

Municipal Stability Board

REGULAR MEETING

Friday, May 18, 2018 at 10:00 a.m.

Austin Building
State Treasurer's Boardroom
430 W. Allegan Street
Lansing, MI 48922

I. Call to Order

- A. Roll Call
- B. Introduction of Board Members
- C. Approval of Agenda
- D. Correspondence
- E. PA 202 Overview from Dan Horn and Kevin Kubacki, Treasury

II. Old Business

III. New Business

- A. Approval of Bylaws (Resolution 2018-1)
- B. Approval of Designating Certain Persons to Serve as Secretary for the Board (Resolution 2018-2)
- C. Approval of Ethics Policy (Resolution 2018-3)
- D. Approval of Public Comments Policy (Resolution 2018-4)
- E. Approval of Consent Agenda Policy (Resolution 2018-5)
- F. Approval of Meeting Schedule (Resolution 2018-6)

IV. Public Comment

- A. 2 minute limit

V. Board Comment

VI. Adjournment

Protecting Local Government Retirement and Benefits Act

Corrective Action Plan:

Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

I. MUNICIPALITY INFORMATION

Local Unit Name: _____ Six-Digit Muni Code: _____

Retirement Health Benefit System Name: _____

Contact Name (Administrative Officer): _____

Title if not Administrative Officer: _____

Email: _____ Telephone Number: _____

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one retirement health benefit system that has been determined to have an underfunded status. Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board. The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System OPEB Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status, as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Requiring cost sharing of premiums and sufficient copays.
- (ii) Capping employer costs.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the **retirement system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On **January 1, 2017**, the local unit entered into new collective bargaining agreements with the **Command**

Officers Association and Internal Association of Firefighters that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is **40%** funded as of **June 30, 2017**.

- Additional Funding** – Additional funding may include the following: paying the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on June 23, 2016. The local unit of government has adopted a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC). Additionally, the local unit has committed to contributing \$500,000 annually, in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to 40% by 2022. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional \$500,000 for the next five years.*

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from 2015. Attached is an updated actuarial valuation for 2017 that shows our funded ratio has improved to 42% as indicated on page 13.*

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

- System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system would be **40%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- Additional Funding** – Additional funding may include the following: meeting the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: The local unit will create a qualified trust to receive, invest, and accumulate assets for retirement healthcare by **December 31, 2018**. The local unit of government will adopt a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC) by **December 31, 2018**. Additionally, beginning in fiscal year 2019, the local unit will contribute **\$500,000** annually in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40%** by **2022**. Please see page **10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on page **13**.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) _____ to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

- Yes
- No

If No, Explain: _____

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention	Type of Document
<input type="checkbox"/> Attachment – 1	This Corrective Action Plan (Required)
<input type="checkbox"/> Attachment – 1a	Documentation from the governing body approving this Corrective Action Plan (Required)
<input type="checkbox"/> Attachment – 2a	Actuarial Analysis (annual valuation, supplemental valuation, projection)
<input type="checkbox"/> Attachment – 3a	Internally Developed Projection Study
<input type="checkbox"/> Attachment – 4a	Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).
<input type="checkbox"/> Attachment – 5a	Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)
<input type="checkbox"/> Attachment – 6a	A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio
<input type="checkbox"/> Attachment – 7a	Other documentation, not categorized above

7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I _____, as the government's administrative officer (enter title) _____ (City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature _____ Date _____

Protecting Local Government Retirement and Benefits Act

Corrective Action Plan:

Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

I. MUNICIPALITY INFORMATION

Local Unit Name: _____ Six-Digit Muni Code: _____

Defined Benefit Pension System Name: _____

Contact Name (Administrative Officer): _____

Title if not Administrative Officer: _____

Email: _____ Telephone Number: _____

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one defined benefit pension retirement system that has been determined to have an underfunded status.

Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annually required contribution for all of the defined benefit pension retirement systems of the local unit of government is greater than 10% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board (the Board). The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System Pension Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan, a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Closing the current defined benefit plan.
- (ii) Implementing a multiplier limit.
- (iii) Reducing or eliminating new accrued benefits.
- (iv) Implementing final average compensation standards.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTIONS OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *The system's multiplier for current employees was lowered from 2.5X to 2X for the General Employees' Retirement System on January 1, 2017. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio will be 60% by fiscal year 2020.*

- Additional Funding** – Additional funding may include the following: Voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit provided a lump sum payment of \$1 million to the General Employees' Retirement System on January 1, 2017. This lump sum payment was in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to 61% by 2025. Please see page 10 of the attached enacted budget, which highlights this contribution of \$1 million.*

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from 2015. Attached is an updated actuarial valuation for 2017 that shows our funded ratio has improved to 62% as indicated on page 13.*

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the additional actions the local government is planning to implement to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

- System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: Beginning with **summer 2018** contract negotiations, the local unit will seek to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. On page **8** of the attached actuarial supplemental valuation, it shows our funded ratio would be **60%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- Additional Funding** – Additional funding may include the following: voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will provide a lump sum payment of **\$1 million** to the **General Employees' Retirement System**. This lump sum payment will be in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page **10** of the attached enacted budget, which highlights this contribution of **\$1 million**. Please see page **12** of the attached supplemental actuarial valuation showing the projected change to the system's funded ratio with this additional contribution.

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the pension liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the retirement system to reach a funded status of **62% by 2022** as shown in the attached actuarial analysis on page **13**.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) _____ to make, at a minimum, the annual required contribution payment for the defined benefit pension system according to your long-term budget forecast?

- Yes
- No

If No, Explain: _____

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this Corrective Action Plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

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<input type="checkbox"/> Attachment – 7a	Other documentation, not categorized above

7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I, _____, as the government's administrative officer (enter title) _____ (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature _____

Date _____



State of Michigan
Department of Treasury

Public Act 202 of 2017 (Pension/OPEB Reforms)

May 18, 2018

Dan Horn and Kevin Kubacki
Community and Engagement and Finance Division
Michigan Department of Treasury

PA 202 of 2017 Background

- January 2017 State of the State Address, Governor Rick Snyder announced the creation of a task force focused on addressing the underfunded pension and retiree health care liabilities of local governments in Michigan.
- Members of the task force consisted of legislators, state and local government officials, employee representatives, pension managers and insurance professionals.





PA 202 of 2017 Background

- The Problem:
 - The total State-wide unfunded pension liability was estimated to be \$10.2 billion.
 - The total retiree health care unfunded liability was estimated to be \$10.1 billion.
 - In some communities these legacy costs are crowding out essential government services
 - Local units across the state are unique and are at different stages in dealing with unfunded legacy costs.

PA 202 of 2017 Background

- Task force recommendations, with consensus
 - Greater reporting and transparency
 - Pension and OPEB Fiscal Stress Test System
 - Creation of the Municipal Stability Board
 - Funding of OPEB Normal Cost for New Hires
- PA 202 of 2017, follows the Task Force recommendations



Who is Impacted by PA 202

- The new law impacts any local unit of government that administers a defined benefit pension or retirement health system, often referred to as Other Post-Employment Benefit (OPEB).
- This includes cities, villages, townships, counties, road commissions, metropolitan districts or authorities, municipal electric utility systems and others.



Key Pieces of Legislation

Stage 1: Evaluation System and Underfunded Status



Stage 2: Waiver process



Stage 3: Correction Action Plan and MSB



Stage 4: Transparency



Stage 5: Ongoing Implementation



Evaluation System I

- Goal: identify and resolve through corrective action the underfunded status of local Pension and OPEB systems
- Outcome: identification of “underfunded status” means the government must continue through the process

PA 202 Status for FYE January 2010 thru June 2017, as of April 30, 2018

Total number of funded local units:	321	71%
Number of preliminary determined underfunded units:	133	29%
Total number of local units filing Retirement Form 5572	454	100%

Evaluation System II: Triggers

- Key Triggers (Cities, Vill., Twp., Counties):
 - OPEB: less than 40% funded status and equal to more than 12% of govt. revenue
 - Pension: less than 60% funded and equal to or more than 10% of govt. revenue
- Other triggers:
 - Failure to report
 - Beginning in FY18, failure to pay OPEB normal cost for newly hired employees



