

CASCADE CHARTER TOWNSHIP
PERSONNEL & FINANCE COMMITTEE MEETING
August 11, 2021 at 9:00 am
Cascade Township Hall – Front Conference Room
5920 Tahoe Dr. SE
Grand Rapids, MI 49546

- ARTICLE 1.** Call the Meeting to Order
- ARTICLE 2.** Approval of the Agenda
- ARTICLE 3.** Approval of the Minutes of the July 12, 2021 Meeting
- ARTICLE 4.** Review & Consideration of Proposed Building Department Fee Update
- ARTICLE 5.** Review & Consideration of MERS Plan Adoption Agreement Addendums
- ARTICLE 5.** Public Comment (Please limit comment to 3 minutes)
- ARTICLE 6.** Adjournment

CASCADE CHARTER TOWNSHIP
PERSONNEL & FINANCE COMMITTEE MEETING
July 14, 2021 at 9:00am
Cascade Township Hall – Front Conference Room
5920 Tahoe Dr. SE
Grand Rapids, MI 49546

Members Present: Supervisor Lesperance, Treasurer Peirce, Trustee Koessel

Others Present: Township Manager (TM) Ben Swayze

Call to Order: Trustee Koessel called the meeting to order at 9:00 a.m.

Business: The Personnel & Finance Committee discussed the following items:

1. Approval of the June 9, 2021 Meeting Minutes

TM Swayze explained that per the committee policy, the committee is responsible for approving the minutes.

Motion by Supervisor Lesperance, supported by Treasurer Peirce to approve the minutes. Motion carried.

2. American Rescue Act Funding

TM Swayze explained that the Township has been allocated \$2.03 million dollars in American Rescue Plan Act funding. The funding determination was population based, based on 2019 census estimated numbers. It is anticipated the Township will receive approximately 50% of the funding in July or August 2021, with the remaining funding available in approximately 1 year. The Township has until December 31, 2024 to expend the funds.

The committee review the document supplied, including the Frequently Asked Questions and Compliance and Reporting Guidance Document from Treasury. Discussion ensued. TM Swayze indicated that he and Supervisor Lesperance had been invited to a meeting at the County to discuss broadband initiatives. Further discussion. The committee indicated since spending timing is not essential, time could be taken to determine spending priorities. Could be tied to strategic plan initiatives.

No action, discussion only

Adjournment: Motion by Treasurer Peirce, supported by Supervisor Lesperance to adjourn the meeting. Motion carried. Meeting adjourned at 9:48 am

Approved by the Personnel & Finance Committee – TBD



CASCADE CHARTER TOWNSHIP

5920 Tahoe Dr SE Grand Rapids, Michigan 49546-7140

Date: June 29th, 2021
To: Ben Swayze, Grace Lesperance
From: Brian Wilson, Director of Inspections
Subject: Building Department Fee Update

CURRENT ISSUE:

Building Department fee schedule proposed updates: provide a summary of industry conditions relative to fees charged and begin the process to amending the approved fee schedule.

Timeline:

July 2021	Gain consensus from ALL Cascade Twp elected officials
August / September	Bring proposal to all partner communities for feedback & acceptance
Nov	Return to Cascade Twp Board for approval with Jan 1, 2022 effective date

ANALYSIS AND CONCLUSIONS:

The current fee schedule was established in 2009. Since then, costs have increased substantially (mostly due to increased labor costs). Also, additional “value-added” services have been implemented (like online permitting and credit card processing) that have increased costs somewhat but provide a now “expected” service to our residents and contractors.

Due to the hard work of current staff and a very strong commercial construction environment, we have been able to hold rates at this level over the last 12 years. Looking ahead, the combination of increased labor costs and a potential reduction in commercial projects could undue the strong financial position that the department currently maintains.

Part of the mission statement for the department is to “provide a cost-effective permitting and inspection process.” In evaluating our current fees to those of both surrounding communities and other statewide departments of similar size, I have found that even with a modest increase to fees, the department would still provide a huge savings to the residents. This is the balance that I am attempting to find – provide a substantial value while maintaining excellent service.

