COUNTY OF WASHTENAW

At a _____ meeting of the Board of Commissioners of the County of Washtenaw, Michigan, held on the ___ day of _____, 2008, at __:__ _.m., Eastern Daylight Savings Time, at the County _____ Building in Ann Arbor, Michigan there were:

PRESENT: _____

_____

ABSENT: _____

The following preambles and resolution were offered by _____ and seconded by _____:

RESOLUTION AUTHORIZING THE COUNTY OF WASHTENAW TO PROCEED TO TAKE THE PRELIMINARY ACTIONS WHICH WILL LEAD TO THE CREATION OF A TRUST WHICH WILL ISSUE RETIREES HEALTH CARE CERTIFICATES OF PARTICIPATION

WHEREAS, the Board of Commissioners (the "Commission") of the County of Washtenaw, Michigan (the "County"), wishes to cause a trust to be created (to be authorized by a future ordinance of the Commission) which will issue retirees health care certificates of participation to fund the Washtenaw County VEBA Trust which has been established to pay post-employment health care benefits for public employee retirees of the County as described in EXHIBIT A attached hereto (the "Retirees Health Care Project"); and

WHEREAS, in order to expedite the Retirees Health Care Project and the issuance of the retirees health care certificates of participation (the “COPS”), the County wishes to authorize the County Administrator and the Voluntary Employees’ Beneficiary Association to take necessary preliminary steps to begin the process which will include preparing the documents creating the trust and eventually causing the COPS to be issued; and

WHEREAS, in addition, the County wishes to authorize the Washtenaw County Health Fund (#7571) to advance moneys to enable the process of creating the trust and causing the COPS to be issued to begin; and

WHEREAS, the County also wishes to ensure that the Washtenaw County Health Fund (#7571) be reimbursed for any advance it makes in connection with the Retirees Health Care Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHTENAW, MICHIGAN, AS FOLLOWS:

1. **Approval of Plans.** The preliminary plans and estimates relating to the Retirees Health Care Project and identified in EXHIBIT A attached hereto are hereby approved and ordered filed with the County Clerk.

2. **Authorize Expenditures from Washtenaw County Health Fund (#7571)**. The Washtenaw County Health Fund (#7571) is hereby authorized to advance moneys to enable the process of creating the trust and causing the COPS to the issued to begin.

3. **Reimbursement**. The Washtenaw County Health Fund (#7571) shall be reimbursed from the proceeds of the COPS any moneys that were advanced in connection with the Retirees Health Care Project.

4. **Retention of Counsel**. The firm of Axe & Ecklund, P.C., attorneys of Grosse Pointe Farms, Michigan, shall be retained by the trust to be created in connection with the issuance, sale and delivery of the COPS.

5. **Retention of Financial Consultants**. Municipal Financial Consultants Incorporated, Grosse Pointe Farms, Michigan, shall be retained by the trust to be created in connection with the issuance, sale and delivery of the COPS.

6. **Conflicting Resolutions**. All resolutions and parts of resolutions in conflict with the foregoing are hereby rescinded.

7. **Effective Date**. This Resolution shall become effective immediately upon its adoption and shall be recorded in the minutes of the Board of Commissioners as soon as practicable after adoption.

BE IT FURTHER RESOLVED that since sufficient funding exists in the Health Fund (#7571) to advance moneys to enable the process of creating the trust and causing the COPS to the issued to begin, no budget amendment is required.

A roll call vote on the foregoing resolution was then taken, and was as follows:

YES: _____

_____

NO: _____

ABSTAIN: _____

The resolution was declared adopted.

STATE OF MICHIGAN)
)ss.
COUNTY OF WASHTENAW)

CERTIFICATION

The undersigned, being the Clerk of the County of Washtenaw, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the County of Washtenaw Board of Commissioners at its _____ meeting held on the _____ day of _____, 2008, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as amended, and that minutes of such meeting were kept and will be or have been made available as required thereby.

_____
COUNTY CLERK

DATED: _____, 2008

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EXHIBIT A

Retirees Health Care Project Description

The Retirees Health Care Project consists of a plan to create a trust which will issue long-term general obligation debt to pre-fund long-term retiree health care obligations and other post employment benefits paid on behalf of Washtenaw County employees who retire from county service and who have the adequate vesting and service benefit level requirements. Based upon the most recent Actuarial Valuation Report as of September 30, 2006, for the Washtenaw County Retirees' Health Care Trust, the Trust is 21% funded leaving an estimated unfunded accrued liability of approximately $157.1 million. The trust's obligations need to be repaid by contract payments to be made by the County of Washtenaw over the life of the debt. As a result of Washtenaw County's AA bond rating and based on market conditions, the estimated average annual interest rate which will be secured for the long-term debt issuance is expected to be significantly less than the long-term investment rate of the Trust Fund and will result in significant additional earnings on the Trust assets. This in turn will reduce the annual costs which must be paid out each year to meet the County's obligations to its retirees for health care and other post-employment obligations.

Cost Estimates

Estimated Funds to be deposited with Trustee & Financing Costs (Including Bond Discount and Project Contingency)	$160,000,000*
Estimated amount of Certificates of Participation to be issued:	**$160,000,000***
Maximum term of issue:	**21 years**

*This amount will be adjusted up or down in July of 2008 when the Actuarial Valuation Report for the year ended December 31, 2007 is received.

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