

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST AGREEMENT**

This Bay County Voluntary Employees' Beneficiary Association Trust Agreement (the "Trust Agreement") was made, effective as of September 30, 2001, by and between Bay County, Michigan (the "County") and the trustees as identified in Section 4.1, or their successors (the "Trustees" or "Board"). Since its original effective date, the Trust Agreement was amended from time to time. The Trust Agreement is now amended and restated in its entirety effective as of September 20, 2022.

RECITALS

WHEREAS, the County and the Adopting Units provide certain medical, dental, vision, and life insurance benefits to certain retirees (and their spouses and dependents) pursuant to the terms of the Plan;

WHEREAS, the Parties desired to establish and maintain a trust exempt from tax under Code §501(c)(9) (which when combined with the Plan constitutes a VEBA Trust) and pursuant to P.A. 149, to accumulate funds, in accordance with applicable law, to help defray the cost of retiree benefits made available under the Plan and to receive contributions for that purpose from the County and the Adopting Units;

WHEREAS, the Internal Revenue Service issued a determination letter on June 25, 2004, indicating that the Trust is exempt from federal income taxation under Code §501(c)(9);

WHEREAS, the Bay County Library System, Bay County Medical Care Facility, and Bay County Road Commission became Adopting Units as of the effective date of the original Trust Agreement;

WHEREAS, the Bay County Department of Water and Sewer became an Adopting Unit effective September 18, 2002;

WHEREAS, Bay Arenac Behavioral Health Authority (previously known as Bay-Arenac Community Mental Health Services) became an Adopting Unit effective April 18, 2002;

WHEREAS, the County desires for the Trust Fund to (1) comply with the applicable requirements of P.A. 149 and P.A. 202; and (2) satisfy the applicable requirements of Statements No. 74 and 75 of the GASB;

WHEREAS, the County desires the Trustees to hold and administer the Trust Fund, and the Trustees are willing to hold and administer such Trust Fund pursuant to the terms of this Trust Agreement;

WHEREAS, Section 5.2 of the original Trust Agreement generally permits the provisions of the Trust Agreement to be amended to the extent such amendment does not cause or allow any

portion of the Trust Fund allocable to the Plan to be used for purposes other than providing Retiree Health Benefits or Other Benefits;

WHEREAS, on September 20, 2022, the Bay County Board of Commissioners approved a resolution authorizing the amendment and restatement of this Trust Agreement; and

WHEREAS, the Parties intend that, unless otherwise amended in the future, or unless an Employer specifies to the contrary with respect to its portion of the Trust Fund, the Trust shall not be funded on an actuarial basis as permitted by P.A. 149 §3(d) (MCL §38.1213(d)).

NOW, THEREFORE, the Parties agree to adopt this amendment and restatement of the Bay County Voluntary Employees' Beneficiary Association Trust Agreement on the following terms:

ARTICLE I DEFINITIONS

The following definitions shall govern the following terms when used in this Trust Agreement, unless otherwise specifically required by the context:

“Adopting Unit” means a Component Unit which has adopted the terms of this Trust Agreement. The current Adopting Units are (1) Bay Arenac Behavioral Health Authority; (2) Bay County Library System; (3) Bay County Medical Care Facility; (4) Bay County Road Commission, and (5) Bay County Department of Water and Sewer. An Adopting Unit may terminate its adoption of this Trust Agreement as provided in Section 6.4. An Adopting Unit may be removed from participation in this Trust as provided in Section 6.5.

“BCERS” means the Bay County Employees' Retirement System.

“Board” means the Bay County VEBA Board of Trustees appointed pursuant to Article IV.

“Code” means the Internal Revenue Code of 1986, as may be amended from time to time.

“Collective Bargaining Agreement” means a collective bargaining agreement entered into between an Employer and any collective bargaining association covering its employees.

“Commissioners” means the Bay County Board of Commissioners.

“Component Unit” means any authority, district, board, or commission whose employees participate in the BCERS.

“County” means Bay County, Michigan.

“Employer” means the County or any of its Adopting Units. The County and the Adopting Units are collectively referred to as the “Employers.” The Bay County Sheriff's Department

(although not a separate Adopting Unit from the County) maintains its own Employer Account (separate from the County) and is therefore considered an Employer (separate from the County) for that purpose.

“Employer Account” has the meaning set forth in Section 3.5.

“Fiscal Year” means the fiscal year under which the Trust shall be maintained ending December 31. However, the Employer Account within the Trust for Bay Arenac Behavioral Health Authority has a fiscal year ending September 30.

“Funding Threshold” means a funded ratio of at least 60% as determined by the Trust’s actuary.

“GASB” means the Governmental Standards Accounting Board.

“Health Care Organizations” means health maintenance organizations, preferred provider organizations, other similar health care provider organizations.

“Open Meetings Act” means the Open Meetings Act, Public Act 1976, No. 267 (as amended), MCL 15.261 *et seq.*

“Other Benefits” means other benefits under other benefit plans, including other life, sick, accident, vacation or other benefits as defined in Code §501(c)(9), which may be funded through a VEBA Trust pursuant to Code §501(c)(9) and P.A. 149 for Retirees or active employees (and their spouses and dependents), as the applicable Adopting Unit, the County, and the Trustees shall from time to time agree shall be funded through the Trust or as may be required to be funded through the Trust, as approved by the County and the Trustees, pursuant to the terms of any Collective Bargaining Agreement and/or non-union administrative / personnel policy. There are currently no Other Benefits being funded through this Trust.

“P.A. 149” means the Public Employee Health Care Fund Investment Act, Public Act 1999, No. 149 (as amended), MCL 38.1211 *et seq.*

“P.A. 202” means the Protecting Local Government Retirement and Benefits Act, Public Act 2017, No. 202 (as amended), MCL 38.2801 *et seq.*

“P.A. 202 Reporting Unit” means an Employer (or multiple Employers) that is considered a separate local unit of government that files its own summary retiree health care report under P.A. 202. Currently, the following P.A. 202 Reporting Units are covered by this Trust: (1) Bay County (including Bay County Medical Care Facility and Bay County Sheriff’s Department); (2) Bay Arenac Behavioral Health Authority; (3) Bay County Library System; (4) Bay County Road Commission; and (5) Bay County Department of Water and Sewer.

“P.A. 314” means the Public Employee Retirement System Investment Act, Public Act 1965 No. 314 (as amended), MCL 38.1132 *et seq.*

“Participant” means a Retiree (or his or her spouse and/or dependent) who is participating in the Plan.

“Parties” means the County and the Trustees.

“Plan” means Bay County Retiree Health Benefit Plan and any applicable provisions of Collective Bargaining Agreements related to retiree medical, dental, vision, and/or life insurance benefits.

“Plan Year” means the 12-month period ending December 31.

“Reduced Funding Threshold” means a funded ratio of at least 50% as determined by the Trust’s actuary.