There are two main reasons that I am pushing this initiative forward a year (plan on new fee schedule effective date of Jan 1, 2022). First, based on response to our employment adds, the market for inspectors is extremely tight. Cascade Inspections needs to offer excellent salary and benefits to both attract future employees and retain current staff. Further, all salaries are expected to rise just to keep up with cost of living and inflationary pressures. These increases can be accommodated with current permit levels but the possibility of a downturn or slow down in construction levels has never been higher. That is the combination that could erode

our strong financial position. The second main reason is opportunity. Recently, talks have commenced with PCT to take over their building division as well. Our current fees are about 50% of PCT. I know that our fees are too low relative to other departments and do not want to delay until 2023 for the needed change. This would create a huge reduction in fees for PCT for one year, then an increase the next (this would be confusing and not represent either community well). Also, initial talks with Gaines Twp started again. Whether or not this materializes, positioning ourselves as a great place to work (for staff) and a department that provides value (for residents) is the best scenario for Cascade, current partners and potential future communities.

Building permits

<u>Community</u>	<u>Approximate fee per 000</u>	<u>Cost for 400k home</u>
Cascade - current	\$ 2.49	\$ 995.00
Kentwood	\$ 6.50	\$ 2,700.00
Plainfield	\$ 6.00	\$ 2,400.00
Lansing	\$ 6.50	\$ 2,700.00
Ann Arbor	\$ 8.00	\$ 3,200.00
Cascade - proposed 5yr	\$150 base + 3.5	\$ 1,550.00
Cascade - proposed 10 yr	\$150 base + 4	\$ 1,750.00

Trade permits

<u>Community</u>	<u>Trade insp fee - 1 insp</u>	
Cascade - current	\$ 50.00	
Kentwood	\$ 50.00	
Plainfield	same	
Lansing	\$ 110.00	plus \$80 add
Ann Arbor	\$ 50.00	plus \$35 add (note- item costs are approx double)
Gaines	\$ 80.00	plus \$40 add
State of MI	\$ 150.00	plus \$75 add
Cascade - proposed	\$65	plus \$65

FINANCIAL CONSIDERATIONS:

Note: Numbers and percentages are estimates based on potential "mix" of permit values and types.

Note: Average cost of an inspection (wages, benefits, mileage only) is \$83

Building

Increase of approx. \$1 per thousand in building fees would generate an additional \$200,000 based on 200M construction value. Remember, this is hard to calculate because larger commercial is at \$3 per thousand now so the effect on very large projects is less...only .50 (relative to projects from 100k – 500k)

Now, the 10-year plan would provide additional revenue and increased ability to cover costs should permit volume drop (even as costs escalate in the coming years).

As part of the fee calculation process, the department utilizes the construction value calculator updated twice yearly by the ICC. We are currently on the 2011 version and plan to convert to the 2019 edition. Changes to the calculator are done administratively after periodic review from the building official.

Trades

Increase of \$15 per inspection for trades is equivalent to about 30% on the “one-inspection” jobs but only 15% or less on the larger jobs (homes & commercial). Trade permits average 1.5 inspections per permit which equals \$22.50 additional revenue each x approx. 7000 permits = \$157,500 additional revenue with current volumes.

A 10-year plan for the trade fees would be an increase to \$75 base and per inspection. This would be a value compared to SOM and Lansing but the data is much less clear.

RECOMMENDED ACTION:

Adopt the new simplified permit fee schedule attached that is based on the \$3.50 per thousand formula and \$65 per inspection models and authorize periodic updates to the valuation table as is customary.

The schedule is intended to be reviewed in 5 years (2027) for renewal or modification at that time.



CASCADE CHARTER TOWNSHIP
5920 Tahoe Dr. SE Grand Rapids, Michigan 49546

Date: August 9, 2021
To: Personnel & Finance Committee
From: Ben Swayze, Township Manager
Subject: MERS DB and DC Plan Adoption Agreement Addendum

The Township has received a request from MERS to consider the enclosed Defined Benefit (DB) and Defined Contribution (DC) Adoption Agreement Addendums. These addendums are intended to re-state the plan provisions, not to add or subtract any terms or conditions of the existing plans. The drafts have been filled in to represent the current plans as they were adopted by the Township Board.

