premier Health; make investment allocations of the Employer’s sub-trust fund within MERS-approved portfolios; receive necessary reports, notices, etc.; shall act on behalf of the Eligible Employer; and may delegate any administrative duties relating to the Fund to appropriate departments.

(F) Every 2 years (unless the Employer directs the Program Administrator that an annual valuation be performed), MERS’ actuary shall make an actuarial determination of each Eligible Employer’s account, with assets valued on a market basis. The cost of this actuarial determination shall be charged as an administrative expense to the Eligible Employer’s Defined Benefit Program Plan 3 account.
SECTION 3. EFFECTIVENESS OF THIS RESOLUTION

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

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

I hereby certify that the above is a true copy of the Resolution Adopting the MERS Health Care Savings Program: Defined Benefit Program Plan 3 adopted at the official meeting held by the governing body of this municipality:

On Tuesday, August 23, 2005

Mark Namatevs, Secretary-Treasurer

As Plan 3 is funded solely by employer, on a cash or actuarial basis as determined by the employer, there is no requirement for a Participation Agreement establishing the schedule of contributions.

Please send MERS fully executed copy of:
1. This HCSP-DB Program Plan 3 Uniform Resolution
2. Certified minutes stating Governing Body approval; and
3. Union contract language and/or personnel policy

RECEIVED AND APPROVED BY THE MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM OF MICHIGAN

Dated: ____________________, 20____

(Authorized MERS signatory)

HCSP-DB Program Plan 3 Resol 12-17-04
MUNICIPAL EMPLOYEES’ RETIREMENT SYSTEM
RETRIEVE HEALTH FUNDING VEHICLE

CONTACT INFORMATION

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