“Retiree” means a former employee of an Employer who is eligible to receive Retiree Health Benefits, or Other Benefits.

“Retiree Health Benefits” means the medical, prescription, dental, vision, and/or life insurance benefits made available and provided under the Plan.

“Super Funding Threshold” means a funded ratio of at least 120% as determined by the Trust’s actuary.

“Trustees” means the trustees nominated and appointed and successor Trustees designated in the manner provided in Section 4.1. The term “Trustee” means all persons or entities who occupy the office of Trustee under this Trust Agreement, when such persons or entities occupy such office, whether one or more persons or entities occupy the office of Trustees at the same time or times, and includes any successor Trustee.

“Trust” means the Bay County Voluntary Employees’ Beneficiary Association.

“Trust Agreement” means this Bay County Voluntary Employees’ Beneficiary Association Trust Agreement.

“Trust Funds” means the funds which will be contributed to and/or the insurance policies held by the trust created by this Trust Agreement which constitute a trust fund created for the purpose of funding the payment of Retiree Health Benefits and/or Other Benefits.

“Underfunded Status” means underfunded status as determined pursuant to §5(4)(a) of P.A. 202 (MCL §38.2805(4)(a)).

“VEBA Trust” means a voluntary employees’ beneficiary association which is established and maintained pursuant to the requirements of Code §501(c)(9) and its implementing regulations.

ARTICLE II GENERAL

2.1 **Name of Trust.** This Trust Agreement and the trust established by this Trust Agreement shall be known as the “Bay County Voluntary Employees’ Beneficiary Association.”

2.2 **Purpose.** The purpose of this Trust Agreement and the Trust is to do the following:

(a) To provide, through insurance contracts, contracts with Health Care Organizations, or otherwise, Retiree Health Benefits for Retirees and their spouses and dependents, pursuant to the terms of the Plan;

(b) To provide Other Benefits;

(c) Together with the Plan and any Other Benefits funded through this Trust, this Trust shall constitute a VEBA Trust and shall be administered and interpreted so as to comply with the requirements of Code §501(c)(9); and

(d) To provide for the funding of and payment of Retiree Health Benefits through any lawful means in accordance with the Plan for the exclusive benefit of Participants and beneficiaries.

2.3 **Acceptance of VEBA.** By executing this Trust Agreement, the Trustees accept their appointment as such and agree to act as fiduciaries of the Trust.

2.4 **Part of Plan.** This Trust forms a part of the Plan and is used to fund benefits thereunder. The County warrants that it has furnished the Trustees with a true and correct copy of the Plan as currently in effect. The County and each Adopting Unit agree that promptly upon the adoption of any amendment to the Plan (including any Collective Bargaining Agreement provisions related to the provision of Retiree Health Benefits or Other Benefit) it will furnish the Trustees with a copy of the amendment and with an appropriate certificate evidencing its due adoption. The County and each Adopting Unit further agree that no amendment of the Plan shall have the effect of changing the rights, duties, and liabilities of the Trustees without their written consent. The Trustees may rely on the latest Plan documents furnished to them as above provided without further inquiry or verification.

2.5 **Certification of Fiduciaries and Administrator.** The County will certify to the Trustees the name of the person or persons who have authority on behalf of the County to communicate with the Trustees with respect to any matters relating to the Trust. Each Employer shall be responsible for notifying the Trustees of the administrator of the Plan, with respect to the particular Employer’s Retirees. The County shall provide the Trustees with a specimen signature of each of the persons referred to above. The Trustees may rely on the latest relevant certificate without further inquiry or verification. The Trustees shall be fully protected in acting upon written instructions received from the County or the plan administrator. Each P.A. 202 Reporting Unit shall provide the Trustees and the County with a copy of any and all filings made with the Michigan

Department of Treasury in conjunction with compliance with P.A. 202 within 30 days of making such filing.

2.6 **Principal Office.** The principal office and site of the Trust shall be Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708. The Trustees shall have the power to move the principal office of the Trust to another location and to establish other offices, as they deem necessary.

2.7 **Construction and Applicable Law.** The Trust shall conform to all applicable sections of the Code, the laws of the State of Michigan (including but not limited to P.A. 199, P.A. 202, and P.A. 314), the statement of purposes set forth in this Trust Agreement, and all applicable statutes, ordinances, rules, regulations arbitrators' awards and judicial decisions interpreting the forgoing provisions.

2.8 **Fiscal Year.** The Trust shall be maintained on the Fiscal Year.

2.9 **Adoption By Component Units.** This Trust Agreement may be adopted by any Component Unit to fund Retiree Health Benefits for Retirees of such Component Unit by:

(a) Resolution of the governing body of such Component Unit, which shall include a description of how the amount of contributions to be made by such Component Unit will be determined, and whether such contributions will be funded on a discretionary or actuarial basis, an adoption of the Plan for the benefit of Retirees of such Component Unit (which Plan shall thereafter be amended as necessary to describe the Retiree Health Benefits available to Retirees of such Component Unit); and

(b) Resolution of the Commissioners consenting to such adoption and amending the Plan to provide the Retiree Health Benefits available to Retirees of such Component Unit.

ARTICLE III TRUST FUND

3.1 **General.** The Trust shall receive contributions made by the County and the Adopting Units into the Trust Fund to pay their obligations to provide Retiree Health Benefits as set forth in this Article III.

3.2 **Composition.** All sums of money and all securities and other property acceptable to the Trustees and received by them to be held in this Trust, as evidenced by their receipts, from whatever source received, together with all investments made therewith, the proceeds thereof, and all earnings and accumulations thereon, and the part thereof from time to time remaining, shall be held and administered by the Trustees in the Trust Fund. Except as otherwise expressly provided in this Trust Agreement or as otherwise required by P.A. 314 or other applicable laws, the Trust Fund shall be held, administered, and disbursed by the Trustees without distinction between principal and income.

3.3 Amount of Contributions.

(a) Each Employer may, in its discretion, contribute to the Trust an amount necessary or advisable to prefund, amortize or otherwise reduce the unfunded accrued liability for Retiree Health Benefits for future retirees (or for other proper benefits) unless each Employer has agreed to make specific levels of contributions or has agreed to contribute the amount necessary to amortize the cost of benefits on an actuarial basis (in such cases contributions shall be made in such required amounts).

(b) Each Employer shall determine from time to time the amount of its Trust Fund contribution by resolution of its governing body and/or pursuant to any applicable Collective Bargaining Agreement. If an Employer fails to specify an exact Trust Fund contribution amount for a Fiscal Year through resolution of its governing body and/or pursuant to any applicable Collective Bargaining, then such Fiscal Year's contribution amount shall be zero, except as provided in Section 3.3(c) and Section 3.3(d). Unless otherwise provided by resolution and/or Collective Bargaining Agreement, contributions made by an Employer shall be utilized to provide Retiree Health Benefits for that Employer. Where appropriate, the resolution and/or Collective Bargaining Agreement specifying a Trust Fund contribution of an Employer may indicate how it is to be applied within the Trust (for example, to benefit a specified subset of former employees of the Employer or to benefit a specific component of Retiree Health Benefits (e.g., medical benefits only)).