Evaluation System III: Retirement Report

- Using standards promulgated by Treasury must provide for publicly available report on:
 - Funded ratio
 - Annual required contribution
 - Operating revenues
 - Waiver and underfunded status
 - Corrective action plans



Evaluation System IV: Actuarial Requirements

- Actuarial experience study every five years
- Peer actuarial audit or new plan actuary every eight years
 - Small plans with less than 100 members are not subject to this requirement



Evaluation System V: Uniform Assumptions

- PA 202 requires the State Treasurer to annually establish uniform actuarial assumptions of retirement systems.
 - Investment Returns
 - Salary Increase Rates
 - Mortality Tables
 - Discount Rates
 - Health Care Inflation
- Updated assumptions anticipated to be announced in summer 2018

Waiver Process I

- Local Units of Government, which receive a preliminary review of Underfunded Status:
 - Have option to submit a waiver request to Treasurer
 - Waiver(s) must be submitted within 45 days of preliminary underfunded notification
 - Separate waiver must be submitted for each preliminary underfunded system for waiver to be considered.
 - Waiver's must include:
 - Actions already taken to address underfunded status.
 - Proof of Governing Body approving waiver application and plan to address underfunded status.



Waiver Process II

- Possible reasons for waiver approval?
 - Reviewed within a narrow scope.
 - Factual Errors
 - Significant policy actions that have already been implemented but not reflected in CAFR or annual financial report in the near term.
- If waiver not granted or requested, local units must submit a corrective action plan to the Municipal Stability Board



Waiver Process III

Timeline

FY Ending	Financial Report to Treasury	Treasury determines Underfunded Status	Waiver Application	Treasury issues CAP Requests	MSB Approves or Denies CAP
6/30/17	Jan	Feb	Apr	May	Nov
9/30/17	Mar	Apr	Jun	Jul	Jan
12/31/17	Jun	Jul	Sep	Oct	Apr



Waiver Process IV

- About 111 local units had plans that were determined to be underfunded and are required to submit a corrective action plan to the Municipal Stability Board
 - For the first cohort of local units, primarily in fiscal year end of 6/30/17

PA 202: Waiver Application Summary by Local Units of Government					
Did Not File		Waiver Applications			
Retirement Report – Form 5572	Waiver Application	Recommend Deny	Recommend Approve	Split ¹	Total Local Units Preliminary Underfunded ²
11	20	72 (71%)	22 (21%)	8 (8%)	133

¹ Split units have at least one underfunded system requiring a corrective action plan and at least one system that was approved for a waiver.

² Information as of April 30, 2018



Municipal Stability Board (MSB) I

- Three member board (gubernatorial appointees)
 - One resident of the state representing state officials
 - One resident of the state representing local officials
 - One resident of the state representing employees and retirees





Municipal Stability Board (MSB) II

- Board shall issue an annual best practice and strategies document to assist local governments in corrective action plans
- Corrective action plans are due to MSB within 180 Days after local unit receives determination of underfunded status.
- Corrective action plans should include the development and implementation of corrective options for the local unit of government to address its underfunded status.
- The MSB will review and vote to approve or reject corrective action plans submitted by the local unit of government within 45 days of submission and receipt on the agenda



Municipal Stability Board (MSB) III

- Corrective actions as described in of PA 202 of 2017 may include but are not limited to:
 - For retirement pension benefits:
 - Closing current defined benefit plan.
 - Implementing a multiplier limit.
 - Reducing or eliminating new accrued benefits
 - Implementing final average compensation benefits.
 - For retirement health benefits:
 - Requiring cost sharing of premiums and sufficient copays.
 - Capping employer costs.
 - Others, including additional contributions...



Municipal Stability Board (MSB) IV

- Corrective action plan approval
 - Local unit has 180 days to implement plan.
 - Board shall monitor each underfunded unit.
 - Board shall adopt a schedule, no less than every 2 years, to certify local unit is in compliance with the Act.
- Corrective action plan disapproval
 - Board shall provide notification and detailed reasons within 15 days of disapproval.
 - Local unit has 60 days to address disapproval reasons and resubmit a corrective action plan.

