

CITY OF MADISON HEIGHTS
RESOLUTION TO TERMINATE PARTICIPATION IN THE MERS 401(a) DEFINED
CONTRIBUTION PLAN

WHEREAS, the City of Madison Heights (City) currently participates in the Municipal Employees' Retirement System of Michigan ("MERS") 401(a) Defined Contribution Plan (the "MERS Defined Contribution Plan");

WHEREAS, the Madison Heights City Council has determined that it is in the best interests of the City and its employees to terminate its participation in the MERS Defined Contribution Plan and establish a successor 401(a) defined contribution plan;

NOW, THEREFORE, BE IT RESOLVED BY the Madison Heights City Council that:

- A. The Madison Heights City Council and its Fiduciary Officials (defined below) have received and reviewed Section 11 of the MERS Plan Document and the MERS Termination Policy and Procedure;
- B. A two-thirds majority of the members of the Madison Heights City Council has voted to terminate participation in the MERS Defined Contribution Plan and to establish the City Defined Contribution Retirement Plan, a successor 401(a) defined contribution plan (the "Successor 401(a) Plan");
- C. Termination of participation in the MERS Defined Contribution Plan will not result in diminishment of any accrued financial benefit by Members under Article 9, Section 24 of the Michigan Constitution;
- D. City acknowledges the requirement to fund the Successor 401(a) Plan for the benefit of its Members and Retirees, as required by all applicable laws and regulations and agrees to so fund the plan as required by law;
- E. The Madison Heights City Council has been named as fiduciary to receive and administer the Successor 401(a) Plan, and invest the assets transferred from the MERS Defined Contribution Plan to the Successor 401(a) Plan, as set forth in the account statement for the MERS Defined Contribution Plan withdrawal agreement;
- F. The Successor 401(a) Plan is a qualified retirement plan under Internal Revenue Code section 401(a) and intends to maintain such status until final plan termination;
- G. On the effective date of termination of participation in the MERS Defined Contribution Plan, to be determined by MERS, all responsibilities and liabilities of investment fiduciaries as set forth under the Public Employees Retirement Investment Security Act, Act 314 of 1965, as amended ("PERSIA"), and fiduciary, plan administrator and trustee (under all other applicable state or federal common or statutory laws or regulations) will transfer from MERS to City and its Fiduciary Officials as defined below; and

- H. In accordance with MERS Plan Document Section 11 and the MERS' Termination Policy and Procedure, the Madison Heights City Council directs the individuals holding the specified job positions listed below ("Fiduciary Officials") to execute this Resolution as an acknowledgment of the fiduciary duties being transferred.
- I. The Madison Heights City Council authorizes Roslyn Grafstein, Mayor, and Cheryl Rottmann, City Clerk, to sign the MERS withdrawal agreement, on behalf of the City.

Signatures of Fiduciary Officials:

Chief Elected Officer of the Municipality:

Roslyn Grafstein, Mayor

Date

Chief Administrative Officer of the Municipality:

Cheryl Rottmann, City Clerk

Date

Chief Financial Officer of the Municipality:

Linda A. Kunath, Finance Director/Treasurer

Date