(c) Notwithstanding that each Employer's contribution amount is discretionary, in no event shall an Employer's Trust Fund contribution for a Fiscal Year be less than the amount the Employer saves (in "forgiven" contributions to the BCERS) by reason of funding out of actuarial surplus of the BCERS that Employer's employees' member contributions to BCERS, which member contributions would otherwise be funded by the Employer.

(d) Notwithstanding that each Employer's contribution amount is generally discretionary, each Employer shall make contributions (1) required to ensure that the applicable Employer Accounts associated with a P.A. 202 Reporting Units do not reach Underfunded Status; and (2) as otherwise required by P.A. 202 and any corrective action plan issued thereunder.

(e) Each Employer shall promptly provide the Trustees with the true copies of any resolutions and/or Collective Bargaining Agreements (and amendment thereto) which determine and/or specify a Trust Fund contribution applicable to a given Fiscal Year or otherwise address the provision of Retiree Health Benefits or Other Benefits.

(f) Contributions described in this Section 3.3 shall be deposited into the Trust no less frequently than quarterly.

3.4 Separate Accounts for Benefit Plans. Initially, the Employers and the Trustees intend that this Trust be used only to pre-fund and provide for Retiree Health Benefits. In the event this Trust Agreement is amended to provide Other Benefits, the Trustees shall create and maintain separate bookkeeping accounts for the Plan and each other benefit plan funded through the Trust. The Trustees shall thereafter allocate contributions for the Plan and each other benefit

plan funded through the Trust, and earnings or losses thereon, as well as any distributions or Trust expense payments, to the separate bookkeeping account for such plan. The Trustees shall not pay for Retiree Health Benefits or Other Benefits any amounts in excess of the account balance in the separate account for such plan. Furthermore, except as provided in Section 6.1 and Section 6.4, the Trustees shall not pay from the Trust Fund any amounts for medical or other benefits for active employees (or their spouses or dependents) even if the Plan is amended to provide such benefits to active employees, their spouses and dependents. All separate accounts described in this Section 3.4 shall be for accounting purposes and shall not require segregation of assets within the Trust Fund.

3.5 Separate Accounts for each Employer. The Trustees shall establish and maintain separate accounts for each Employer, which shall consist of the contributions made by such Employer pursuant to Section 3.3, all earnings and investment gains or losses on such contributions, and less amounts charged against the Employer's proportional share of expenses for the Trust and for Retiree Health Benefits. ("Employer Account"). Where separate Employers fund more than one benefit plan through this Trust (*see* Section 3.4), separate accounting of allocable Trust assets and liabilities (including, without limitation, a proportional share of expenses for the Trust) may be maintained both by Employer and by the plan funded. Such accounts do not require segregation of assets within the Trust Fund.

3.6 Restrictions on Use of Contributions

(a) The assets held within an Employer Account shall only be utilized (1) to pay for Retiree Health Benefits or Other Benefits associated with Retirees of that particular Employer; and (2) upon prior approval by the County and Trustees; and (3) upon meeting the requirements of the applicable remaining paragraphs of this Section. Except as otherwise provided in this Section 3.6, the assets held within an Employer Account shall not be used to pay for Retiree Health Benefits (or Other Benefits) until the Employer's Funding Threshold or Super Funding Threshold (as applicable) has been met.

(b) At such time as the assets held within the Employer Account meet the Funding Threshold, such assets may be utilized to fund the Employer's Retiree Health Benefits (or Other Benefits) to pay for up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any). If an Employer Account has begun to pay the Employer's Retiree Health Benefits, but the Employer Account later drops below the Reduced Funding Threshold, then as soon as administratively practicable thereafter, the Employer Account shall no longer be used to pay for Retiree Health Benefits and the portion of the Trust Fund associated with the applicable Employer Account shall again accumulate assets until the date on which the Trustees reasonably believe that the Employer Account's Funding Threshold has been met (at which time the Employer Account may again be used to provide Retiree Health Benefits or Other Benefits).

(c) At such time as the assets held within the Employer Account meet the Super Funding Threshold, such assets shall be utilized to fund the Employer's Retiree Health Benefits (or Other Benefits) to pay for up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any), unless the applicable Employer

provides compelling reasons to not utilize such funds (as determined by the Trustees in their sole discretion in accordance with Section 3.6(f)). If an Employer Account has begun to pay the Employer's Retiree Health Benefits, but the Employer Account later drops below the Super Funded Threshold, then as soon as administratively practicable thereafter, the provisions of Section 5.6(b) apply.

(d) The determination of whether the Funding Threshold, Reduced Funding Threshold, or Super Funding Threshold for an applicable Employer Account has been triggered shall be made on an annual basis by the Trust's actuary in accordance with Statements No. 74 and 75 of the GASB.

(e) The thresholds described in this Section 3.6 shall be applied by the Trustees separately to each Employer.

(f) Notwithstanding the proceeding provisions of this Section 3.6, if at least 75% of the Trustees agree, an Employer Account may be used for the applicable Employer sooner or later than the time otherwise permitted or prescribed in Section 3.6(b) or (c), or in an amount other than otherwise prescribed, but only to provide Retiree Health Benefits or Other Benefits and only if use of the assets held within the Employer Account does not put the P.A. 202 Reporting Unit associated with such Employer Account into Underfunded Status.

(g) In no event shall Trust Fund assets which were accumulated for the purpose of providing Retiree Health Benefits be used to provide Other Benefits unless (i) Retiree Health Benefits are fully funded on a reasonable actuarial basis, per opinion of the actuary, or (ii) the Trustees reasonably believe that Retiree Health Benefits need no longer be prefunded (i.e., such benefits have been discontinued, or are provided by the federal government). Assets which are specifically accumulated for a purpose other than Retiree Health Benefits, pursuant to Section 3.4, shall not be subject to this Section 3.6(g).

3.7 Other Accounting Procedures. The Trustees shall maintain such further accounts (which may be different or in addition to those described in this Trust Agreement) as may from time to time be agreed to by the Trustees, the County, and any affected Employer.

3.8 Collection of Contributions. The Trustees may compel and enforce payment of contributions required under this Trust Agreement in any manner they deem appropriate. The Trustees shall be responsible for the sums of money, securities, and other property actually received by them.

ARTICLE IV BOARD OF TRUSTEES

4.1 Creation; Composition; Compensation.

(a) The Board is hereby created. Except as otherwise provided in Section 4.1(b), the Board shall consist of the following nine (9) trustees who shall be the same persons holding such positions from time to time, and for the same terms, as under the BCERS:

(i) The chairperson of the Commissioners ex-officio or his/her designee. Any designee appointed by the Chairperson of the Commissioners must also be a member of the Commissioners.