Transparency Requirements

- Treasury posts a summary report of each local unit report: Michigan.gov/LocalRetirementReporting
 - Underfunded Status
 - Any corrective action plan approved
 - Waiver Status Operating
 - UAAL
 - ARC
 - Revenues
 - Funded Ratio



Want More Information?

- Website:
www.Michigan.gov/LocalRetirementReporting
- Email:
LocalRetirementReporting@Michigan.gov
- Thank You!
- Questions and Dialogue



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-1

ADOPTION OF BYLAWS

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the “Act”), allows for the creation of the Municipal Stability Board (the “Board”) within the Michigan Department of Treasury; And

WHEREAS, Section 7 of the Act provides, in part, that the Board shall exercise its duties through a three member board; And

WHEREAS, Section 7(8) of the Act provides that “the board shall adopt bylaws for governance of the board, which must, at a minimum, address the procedures for conducting meetings, including voting procedures, and the requirements of its members to attend meetings”; And

WHEREAS, the members of the Board wish to adopt the Municipal Stability Board Bylaws to govern the organization and operation of the Board;

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the Municipal Stability Board Bylaws attached as **Exhibit A** to this Resolution, is hereby approved and adopted.
2. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability
Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan

**MUNICIPAL STABILITY BOARD
FOR
THE STATE OF MICHIGAN**

Bylaws

ARTICLE I

Adoption of Bylaws

The Municipal Stability Board for the State of Michigan (the "Board") adopts these Bylaws to govern its organization and operations pursuant to the Protecting Local Government Retirement and Benefits Act, Act No. 202, Michigan Public Acts of 2017 (the "Act").

ARTICLE II

Members - Term of Office

The members of the Board, their terms of office, and the method of selecting the members shall be as set forth in Sections 7(2) and (4) of the Act. Appointed members of the Board shall serve their term unless removed for cause or a member submits their resignation. A vacancy on the Board occurring other than by expiration of a term shall be filled by the Governor of the State of Michigan in the same manner as the original appointment for the balance of the unexpired term. Each member of the Board shall take and subscribe to the constitutional oath of office under Section 1 of Article XI of the Constitution of Michigan of 1963. The oath shall be filed with the Secretary of State of the State of Michigan.

ARTICLE III

Officers and Employees

Section 1. Officers. The officers of the Board shall be the Chairperson and other officers as may be designated by Board resolution.

Section 2. Chairperson. The member of the Board appointed under subsection (2)(a) of the Act shall be the Chairperson of the Board. The Chairperson shall preside at all meetings of the Board.

Section 3. Vice-Chairperson. The Chairperson may select a Vice-Chairperson who shall serve at the pleasure of the Chairperson. The Vice-Chairperson shall preside at all meetings of the Board upon request of the Chairperson, including in the absence of the Chairperson. The Vice-Chairperson shall have the other duties and responsibilities as delegated by the Chairperson and as permitted by law.

Section 4. Board Officer Vacancies. Should the office of Vice-Chairperson become vacant and the Board desires to appoint a replacement, the Board shall select a successor from its membership.

Section 5. Retention of Professionals. The Board may contract for professional services, as it requires, and shall determine the qualifications it considers necessary. "Professional services" means services that require a high degree of intellectual skill, an advanced degree, or professional licensing or certification. Those providing the professional services are distinguished based on their specialized knowledge, experience, and expertise. Professional services include, but are not limited to, accounting, actuarial, appraisal, auditing, investment advisor, and legal services. Any use of or contract for legal services requires prior approval by the Department of Attorney General.

Section 6. Budgeting, Procurement, Personnel, and Related Management Functions. Except as otherwise provided in the Act, the Board shall exercise its powers, duties, functions, and responsibilities under the Act independently of the State Treasurer. The budgeting, procurement, personnel, and related management functions of the Board shall be performed under the direction and supervision of the State Treasurer.