RECOMMENDED ACTION:

Forward a recommendation to the Township Board regarding the MERS DB and DC Plan Adoption Agreement Addendum

Defined Benefit Plan Adoption Agreement Addendum



1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

The employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit (DB) Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Effective Date

The effective date shall be the first day of **January, 2021**.

II. Employer name Cascade Chtr Twp

Municipality number 411001

This is an amendment of the existing Adoption Agreement for the MERS Defined Benefit.

Any changes to plan provisions apply to employees in the division on the effective date, as well as to new hires ongoing. Definitions will apply for all service accrued after the effective date.

Division number 41100101

Division name on file with MERS General

III. Plan Eligibility

Only those employees eligible for MERS membership may participate in the MERS Defined Benefit. If an employee classification is **included** in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the service credit qualification defined below. All eligible employees must be reported to MERS.

Using your Division Name above, expand on the employee classifications that are eligible to participate in MERS. For example, if Division is "General," please insert specific classifications that are eligible for MERS such as "Clerical Staff," "Elected Officials," "Library Director," etc.:

Employee classification contains **public safety employees**: Yes No

Public safety employees include: law enforcement, parole and probation officers, employees responsible for emergency response (911 dispatch, fire service, paramedics, etc.), public works, and other skilled support personnel (equipment operators, etc.).

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 41100101

If you elect to include a special classification (chart below), then the employee will be required to meet the Service Credit Qualification as defined under section IV (Provisions) in order to earn a month of service. Excluded classification will require additional information below.

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than <u>12</u> months in total.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Part-Time Employees: Those who regularly work fewer than <u>30</u> per <u>week</u> .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seasonal Employees: Those who will work for the municipality from <u>April</u> to <u>Oct</u> only.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Voter-Elected Officials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appointed Officials: An official appointed to a voter-elected office.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contract Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Probationary Periods (select one):

Service will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, the employer will not report or provide service.

The probationary period will be 3 month(s).

Comments:

90 DAYS PROBATION

Service will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 41100101

IV. Provisions

1. Service Credit Qualification

To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an 'hour per day' has been defined (like ten 7-hour days), electing 70 hours will be required. Employees must meet the definition of Plan Eligibility in order to earn service credit under the plan.

To receive one month of service credit, an employee shall work (or be paid for as if working) 80 hours in a month.

2. Leaves of Absence

Indicate by checking the boxes below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria.

Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

- MERS will skip over these months when determining the FAC amount for benefit calculations.
- Third-party wages are **not** reported for leaves of absence.
- Employers are **not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer. However, an employer may submit additional voluntary contributions for the period of the leave in an amount determined by the employer.
- For **contributory divisions**, employee contributions are required for service credit to be retained. Employee contributions will be collected based on the Service Credit Qualification. Employers will calculate employee contributions due using the employee's current hourly rate (prior to leave). For example if 120 hours is required for service credit, then employee contributions shall be equal to 120 hours times the employee's hourly rate. Employees have three times the length of leave, to a maximum of five years, to pay required employee contributions. Leaves of absence are required to be reported to MERS, including the employee's start and end date per month, along with the employee's hourly rate.

Type of Leave	Service Credit Granted	Service Credit Excluded
Short- and Long-Term Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers' Compensation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Unpaid Family Medical Leave Act (FMLA)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other: _____ For example, sick and accident, administrative, educational, sabbatical, etc.	<input type="checkbox"/>	<input type="checkbox"/>
Other 2: _____ Additional leave types as above	<input type="checkbox"/>	<input type="checkbox"/>

Leaves of absence due to military service are governed by the Federal *Uniformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37).

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 41100101

3. Definition of Compensation

The Definition of Compensation is used to calculate a participant's final average compensation and is used in determining both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Select your Definition of Compensation here. If you choose to customize your definition, skip this table and proceed to page 5.

