



## **Board of Directors Special Meeting**

Davidson Town Hall  
216 South Main St  
Davidson, NC 28036  
Main meeting room

Tuesday, June 28, 2011, 5:00 PM

Present: John Venzon, Brett Ellis (phone), Dawn Huston (phone), Steve Miller (phone)

Absent: Leamon Brice, Erskine Smith, Ken Essex, Rodney Short

Other Attendees: Alan Hall, Nick Miller, Gail Karish, David Auger, Nola Perkins

1.) Call to Order/Quorum – John Venzon.

Mr. Venzon determined that a quorum was present and called the meeting to order at 5:06 pm.

2.) Discussion and Vote on NC retirement Plan Membership

Mr. Auger advised the Board that BVU employees providing services to MI-Connection are currently members of the Virginia retirement plan. BVU contributes 14% of salary to the VA plan for employees hired prior to July 1, 2010, and for those hired after July 1, 2010 BVU contributes 9.3% and employees contribute 5%.

Mr. Auger advised the Board that MI-Connection was eligible to join the North Carolina municipal retirement system once BVU employees transitioned to MI-Connection employment. Under the North Carolina plan, MI-Connection would contribute about 6.88% (under a formula based upon age and years of employment), and employees would contribute 6.00% based upon North Carolina state retirement plan rules.

He advised that there were a number of requirements that had to be met in order to join the North Carolina retirement system. The Board was required to adopt certain resolutions. Once the board approves, the MI-Connection employees would have to hold a vote on participation in the plan. Finally, the North Carolina retirement system would have to approve the application to join. He also advised that it was only possible to join at the beginning of each calendar quarter. If approved, employees joining prior to MI-Connection's entry date into the retirement system

would have the option to individually opt out. Employees hired later are required to participate in retirement plan and cannot opt out.

There were still some details to clarify such as 1) which employees would be eligible for the vote and when the vote could occur 2) whether there was any possibility to rollover to the North Carolina plan contributions made to the Virginia plan, and 3) which employees would not have the option to opt out of the plan.

Mr. Auger estimated that the impact of joining the North Carolina retirement system would be an incremental cost of \$11,000 for MI-Connection and its employees, however, because other insurance costs would be reduced, this would offset the impact to MI-Connection and its employees.

Mr. Venzon requested an analysis be conducted to show how individual employee take home pay will be affected by the change from BVU to MI-Connection as employer.

Two motions were presented to the board for approval regarding the North Carolina retirement system:

1. RESOLUTION ENROLLING IN NORTH CAROLINA LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM (ATTACHMENT 1)

Mr. Ellis moved that the resolution be adopted. The motion was seconded by Mr. Miller. The motion to adopt the resolution was passed unanimously by the board.

2. RESOLUTION TO ENACT A TAX SHELTER OF EMPLOYEES' CONTRIBUTIONS PAYABLE AS MEMBERS OF THE NORTH CAROLINA LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM (ATTACHMENT 2)

Mr. Ellis moved that the resolution be adopted. The motion was seconded by Mr. Miller. The motion to adopt the resolution was passed unanimously by the board.

3.) Roundtable open discussions – All

Mr. Venzon thanked various board members for attending non-quorum round table discussions on Thursday June 23.

4) Adjournment

Having no other business, Ms. Huston made a motion to adjourn the meeting and it was seconded by Mr. Ellis. The motion passed unanimously and the meeting ended at 5:37 pm.