Section 7. Compensation. Members of the Board shall serve without compensation for their service on the Board, but may receive reasonable reimbursement for necessary travel and expenses incurred in the discharge of their official duties.

ARTICLE IV

Meetings

Section 1. Regular and Special Meetings. Regular Meetings of the Board shall be held no less than quarterly at the times and places determined by the Chairperson. Special Meetings of the Board shall be held at such times and such places as may be determined by the Board at any Regular or Special Meeting, or at any other times and places as determined by the Chairperson. The call for a Regular Meeting, specifying the time and place of the meeting and the suggested agenda shall be delivered in person, mailed, faxed, or emailed to each member of the Board prior to the date of such meeting. The call for a Special Meeting specifying the time and place for such meeting may be emailed (confirmation required) or given by telephone to the business or home address or cell phone of each member of the Board not less than 18 hours before the time of the meeting. Notice, posting and other procedures for the call of Regular or Special Meetings shall always be performed in accordance with the Open Meetings Act, Act No. 267, Michigan Public Acts of 1976 (the "Open Meetings Act").

Section 2. Quorum. A majority of the members of the Board shall constitute a quorum of the Board for the transaction of business at a meeting, or the exercise of a power or function of the Board.

Section 3. Action by the Board. The Board shall only take the actions approved by a resolution or motion of the Board which had a concurring vote of a majority of the members of the Board.

Section 4. Policies and Procedures. The Board may establish rules and procedures by resolution which govern the meetings and the members of the Board, provided such rules and procedures comply with the Act and the Open Meetings Act.

Section 5. Manner of Voting. The voting on a resolution shall be by a roll call vote. The voting on all other questions at a meeting of the Board shall be by a voice vote, unless a member requests a roll call. In the case of either a roll call vote or a voice vote, the individual yeas and nays shall be entered in the minutes of that meeting.

Section 6. Public Meetings. All meetings of the Board shall be held in compliance with the Open Meetings Act.

Section 7. Minutes. Minutes of all the Board meetings, including all votes, shall be kept on file in the Department of Treasury. Proposed minutes for a Board meeting shall be prepared within eight business days of the meeting. The minutes shall be corrected and approved at the succeeding meeting. If corrected, the minutes shall show both the original entry and the correction. The minutes for each meeting of the Board shall be open and available to the public in compliance with the Open Meetings Act and the Freedom of Information Act, Act No. 442, Michigan Public Acts of 1976.

Section 8. Resolutions and Effective Date. All resolutions shall be in writing and shall be kept on file in the Department of Treasury. Resolutions shall become effective on the day of passage, upon adjournment of the meeting, unless otherwise stated in the resolution.

ARTICLE V

Liability of Members, Officers, and Employees

To the greatest extent authorized by law, no provision of these bylaws or any agreement or policy approved by the Board, shall be construed to waive the governmental immunity afforded to the Board under law. The Board, its agents and representatives, retain all governmental and official immunities conferred by law.

ARTICLE VI

Miscellaneous Provisions

Section 1. Fiscal Year. The fiscal year of the Board shall extend from October 1 of each calendar year to the ensuing September 30 of the following calendar year, unless the State's fiscal year changes, and then in that case, the Board's fiscal year shall be the same as the State's fiscal year.

Section 2. Execution of Documents. The Board may authorize by resolution the execution of documents or certificates on behalf of the Board by the members of the Board and other authorized officers of the Board as it considers appropriate.

Section 3. Conflict of Interest. Members of the Board and contractors or agents of the Board shall be subject to the provisions of Act No. 317, Michigan Public Acts of 1968 and Act No. 318, Michigan Public Acts of 1968.

Section 4. Conflict with the Act. To the extent that there is any conflict between these Bylaws and the Act or the underlying statutes, the Act and the underlying statutes shall control.

Section 5. Ethical Duties. Members of the Board and contractors or agents of the Board shall be subject to the provisions of the State Ethics Act, Act No. 196, Michigan Public Acts of 1973.

ARTICLE VII

Amendment and Suspension of Bylaws

Section 1. Amendment. These Bylaws may be amended by resolution adopted by the affirmative vote of a majority of the members. Advance notice of motions to amend the Bylaws need not be given.