(ii) The chairperson of the Ways and Means Committee of the Commissioners ex-officio or his/her designee. Any person appointed by the chairperson of the Ways and Means Committee of the Commissioners must also be a member of the Commissioners.

(iii) The Treasurer of Bay County or the Deputy Treasurer, if designated by the Treasurer.

(iv) The chairperson of Bay County Board of Human Services ex officio or his/her designee. Any person appointed by the chairperson of the Board of the Bay County Board of Human Services must also be a member of the Bay County Board of Human Services.

(v) The Chairperson of the Bay Arenac Behavioral Health Authority Board of Directors or his/her designee. Any designee appointed by another director or authority director or chief financial officer may not be a member of the Commissioners.

(vi) A member of the BCERS who is employed by the Commissioners or the Bay County Department of Water and Sewer, as long as the Bay County Department of Water and Sewer remains under the jurisdiction of the Commissioners, and is elected as a trustee as provided in Section 4.1(b).

(vii) A member of the BCERS who is employed by the Bay County Medical Care Facility and is elected as a trustee as provided in Section 4.1(b).

(viii) A member of the BCERS who is employed by a county department or agency that is not the Bay County Road Commission, the Bay County Department of Water and Sewer, the Bay County Sheriff's Department, the Bay County Library System, or the Bay County Medical Care Facility and is elected as a trustee as provided in Section 4.1(b).

(ix) A member of the BCERS who is either employed by the Bay County Sheriff's Department and is a member of the Road Patrol Group, the Road Patrol Supervisors Unit Group, the Correctional Facility Officers Group, or who is employed by the Bay County Library System and is elected as a trustee in Section 4.1(b).

(b) The intent of Section 4.1 is that the Trust shall have three trustees who are representatives of Employers which are prefunding benefits under this Trust. This Section 4.1(b) shall be construed accordingly.

(c) The Board shall establish rules and regulations for trustee elections required by this Section 4.1, or otherwise.

(d) The Commissioners may establish per diem compensation for trustees who are not employees of the County or an Adopting Unit in accordance with applicable law. Trustees shall also be reimbursed, as determined by the Board, for actual and necessary expenses incurred in the performance of their Board duties.

(e) Each Trustee shall be a fiduciary and have fiduciary responsibilities under applicable law and shall act prudently and in the best interests of the Trust and its beneficiaries.

4.2 Term of Office; Oath of Office; Vacancies.

(a) The term of office of each elected Trustee shall be three (3) years. One (1) term shall expire each year and shall be filled as provided in Section 4.1. An elected Trustee's terms shall be identical to the trustee's term under the BCERS (or to the term of the trustee who the Trustee in question replaces, pursuant to Section 4.1(b)).

(b) Each Trustee shall, prior to taking office as a Trustee, take an oath of office administered by the County Clerk.

(c) A vacancy shall occur on the Board if an elected Trustee:

(i) Ceases to be both (x) a member of the BCERS (including becoming a retirant) and (y) an employee of an Employer which is prefunding benefits under this Trust;

(ii) Becomes employed in a County department or agency which is represented by another elected Trustee; or

(iii) Fails to attend three (3) consecutive meetings unless excused for cause by the Trustees attending the meetings.

(d) A vacancy shall occur on the Board if any ex-officio or elected Trustee resigns or is removed from office.

(e) A vacancy shall be filled within 90 days, for the unexpired term, in the same manner as the position was previously filled.

4.3 Quorum; Voting; Officers.

(a) The Board shall hold meetings regularly, at least one in each calendar quarter, and may adopt its own rules of procedure. The Secretary of the Trustees or his or her designee, shall be responsible for giving notice of the time and place of such meetings to the other Trustees.

(b) Five Trustees shall constitute a quorum of the Board at any meeting of the Board.

(c) Each Trustee shall be entitled to one vote on each question before the Board. At least five concurring votes shall be required for a valid action by the Board.

(d) At the first Board meeting for each calendar year, the Board shall elect from its membership a chairperson and vice chairperson. The chairperson and vice chairperson shall take office immediately upon election.

(e) The Bay County Executive or his/her designee shall serve as the Secretary to the Board. The Secretary shall administer the first meeting of each year, until such time as a new chairperson and vice chairperson are elected.

4.4 **Public Meetings and Notices; Public Records.**

(a) The Board shall conduct its business at a public meeting held in accordance with the applicable requirements of the Open Meetings Act. The Board shall give public notice of a time, date, and place of meeting of the Board in a manner required by the Open Meetings Act.

(b) The Board shall comply with the applicable requirements of the Freedom of Information Act (Act 442 of 1976, MCL 15.231 *et seq.*).

4.5 **Administration Services.**

(a) Custodian. The Board shall be custodian of the Trust Fund, except with respect to those assets that the Board may place in custody of a member of the Federal Reserve System, a clearing corporation, or a custodian bank which is a member of the Federal Reserve System, or other depository permitted by law and selected by the Board.

(b) Legal Counsel. The County Corporation Counsel shall serve as legal advisor to the Board. The Board may also employ additional legal counsel as it deems appropriate with whom it may seek advice, consult with, and request attendance at Board meetings and to represent the Board whenever necessary, including the preparation of any documents, legal or otherwise, which may have any legal consequences. In choosing said counsel, the Board may, with prudence, give consideration to the developed skills and expertise of the attorney and experience and reputation he/she has achieved. The Board may rely upon the opinion of such chosen counsel in respect to any action taken by the Board hereunder in good faith, in accordance with the opinion of said counsel, and the Board shall not be liable therefore.

(c) Actuary. The Board shall designate a certified actuary who is a member of the American Academy of Actuaries. Such actuary shall provide actuarial services for the Trust and the Board.

(d) Other Advisors. The Board is authorized and empowered to employ other professional services that may be required for the proper discharge of its responsibilities. Compensation for services shall be determined by the Board. The Board may utilize the services of Employer employees if made available in accordance with applicable law.