	<input type="radio"/> Base Wages	<input checked="" type="radio"/> Box 1 Wages	<input type="radio"/> Gross Wages
Types of Compensation			
Regular Wages Salary or hourly wage X hours PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) On-call pay	All Regular Wages included	All Regular Wages included	All Regular Wages included
Other Wages Shift differentials Overtime Severance issued over time (weekly/bi-weekly)	Excluded	All Other Wages included	All Other Wages included
Lump Sum Payments PTO cash-out Longevity Bonuses Merit pay Job certifications Educational degrees Moving expenses Sick payouts Severance (if issued as lump sum)	Excluded	All Lump Sum Payments included	All Lump Sum Payments included
Taxable Payments Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) Prizes, gift cards Personal use of a company car Car allowance	Excluded	All Taxable Payments included	All Taxable Payments included
Reimbursement of Nontaxable Expenses (as defined by the IRS) Gun, tools, equipment, uniform Phone Fitness Mileage reimbursement Travel through an accountable plan (i.e. tracking mileage for reimbursement)	Excluded	Excluded	Excluded
Types of Deferrals			
Elective Deferrals of Employee Premiums/Contributions 457 employee and employer contributions 125 cafeteria plan, FSAs and HSAs IRA contributions	All Elective Deferrals included	Excluded	All Elective Deferrals included
Types of Benefits			
Nontaxable Fringe Benefits of Employees Health plan, dental, vision benefits Workers compensation premiums Short- or Long-term disability premiums Group term or whole life insurance < \$50,000	All Nontaxable Fringe Benefits included	Excluded	All Nontaxable Fringe Benefits included
Mandatory Contributions Defined Benefit employee contributions MERS Health Care Savings Program employee contributions	All Mandatory Contributions included	Excluded	All Mandatory Contributions included
Taxable Fringe Benefits Clothing reimbursement Stipends for health insurance opt out payments Group term life insurance > \$50,000	Excluded	Excluded	All Taxable Fringe Benefits included
Other Benefits / Lump Sum Payments Workers compensation settlement payments	Excluded	Excluded	All Other Lump Sum Benefits included

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 41100101

SKIP THIS TABLE if you selected one of the standard definitions of compensation on page 4.

CUSTOM: If you choose this option, you must select boxes in each section you would like to include in your Definition of Compensation. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages

 Salary or hourly wage X hours

 On-call pay

 PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)

 Other: _____

Other Wages apply: YES NO
 Shift differentials

 Severance issued over time (weekly/bi-weekly)

 Overtime

 Other: _____

Lump Sum Payments apply: YES NO
 PTO cash-out

 Educational degrees

 Longevity

 Moving expenses

 Bonuses

 Sick payouts

 Merit pay

 Severance (if issued as lump sum)

 Job certifications

 Other: _____

Taxable Payments apply: YES NO
 Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)

 Prizes, gift cards

 Car allowance

 Personal use of a company car

 Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: YES NO
 Gun, tools, equipment, uniform

 Mileage reimbursement

 Phone

 Travel through an accountable plan (i.e. tracking mileage for reimbursement)

 Fitness

 Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: YES NO
 457 employee and employer contributions

 IRA contributions

 125 cafeteria plan, FSAs and HSAs

 Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: YES NO
 Health plan, dental, vision benefits

 Group term or whole life insurance < \$50,000

 Workers compensation premiums

 Other: _____

 Short- or Long-term disability premiums

Mandatory Contributions apply: YES NO
 Defined Benefit employee contributions

 Other: _____

 MERS Health Care Savings Program employee contributions

Taxable Fringe Benefits apply: YES NO
 Clothing reimbursement

 Group term life insurance > \$50,000

 Stipends for health insurance opt out payments

 Other: _____

Other Benefits / Lump Sum Payments apply: YES NO
 Workers compensation settlement payments

 Other: _____

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 41100101

V. Execution:

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This foregoing Addendum is hereby approved by Cascade Charter Township

at a Board Meeting which took place on: _____
(mm/dd/yyyy)

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____





Defined Contribution Plan Adoption Agreement Addendum

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711

www.mersofmich.com

The employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Contribution (DC) Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Effective Date

The effective date shall be the first day of **January, 2021**.

II. Employer name Cascade Chtr Twp

Municipality number 411001

This is an amendment of the existing MERS Defined Contribution Agreement.

Any changes to plan provisions apply to employees in the division on the effective date, as well as to new hires ongoing. Definitions will apply for all service accrued after the effective date.