Section 2. Suspension. Any and all of the provisions of the Bylaws, except those required by state law, may be suspended by the affirmative vote of a majority of the members.

Adopted: ___/___/18



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-2

DESIGNATING CERTAIN PERSONS TO SERVE AS SECRETARY FOR THE MUNICIPAL STABILITY BOARD

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act, allows for the creation of the Municipal Stability Board as a public body corporate and politic within the Michigan Department of Treasury; And

WHEREAS, members of the Municipal Stability Board, in the interest of promoting transparency in the discharge of its duties, deems the Board to be a “public body” as that term is used in Section 2(a) of the Open Meetings Act; And

WHEREAS, Section 9(1) of the Open Meetings Act, requires, among other things, that “each public body shall keep minutes of each meeting showing the date, time, place, members present, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held”; And

WHEREAS, Section 7 of the Protecting Local Government Retirement and Benefits Act provides, in part, that the Municipal Stability Board shall exercise its duties through a three member Board; And

WHEREAS, Section 7 of the Protecting Local Government Retirement and Benefits Act provides, in part, that “the budgeting, procurement, personnel, and related management functions of the board must be performed under the direction and supervision of the state treasurer.”

WHEREAS, the designation by the Municipal Stability Board three persons to serve as Secretary for the Board and who will facilitate compliance by the Board with the requirements of the Open Meetings Act; And

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the following persons employed by the Michigan Department of Treasury be, and the same hereby are, designated to serve jointly as Secretary for the Municipal Stability Board for the purpose of recording minutes of meetings of the Board pursuant to Section 9 of Public Act 267 of 1976, the Open Meetings Act, and to preserve such minutes and other public records of the Board as required by law:
 - a. Kristin Brown
 - b. Tracy Janousek
 - c. Angela Dempkowski
2. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall take effect immediately.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability
Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-3

ADOPTION OF ETHICS POLICY

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the “Act”), allows for the creation of the Municipal Stability Board (the “Board”) within the Michigan Department of Treasury; And

WHEREAS, Section 7 of the Act provides, in part, that the Board shall exercise its duties through a three member board; And

WHEREAS, Section 7(11) of the Act requires the Board adopt an ethics policy.

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the Municipal Stability Board “Standards of Conduct, Conflicts of Interest and Ethics Policy”, attached as **Exhibit A** to this Resolution, is hereby approved and adopted.
2. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability
Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan

**MUNICIPAL STABILITY BOARD
FOR
THE STATE OF MICHIGAN**

Standards of Conduct, Conflicts of Interest, and Ethics Policy

This Standards of Conduct, Conflicts of Interest, and Ethics Policy (this "Code") for the members of the Municipal Stability Board (the "Board") for the State of Michigan (the "State") is designed to maintain the standards of conduct of the Board, and to assure compliance with all applicable laws including, but not limited to, (i) 1968 PA 317, MCL 15.321 to 15.330 and (ii) 1968 PA 318, MCL 15.301 to 15.310. To the extent there is conflict between this policy and applicable law, the applicable law shall govern.

The Board is committed to conducting its business in accordance with the highest ethical standards. It is the policy of the Board to conduct its business fairly, ethically, and in compliance with applicable law.

This Code requires not only the avoidance of misconduct, but also the avoidance of acts or omissions by a Board member that give the appearance of misconduct or impropriety, as well as the obligation to report misconduct. Board members shall not enter into any activity or incur any expense or liability which would compromise the Board's commitment to these high standards.

I. Definitions.

- A. "Affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person.
- B. "Immediate Family Member" means a person's spouse, child, sibling, or parent (including stepchildren, stepsiblings, stepparents, and adoptive relationships) or a relative of any degree residing in the same household as that person.
- C. "State Board of Ethics" means the board created by MCL 15.343.
- D. "Local Unit of Government" means a local unit of government defined by MCL 38.2803(h).