(e) Administrator. The Board may employ such clerical personnel or administrative personnel to perform whatever administrative activities are required in the proper performance of the Trust. Additionally, the Board may contract with a third-party administrator to perform such clerical and administrative duties as it may, in its discretion, determine is reasonable and prudently necessary to carry out the Trust Fund's activities and purposes. The administrator so appointed, or with whom the contract was made, may be assigned the activities of receiving the Trust's reports, entering the information of those reports on permanent records, maintaining such records, receiving contributions from the Employers solely for the purpose of forwarding the contributions to the Trustees' bank or investment accounts, preparation of governmental reports, furnishing reports required by law to Participants, the preparation of checks for the payment of obligations of the Trustees, and all related activities and other activities necessary to help administer the Trust Fund. The Board is further authorized to enter into contracts with such administrator for the administration of the Plan and Trust Fund for whatever periods, in its discretion, the Board deems advisable. The Board shall be entitled to rely on the reports and recommendations of said administrator or any actions taken by said administrator with the authority granted him/her. The Board shall not be responsible for any act taken with respect to the appointment, designation, retention, discharge, or employment of such administrator which is taken prudently and in good faith. Under no circumstances shall said administrator have control or authority with respect to the management of the Trust Fund. The administrator shall not have any type of authority or power which will constitute the administrator as a fiduciary. The administrator will not have the power or authority to act as an investment counselor or manager and will not be authorized to furnish investment advice. The administrator will not have the discretion to act in any way with respect to the Trust Fund. In the event of the administrator's discharge, the Trustees shall require the administrator to return all necessary books, records, and documents in the possession of the administrator which are necessary for the proper administration, handling, and operation of this Trust. If the Board has appointed, employed, hired, or contracted with an administrator, a provision to this effect shall be incorporated in the written agreement between the Board and administrator. The Board may, in its discretion, assign certain administrative duties to the County and/or Adopting Units; provided, however, that the direction and management of such activities shall be within the exclusive control of the Trustees and in accordance with applicable law.

(f) Accountant. The Board may employ an independent certified public accountant or licensed public accountant. Said accountant shall be employed to perform the services as may be required by the Board. The Board shall cause the Trust Fund to be audited by a certified independent auditor at least once each year. Copies of such audit report shall be furnished to the Parties and a copy shall be made available at the principal office of the Trust for inspection by Employers, Participants or current beneficiaries. Such audit shall contain a summary of the assets and liabilities of the Trust Fund, a resume of the operations for the preceding year, together with such other data as the Board request or is required by law. The audit report shall be published to the extent required by applicable state and/or federal law.

(g) Investment Manager. The Board shall appoint at least one investment manager to manage and hold the Trust Fund. Such investment manager shall be experienced in managing public and private sector VEBA Trusts. The fee for the services of such management shall be paid out of the Trust Fund. Such investment manager(s) must be registered under the

Investment Advisor's Act of 1940 and must meet any applicable state and/or federal requirements to act as investment manager (including, but not limited to, the requirements set forth in MCL §38.1133). Such appointment may include the power to acquire and dispose of the assets of the Trust Fund; provided, however, that if any state or federal agency promulgates any rules with respect to limitation of liability on the part of the Board in choosing an investment manager or counselor, then the Board shall follow said regulations to the extent that it can maximize the protection available to it.

The Board shall enter into a written agreement with said investment manager, which will provide for the investment or reinvestment of the assets of the Trust Fund; and upon such execution, the Board may convey, if it is so provided, to such investment manager, any assets of the Trust Fund so that the investment manager may engage in such transactions which are legal for trust funds in the State of Michigan and in the United States and which are prudent for the Board to undertake. The Board shall not be liable for the acts or omissions of such investment manager or under any obligation to invest or otherwise manage the assets of the Trust Fund, which assets are subject to the management of such investment manager.

The Board may, if it deems proper in its discretion, or if the circumstances require it, appoint such investment manager, managers, banks or insurance companies as fiduciaries and enter into an agreement with such institution, naming it an investment fiduciary (as defined in MCL §31.1132c(1) and pursuant to P.A. 149 §4) and conveying to such fiduciary all or a portion of the assets of the Trust Fund, so that said fiduciary may handle, manager and hold those assets conveyed to it. Such investment fiduciary shall acknowledge in writing fiduciary status with respect to the Trust Fund. All assets conveyed to said fiduciary shall be subject to the provision of the agreement or agreements between the Board and the fiduciary.

Except as otherwise provided in this Trust Agreement, the Board (or investment manager to the extent such responsibility is delegated thereto) shall invest and reinvest the assets of the Trust subject to the terms, conditions, limitations and restrictions imposed by the State of Michigan on the investments of public employee retirement systems by P.A. 314, made applicable to public employee health care funds through P.A. 149 and specifically, MCL §38.1214. In exercising its discretionary authority as to the management of the Trust Fund, the Board (or investment manager) shall be an investment fiduciary (in accordance with MCL §38.1214) and shall exercise the care, skill, prudence and diligence under circumstances then prevailing, that a prudent person, acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims, as further described in MCL §38.1133, and shall not engage in transactions prohibited by law and as described in MCL §38.1133. This shall include diversifying the assets of the Trust so as to minimize the risk of large losses, unless under the circumstances it appears prudent not to do so. This standard shall not be applied to investments in isolation, but rather in the context of the Trust's overall portfolio and as part of the overall investment strategy, which shall incorporate risk and return objectives reasonably suited to the purposes of the Trust.

4.6 **Records; Reports.**

(a) The Board shall keep a written record of its proceedings and other data, reports, and records that may be required to properly manage and reports the operations of the Trust.

(b) The Board shall cause to be prepared an annual report for each fiscal year within 180 days of the close of each fiscal year. The annual report shall contain information about the financial and other activities of the Trust during the fiscal year.

(c) The Board shall cause to be prepared an actuarial report not less often than once every five years, or as may otherwise be required by P.A. 149 and P.A. 202. The actuarial report shall contain information about the actuarial costs of Retiree Health Benefits under the Plan, for current and future retirants of Employers. The actuarial report shall be similar in content to those which are generated for the BCERS and contain the information required by applicable law. A copy of the actuarial report shall be furnished to the Commissioners and the governing body of any Adopting Unit.

(d) The Board shall furnish the Commissioners and the governing body of any Adopting Unit with other information about the Trust as reasonably requested.

4.7 **Experience Tables; Regular Interest.** The Board shall from time to time adopt mortality and other tables of actuarial experience, a funding methodology, and a rate or rates or regular interest, that are necessary to prepare actuarial reports in accordance with applicable law (including but not limited to P.A. 149 and P.A. 202).

4.8 **Contract for Provision of Retiree Health Benefits.** The Trustees shall, if so directed by an Employer, execute a contract with an insurance company or a Health Care Organization for the provision of benefits under the Plan. The Trustees are further authorized to accept and hold any such contract, and to assign and deliver any such contract upon the further direction of the Employer.

4.9 **Board of Trustees—General Responsibility.** The Board are the Trustees of the Trust Fund. The general responsibilities of the Trustees shall be as follows:

(a) Except as expressly otherwise provided herein, the Trustees shall have exclusive authority and discretion to manage and control the assets of the Plan held in the Trust Fund, and shall be the investment fiduciary for the Trust Fund as required by P.A. 149, and P.A. 314, provided that the Trustees may delegate such authority and discretion to an investment manager as described in Section 4.5(g).

(b) The Trustees shall hold, administer, invest and reinvest, and disburse the Trust Fund in accordance with the powers and subject to the restrictions stated herein.