Division number 411001110531

Division name All FT aft 3/1/18 & Converted

Note: This division should reflect how you currently define employees who are eligible to participate, for example, All full-time Employees, New hires after 1/1/2019, etc.

III. Plan Eligibility

Only those employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. If an employee classification is included in the plan, then employees that meet this definition are required to participate in the plan and earn time toward vesting. All eligible employees must be reported to MERS.

Using your Division Name above, expand on the employee classifications that are eligible to participate in MERS, such as "Clerical staff working more than 160 hours in a month," "Elected Officials" or "Admin working >32 hours per week," etc.:

Employee classification contains **public safety employees**: Yes No

Public safety employees include: law enforcement, parole and probation officers, employees responsible for emergency response (911 dispatch, fire service, paramedics, etc.), public works, and other skilled support personnel (equipment operators, etc.).

Defined Contribution Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 411001110531

If you elect to include a special classification (chart below), then the employee will be required to participate in the employer and employee contributions adopted in your plan. An excluded classification will require additional information below.

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than <u>12</u> months in total.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Part-Time Employees: Those who regularly work fewer than <u>32</u> per <u>week</u> .	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seasonal Employees: Those who will work for the municipality from <u>Apr</u> to <u>Oct</u> only.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Voter-Elected Officials	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appointed Officials: An official appointed to a voter-elected office.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contract Employees	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Probationary Periods (select one):

- Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, contributions will not be reported and service toward vesting will begin when probationary period has ended.

The probationary period will be 3 month(s).

Comments:

90 DAYS PROBATION

- Contributions will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

Defined Contribution Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 411001110531

IV. Provisions

1. Leaves of Absence

Regardless of whether an employee is earning a wage while on the following types of leave:

- Third-party wages are not used in determining contributions for periods of leave.
- Vesting under elapsed time continues to accrue even if wages are not earned and contributions are zero.

Note: Employers who determine vesting based on an “hours-reported” method, should report actual worked hours for the month where there was a leave.

Types of leave include:

- Short Term and Long Term Disability
- Workers Compensation
- Unpaid Family Medical Leave Act (FMLA)

Leaves of absence due to military service are governed by the federal *Uniformed Services Employment and Reemployment Rights Act of 1994* (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37).

Defined Contribution Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 411001110531

2. Definition of Compensation

The Definition of Compensation is used to determine participant and employer contributions. Wages are strongly recommended to be reported with regular wage/contribution reports to MERS. Contributions cannot exceed IRS limitations.

Select your Definition of Compensation here. If you choose to customize your definition, skip this table and proceed to page 5.

	<input type="radio"/> Base Wages	<input checked="" type="radio"/> Box 1 Wages	<input type="radio"/> Gross Wages
Types of Compensation			
Regular Wages Salary or hourly wage X hours PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) On-call pay	All Regular Wages included	All Regular Wages included	All Regular Wages included
Other Wages Shift differentials Overtime Severance issued over time (weekly/bi-weekly)	Excluded	All Other Wages included	All Other Wages included
Lump Sum Payments PTO cash-out Longevity Bonuses Merit pay Job certifications Educational degrees Moving expenses Sick payouts Severance (if issued as lump sum)	Excluded	All Lump Sum Payments included	All Lump Sum Payments included
Taxable Payments Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) Prizes, gift cards Personal use of a company car Car allowance	Excluded	All Taxable Payments included	All Taxable Payments included
Reimbursement of Nontaxable Expenses (as defined by the IRS) Gun, tools, equipment, uniform Phone Fitness Mileage reimbursement Travel through an accountable plan (i.e. tracking mileage for reimbursement)	Excluded	Excluded	Excluded
Types of Deferrals			
Elective Deferrals of Employee Premiums/Contributions 457 employee and employer contributions 125 cafeteria plan, FSAs and HSAs IRA contributions	All Elective Deferrals included	Excluded	All Elective Deferrals included
Types of Benefits			
Nontaxable Fringe Benefits of Employees Health plan, dental, vision benefits Workers compensation premiums Short- or Long-term disability premiums Group term or whole life insurance < \$50,000	All Nontaxable Fringe Benefits included	Excluded	All Nontaxable Fringe Benefits included
Mandatory Contributions	All Mandatory Contributions included	Excluded	All Mandatory Contributions included
Taxable Fringe Benefits Clothing reimbursement Stipends for health insurance opt out payments Group term life insurance > \$50,000	Excluded	Excluded	All Taxable Fringe Benefits included
Other Benefits / Lump Sum Payments Workers compensation settlement payments	Excluded	Excluded	All Other Lump Sum Benefits included

Defined Contribution Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 411001110531

SKIP THIS TABLE if you selected one of the standard definitions of compensation on page 4.