(c) The Trustees shall make such payments and disbursements from the Trust Fund as the County and applicable Employer (with respect to the Employer's own Employer

Account) shall from time to time direct in writing. The Trustees shall accept written directions by electronic means, and such electronic directions shall have the same effect as writing delivered by mail or by delivery service. Such payments or disbursements may be made directly to such person or persons, natural or otherwise, at such time in such amounts as specified in authorized directions to the Trustees, and the County and applicable Employer (with respect to the Employer's own Employer Account) warrants that no direction will be issued to the Trustee's other than in accordance with the terms of the Plan. Without limiting the generality of the foregoing, but in furtherance thereof, the Trustees shall also pay premiums to insurance companies for insurance coverage or to Health Care Organizations for Retiree Health Benefits, as directed by the County and applicable Employer (with respect to the Employer's own Employer Account).

(d) The County is authorized to open an account in any institution described at Section 4.10(h)(iii), (iv) or (v) for the purpose of making distributions or paying benefits or premiums in accordance with the Plan. Any person authorized by the County is authorized to sign, manually or by electronic signature, any and all checks, drafts and orders, including orders or directions in informal or letter form, against any funds in such account with such institution and such institution is authorized to honor any and all checks, drafts and orders so signed, regardless of by whom or by what means the actual or purported facsimile signature or signatures thereon may have been affixed thereto, if such signature or signatures resemble those duly filed with such institution, without further inquiry or regard to the authority of said person or the use of the checks, drafts and orders, or the proceeds thereof or to determine whether such checks, drafts and orders are in accordance with the Plan. The Trustees shall make such deposits to any such account as directed in writing or by facsimile by the County or any person authorized by the County, and the Trustees shall have no duty to question the propriety of any such direction or account for the funds retained in or disbursed from any such account. They County warrants that all funds deposited in any such designated account will be disbursed by it solely to or for the use and benefit of persons entitled thereto in accordance with the terms of the Plan, but until so disbursed, shall be held in the VEBA for such purpose by it.

(e) The Trustees in their capacity as such shall have no responsibility or authority with respect to the operation and administration of the Plan, and the rights, powers and duties of the Trustees shall be governed solely by the terms of this Trust Agreement without reference to the provisions of the Plan.

4.10 **Powers of Trustees.** The Trustees shall have the right, power, and authority to take any action and to enter into and carry out every agreement with respect to the Trust Fund that may be necessary or advisable to discharge their responsibilities hereunder. The Trustees shall invest and re-invest the assets of the Trust Fund subject to the terms, conditions, limitations and restrictions imposed by applicable law, including P.A. 149 and P.A 314. Subject to the foregoing, the Trustees shall have the following powers, rights and duties:

(a) To retain, manage, improve, repair, operate and control all property, real or personal, at any time comprising assets of the Trust Fund;

(b) To manage, sell, contract to sell, grant options to purchase, convey, exchange, partition, lease for any term, and otherwise dispose of the Trust Fund from time to time

in such manner, for such consideration, and upon such terms and conditions as the Board in its discretion shall determine;

(c) To vote any corporate stock either in person or by proxy for any purpose; to exercise or sell any stock subscription or conversion right; to participate in voting trusts; to consent to, take any action in connection with, and receive and retain any securities resulting from, any merger, consolidation, reorganization, readjustment of the financial structure, liquidation, sale, lease or other organization the securities of which may constitute a portion of the Trust Fund;

(d) To keep any property in the name of a nominee with or without disclosure of any fiduciary relationship;

(e) To borrow money, and to mortgage, pledge or otherwise encumber the Trust Fund or any part thereof;

(f) To take any action with respect to conserving or realizing upon the value of any property in the Trust Fund; to collect, pay, contest, compromise, or abandon demands of or against the Trust Fund, to pay any tax, assessment or other charge attributable to the interest of any beneficiary;

(g) To employ such agents, experts, investment fiduciaries, counsel, and other persons (any of whom may also be employed by or represent the County and/or Adopting Units) deemed by the Trustees to be necessary or proper for the administration of the Trust; to rely and act on information and advice furnished by such agents, experts, investment fiduciaries, counsel, and other persons; and to pay their reasonable expenses and compensation for services to the Trust from the Trust Fund to the extent permitted by applicable law; and

(i) To perform any and all acts in its judgement necessary or desirable for the proper and advantageous administration and distribution of the Trust Fund.

4.11 **Benefits to Fiduciaries.** Nothing in this Trust shall prevent a fiduciary from receiving any Retiree Health Benefits that he or she is otherwise entitled to. However, the benefit must be computed and paid consistently with the terms of the Plan as applied to all other Participants. This Trust shall not be interpreted to prevent any fiduciary from receiving reasonable compensation for services rendered, or for the reimbursement of expenses properly and actually incurred in the performance of duties to the Trust; except no person receiving full-time pay from an Employer shall receive compensation from this Trust, except for reimbursement of expenses properly and actually incurred, or for a permitted per diem payment. No Trustee or employee who assists in the investment or administration of the Trust Fund shall (i) have a beneficial interest, direct or indirect, in an investment of the Trust; (ii) borrow any assets of the Trust; or (iii) receive a payment from any person or organization providing service to the Trust. The "prohibited transaction" rules of P.A. 314 and other applicable law shall apply to all Trustees and Trust fiduciaries.

**ARTICLE V
MISCELLANEOUS**

5.1 **No Assignment.** The right of an individual to any benefit from or funded by the Trust, and the monies and assets of the Trust, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law, except as specifically required by applicable law and shall be unassignable except as required by applicable law. Nothing contained herein shall be construed as a contract of employment between any Employer and any employee, or as a right of any employee to be continued in the employment of any Employer, or of any Employer to discharge any of its employees, with or without cause. No employee shall have any right to, or interest in, any assets of the Trust upon termination of his or her employment, except as benefits which may be payable under the Plan to such employee.

5.2 **Evidence.** Evidence required of anyone under the Trust Agreement may be by certificate, affidavit, document, or other instrument which the person acting in reliance thereon considers to be pertinent, reliable, and to be signed, made or presented by the proper party.

5.3 **Others Not Party.** No insurance company that issues an insurance contract held by the Trustees and no Health Care Organization with which the Trustees have entered into a contract shall be construed to be a party to this Trust Agreement, nor shall it have any responsibility for the validity of this Trust Agreement. An insurance company or Health Care Organization to which an application may be an investigation or inquiry regarding the authority of the Trustees to make such application or any amendment thereto or to inquire as to whether a person on whose life or for whose life contract is to be issued is entitled to such contract under the Plan.

5.4 **Audits.** The County shall have the right to cause the books, records and accounts of the Trustees that relate to the Plan to be examined and audited by independent auditors designated by the County at such times as the County may determine, and the Trustees shall make such books, records, and accounts available for such purposes at all reasonable times.

5.5 **Waiver of Notice.** Any notice required under this Trust Agreement may be waived by the person entitled thereto.

5.6 **Headings.** Headings at the beginning of articles and sections are for convenience of reference, shall not be considered a part of this Trust Agreement, and shall not influence their construction.

5.7 **Use of Compounds of Word "Here".** Use of the words "hereof," "herein," "hereunder," or similar compounds of the word "here" shall mean and refer to the entire Trust Agreement unless the context clearly indicates otherwise.

5.8 **Construed as a Whole.** This Trust shall be construed and enforced according to the laws of the State of Michigan. The provisions of this Trust Agreement shall be construed as a whole in such manner as to carry out the provisions thereof and shall not be construed separately without relation to the context.

5.9 **Counterparts.** This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Such counterparts shall constitute but one and the same instrument, which may be sufficiently evidenced by any one counterpart.

5.10 **Correction of Errors.** The Trustees shall correct errors in the records and operations of the Trust. The Trustees shall seek to recover overpayments.

5.11 **Rulemaking Powers.** Consistent with the terms of the provisions of state and federal law, the Trustees shall have the power to promulgate rules and regulations for the day to day management of the Trust, the investment of moneys held by the Trust, the establishment of eligibility and benefit levels, to determine all questions regarding the interpretation of the Trust, and such other subjects as shall be deemed necessary and proper by the Trustees. All such rules and regulations shall be reduced to writing and shall be kept in the permanent office of the Trust and available for inspection by the Employers and the Participants. Any such rule or regulation promulgated by the Trustees shall be adopted, repealed, or amended by an affirmative vote of five of the Trustees. If any rule or regulation of the Trust is found to be in conflict with the law, statute, judicial decision, arbitration decision, or any other competent body or tribunal, such rule or regulation shall be deemed voided and, all other rules and regulations of the Trust shall remain in full force and effect.

ARTICLE VI AMENDMENT AND TERMINATION

6.1 **No Diversion.** No part of the net earnings of the Trust may inure to the benefit of any Participant or beneficiary other than through the payment of Retiree Health Benefits (or Other Benefits) or for the payment of reasonable and necessary administrative expenses incurred by the Trustees in their administration of this Trust. To the extent consistent with the Trust's qualified status as a VEBA Trust, a portion of the net earnings may be used for payment for reasonable and necessary administrative expenses incurred to assist the Trustees and administrator in the operation of the Trust. The Trustees shall determine what expenses are reasonable and necessary in accordance with applicable law. No Participants (or their eligible beneficiaries) or any other Employer retiree shall have a preferred claim on, or any other beneficial ownership interest in, any specific Trust assets.

(a) If any contribution or portion thereof is made by an Employer by a mistake of fact, the Trustees shall, upon written request of the Employer, return such contribution or portion thereof to the Employer within one year after the payment of the contribution to the Trustees. However, the earnings attributable to such contribution or portion thereof shall not be returned to the Employer but shall remain in the Trust Fund, and the amount returned to the Employer shall be reduced by any losses attributable to such contribution or portion thereof.

(b) If upon a termination of the Plan (or of a plan funded under this Trust for Other Benefits) and after payment of benefits accrued or owing under such plan to the time of termination, there remains a balance in the Trust Fund attributable to the terminated plan, such balance shall be applied to pay the costs under any comparable plan or plans maintained by the Employers for retired employees. In the event the Employers cease to maintain a comparable plan

or plans for retired employees before the balance is entirely disbursed, the balance remaining shall be applied to pay the costs under any comparable plan or plans maintained for active employees to the extent permitted by Code §501(c)(9) and other applicable law. To the extent possible, assets shall be used to provide benefits to employees of the Employer to whom such assets were initially allocated. In no event may any amounts be returned to the Employers except as provided in Section 6.1(a) or Section 6.5.

6.2. **Amendment.** Subject to the provisions of this Section 6.2, this Trust Agreement may be amended at any time or from time to time in any manner by resolution of the Commissioners with the written agreement of the Trustees, and the provisions of any such amendment may be applicable to the Trust Fund as constituted at the time of the amendment as well as to the part of the Trust Fund subsequently acquired, provided that this Trust Agreement shall not be amended (a) in any manner which causes or allows any portion of the Trust Fund allocable to the Plan (or any other plan funded under this Trust) to be used for purposes other than providing Retiree Health Benefits (or Other Benefits); or (2) in the event of the termination of the Plan, for purposes other than those described in Section 6.1(b) and permitted by Code §501(c)(9) and P.A. 149. Notwithstanding the foregoing, the Trustees shall not have the power to adopt any amendments to this Trust Agreement which: (a) alters the basic purposes of this Trust; (b) conflicts with any applicable law or government regulation; or (c) causes the use or diversion of any part of the Trust Fund for purposes other than those generally authorized herein. Despite any provision to the contrary above, or which may be inconsistent herewith, the Trustees may amend and shall have the duty to amend this Trust Agreement to comply with any rule or regulation of the Internal Revenue Service for qualification under the Code, continuation of tax exemption of the Trust to obtain a favorable determination letter from the Internal Revenue Service, or to comply with applicable Michigan law. In the event any amendment is made, a copy of such amendment bearing requisite signatures of the Trustees, shall be sent to all parties required by law to receive such notice.

6.3 **Termination of Plan; Termination of VEBA.** If the Plan (or another benefit plan funded by this Trust) is terminated, this Trust shall nevertheless continue in effect until the Trust Fund has been distributed pursuant to Section 6.1(b). The Commissioners may, by resolution, terminate the Trust at any time, provided that this Trust shall nevertheless continue in effect until the Trust Fund has been distributed pursuant to Section 6.1(b). In the event of the termination of this Trust, the remaining funds available after providing for all the outstanding obligations, shall be used in a manner as will, in the opinion of the Trustees, comply with Code section 501(c)(9) and best effectuate the purposes of this Trust, including, but not limited to, the purchase of insurance benefits.

6.4 **Termination of Adoption By Any Adopting Unit.** Any Adopting Unit may terminate its adoption of this Trust Agreement and/or the Plan (or other Trust-funded plan), by resolution of its governing body. Such termination shall be effective 60 days after receipt of a certified copy of such resolution by the Trustees. If an Adopting Unit terminates its adoption of this Trust Agreement, this Trust shall nevertheless remain in effect until assets of the Trust Fund equal to Employer Account balance have been distributed pursuant to Section 6.1(b) for the benefit of retirees and, if necessary, for active employees of such Employer.

6.5 **Removal of Adopting Unit.** If an Adopting Unit no longer qualifies as a Component Unit, then future contributions to this Trust by such Adopting Unit shall cease at that time. At the discretion of the Trustees, assets held in this Trust on behalf of such Adopting Unit shall (i) continue to be held by this Trust according to its terms or (ii) be transferred to a VEBA Trust established by that Adopting Unit for the same purposes as provided under this Trust, or (iii) be otherwise disposed of at the Trustees' discretion in a manner consistent with Code §501(c)(9) and P.A. 149.