CUSTOM: If you choose this option, you must select boxes in each section you would like to include in your Definition of Compensation. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Salary or hourly wage X hours | <input type="checkbox"/> On-call pay |
| <input type="checkbox"/> PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) | <input type="checkbox"/> Other: _____ |

Other Wages apply: YES NO

- | | |
|--|--|
| <input type="checkbox"/> Shift differentials | <input type="checkbox"/> Severance issued over time (weekly/bi-weekly) |
| <input type="checkbox"/> Overtime | <input type="checkbox"/> Other: _____ |

Lump Sum Payments apply: YES NO

- | | |
|---|--|
| <input type="checkbox"/> PTO cash-out | <input type="checkbox"/> Educational degrees |
| <input type="checkbox"/> Longevity | <input type="checkbox"/> Moving expenses |
| <input type="checkbox"/> Bonuses | <input type="checkbox"/> Sick payouts |
| <input type="checkbox"/> Merit pay | <input type="checkbox"/> Severance (if issued as lump sum) |
| <input type="checkbox"/> Job certifications | <input type="checkbox"/> Other: _____ |

Taxable Payments apply: YES NO

- | | |
|---|--|
| <input type="checkbox"/> Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) | <input type="checkbox"/> Car allowance |
| <input type="checkbox"/> Prizes, gift cards | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Personal use of a company car | |

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: YES NO

- | | |
|---|---|
| <input type="checkbox"/> Gun, tools, equipment, uniform | <input type="checkbox"/> Mileage reimbursement |
| <input type="checkbox"/> Phone | <input type="checkbox"/> Travel through an accountable plan (i.e. tracking mileage for reimbursement) |
| <input type="checkbox"/> Fitness | <input type="checkbox"/> Other: _____ |

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: YES NO

- | | |
|--|--|
| <input type="checkbox"/> 457 employee and employer contributions | <input type="checkbox"/> IRA contributions |
| <input type="checkbox"/> 125 cafeteria plan, FSAs and HSAs | <input type="checkbox"/> Other: _____ |

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: YES NO

- | | |
|--|--|
| <input type="checkbox"/> Health plan, dental, vision benefits | <input type="checkbox"/> Group term or whole life insurance < \$50,000 |
| <input type="checkbox"/> Workers compensation premiums | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Short- or Long-term disability premiums | |

Mandatory Contributions apply: YES NO

Taxable Fringe Benefits apply: YES NO

- | | |
|---|---|
| <input type="checkbox"/> Clothing reimbursement | <input type="checkbox"/> Group term life insurance > \$50,000 |
| <input type="checkbox"/> Stipends for health insurance opt out payments | <input type="checkbox"/> Other: _____ |

Other Benefits / Lump Sum Payments apply: YES NO

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Workers compensation settlement payments | <input type="checkbox"/> Other: _____ |
|---|---------------------------------------|

Defined Contribution Plan Adoption Agreement Addendum

EMPLOYER NAME: Cascade Chtr Twp

DIV: 411001110531

3. Forfeiture

A forfeiture occurs when a participant separates from employment prior to meeting the associated elapsed time (or hours reported) to receive vesting. The percentage of his/her employer contribution account balance that has not vested as of the date of termination will forfeit after 12 consecutive months following the termination date reported by the employer, or earlier, if the System distributes the participant's vested portion. MERS will utilize an available forfeiture balance as an automatic funding source applied to reported employer contributions at the time of reporting.

V. Execution:

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This foregoing Addendum is hereby approved by Cascade Charter Township

at a Board Meeting which took place on: _____
(mm/dd/yyyy)

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