6.6 **Initial Qualifications.** Contributions to the Trust Fund are conditioned on the initial qualification of the Trust as a VEBA Trust. If the Trust is not determined to be a tax-exempt VEBA Trust, the Parties shall make good faith efforts to modify the terms of this Trust Agreement in order to obtain IRS approval of the Trust as a VEBA Trust. If thereafter the Trust is still determined to not be a tax-exempt VEBA Trust, then the Trust shall terminate, and the Trustees shall, on the written request of the affected Employers, return allocable portions of the Trust Fund to the contributions employer within one year after the date such qualification of the Trust is denied.

6.7 **Spendthrift Provision.** The Trustees are hereby vested with full and complete equitable and legal title to all of the property which becomes subject to the terms of this Trust Agreement, until the termination of this Trust Agreement and until the entire Trust assets shall have been distributed as otherwise provided herein. No person who is a beneficiary of this Trust or an employee benefit that will be funded by this Trust, or to the income therefrom, shall take or have any title or interest in such Trust, or income, until the same shall be actually received by such person. No disposition, charge or encumbrance by way of anticipation of such Trust or income, or any part thereof, by any beneficiary hereunder shall be of any validity or legal effect, or be in any way regarded by Trustees.

IN WITNESS WHEREOF, the County has caused this amended and restated Trust Agreement to be executed by its duly authorized officers, and the Trustees have executed this Trust Agreement, effective as of the day and year first above written.

BAY COUNTY

By: Thomas Herek
Thomas Herek
Chairperson of Bay County Board of Commissioners

APPROVED AS TO LEGAL FORM ONLY
Heather Brady Pikel
BAY COUNTY CORPORATION COUNSEL
DATE: 7-26-2022

TRUSTEES

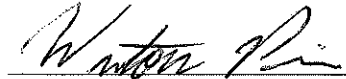
Kim Bejcek
Kim Bejcek

Marie Fox
Marie Fox


Kristal Gonzales
Kristal Gonzales


Steve Gray
Steve Gray, Chairperson


Thomas Herek


Weston Prince


Thomas Ryder


Jon Morse


Matthew Pett

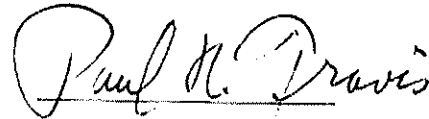
**ADOPTING UNIT ADOPTION AGREEMENT
TO THE
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION
TRUST AGREEMENT**

The undersigned component unit, by executing this Adopting Unit Adoption Agreement ("Adopting Unit"), elects to continue participation in the Bay County Voluntary Employees' Beneficiary Association Trust Agreement. The Adopting Unit accepts and agrees to be bound by the applicable provisions of the Trust Agreement.

Bay Arenac Behavioral Health Authority



Bay County Library System



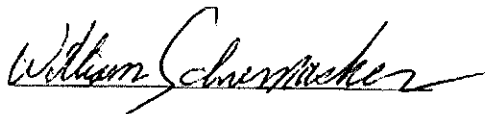
Bay County Medical Care Facility



Bay County Road Commission



Bay County Department of Water and Sewer



BAY COUNTY BOARD OF COMMISSIONERS

SEPTEMBER 20, 2022

RESOLUTION

BY: WAYS AND MEANS COMMITTEE (9/6/2022)

WHEREAS, Bay County and the Component Units of Bay County (DWS, Road Commission, Library, Behavior Health, and Bay Medical Care Facility) provide qualified retired employees with retiree medical benefits. Retiree medical benefits are paid on a pay as you go basis by Bay County and the other Component Units; and

WHEREAS, In 2001, Bay County proposed funding the retiree medical benefits through a VEBA (Voluntary Employee Beneficiary Association) trust to reduce the unfunded liability of retiree medical benefits, reduce the cost of providing such benefits, and increase the security of this retiree benefit; and

WHEREAS, A VEBA plan is a type of tax-exempt trust used by its members and eligible dependents to pay for eligible medical expenses; and

WHEREAS, In September 2001, the Bay County Board of Commissioners adopted the VEBA Trust and the County and Component Units have contributed to the VEBA but the VEBA trust funds have never been utilized to pay for retiree health care costs; and

WHEREAS, In 2017, the Protecting Local Government Retirement and Benefits Act, (Public Act 202) went into effect placing new funding requirements on local governments' retiree health care liabilities, like VEBA trusts; and

WHEREAS, In 2021, the VEBA Board explored utilizing the VEBA Trust funds to assist with retiree health care costs, however, in light of the new funding requirements set forth in Public Act 202, the VEBA Trust required updating before the funds could be considered for use; and

WHEREAS, Given the complexity of trust law, Public Act 202 and the Internal Revenue Code implications, the VEBA Board retained specialized VEBA counsel Samantha Kopacz from Miller Canfield to review and amend the VEBA Trust; and

WHEREAS, The VEBA trust amendment process has been a labor-intensive project requiring the collection and review of the County's and the Component Units' retiree healthcare costs and data, all retiree healthcare plans, tax reports, investment accounts, actuary reports and collective bargaining agreements; and

WHEREAS, Ms. Kopacz conducted an in-depth review of all the documents and data and consulted with our actuary, GRS, and GRS' actuarial recommendations regarding the funding and triggering levels were incorporated into the Amended VEBA Trust; and

WHEREAS, Throughout this process, the Board has been updated on the VEBA amendment progress and the Component Units have also participated in the process; and

WHEREAS, On August 9, 2022, the VEBA Board of Trustee's voted unanimously to refer this matter to the Bay County Board of Commissioner recommending that the Bay County Board of Commissioners adopt the Amended VEBA Trust; Therefore, Be It

RESOLVED That the Bay County Board of Commissioners hereby adopts the attached Amended VEBA Trust.

MARIE FOX, CHAIR
AND COMMITTEE

Retirement - Amended VEBA Trust - 2023

MOVED BY COMM. RADTKE
SUPPORTED BY COMM. COONAN

COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E	COMMISSIONER	Y	N	E
MARIE FOX			X	KIM J. COONAN	X			JAYME A. JOHNSON	X		
ERNIE KRYGIER	X			THOMAS M. HEREK	X						
VAUGHN J. BEGICK			X	KAYSEY L. RADTKE	X						

VOTE TOTALS:

ROLL CALL: YEAS _____ NAYS _____ EXCUSED _____
VOICE: YEAS 5 NAYS 0 EXCUSED 2

DISPOSITION: ADOPTED _____ DEFEATED _____ WITHDRAWN _____
AMENDED _____ CORRECTED _____ REFERRED _____ NO ACTION TAKEN _____