II. Disclosure of Financial Interests. All Board members must disclose any financial interests held that could create the appearance of impropriety. This must be done at any point during a Board member's term, at the next scheduled meeting of the Board, after an apparent conflict related to any matter before the Board arises and before the Board takes any action with respect to such matter.

III. Conflicts of Interest. A Board member's duty to the Board demands avoiding and disclosing actual, potential, and apparent conflicts of interest, including strict adherence to MCL 15.342, MCL 15.342a, and any other applicable law. A conflict of interest exists where the interests or benefits of a Board member, or any of their Affiliates or Immediate Family Members conflicts with the interests or benefits of the Board or the State. A Board member also has a conflict of interest if, in the course of performing his or her duties for the Board, such Board member's judgment and discretion is or may be influenced by considerations of personal gain or benefit, or gain or benefit to a third party other than the Board or the State. Finally, a Board member also has a conflict of interest in any matter before the Board involving an Immediate Family Members who are officers or employees of a Local Unit of Government or who are directly or indirectly, through an Affiliate, (i) do business with the Local Unit of Government, (ii) have any contracts with the Local Unit of Government, (iii) respond to any request for proposals of the Local Unit of Government, or (iv) seek any no-bid contracts (pending or future) of the Local Unit of Government. Notwithstanding anything in this policy to the contrary, nothing herein shall be deemed to preclude the Board members from fulfilling the duties of their respective offices.

- A. Board members shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Board in writing of any incident or circumstance that may

present the existence of an actual, potential or apparent conflict of interest. The Board shall immediately notify in writing the State Board of Ethics of any actual, potential or apparent conflicts of interest.

B. A Board member with a conflict of interest related to any matter before the Board shall disclose the conflict of interest before the Board takes any action with respect to such matter, which disclosure shall become a part of the record of the Board's official proceedings.

C. The Board member shall refrain from doing all of the following with respect to the matter that is the basis of the conflict of interest:

1. voting in the Board's proceedings related to the matter;
2. participating in the Board's discussion of and deliberation on the matter; and
3. discussing the matter with any other Board member.

IV. Confidential Information. During and after their service with the Board, Board members shall not knowingly disclose to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during his or her service with the Board. "Confidential Information" means any information concerning the Board's and the State's assets, employees, property, affairs, customers, service providers, processes, technology, data, financial information and any other information or data concerning the operation of the Board or the State that is not public information.

V. Fair Dealing. The Board is committed to conducting its business fairly and in accordance with the highest ethical standards. No Board member shall:

- A. use unfair techniques, such as misrepresentation of material facts or improper concealment of information, to gain an advantage;
- B. offer or accept a bribe, kickback or improper favor in order to secure a business advantage;
- C. knowingly use his or her official position, in violation of applicable law, to improperly influence a decision of the Board, a Local Unit of Government, or any other employees of the State; or
- D. attempt to influence any decision to fill a State or Local Unit of Government employment position with an Immediate Family Member.

VI. Reporting of Illegal or Unethical Behavior and Violations of this Code. A Board member shall report promptly any actual, attempted, potential, or apparent violation of this Code. If a violation is observed or reported, or is indicated by records or other information of which a Board member becomes aware, then the matter shall be immediately reported to the State Board of Ethics. In no event shall the Board take or threaten any action against a Board member for making a complaint or disclosing information in good faith concerning an actual, attempted, potential, or apparent violation of this Code.



STATE OF MICHIGAN
 DEPARTMENT OF TREASURY
 LANSING

RICK SNYDER
 GOVERNOR

NICK A. KHOURI
 STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-4

PUBLIC COMMENT POLICY

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the “Act”), allows for the creation of the Municipal Stability Board (the “Board”) within the Michigan Department of Treasury; And

WHEREAS, Section 7 of the Act provides, in part, that the Board shall exercise its duties through a three member board; And

WHEREAS, Section 7(8) of the Act provides that “the board shall adopt bylaws for governance of the board, which must, at a minimum, address the procedures for conducting meetings, including voting procedures, and the requirements of its members to attend meetings”; And

WHEREAS, the members of the Board wish to adopt a policy on public comment to govern the operation of the Board;

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the Municipal Stability Board Public Comment Policy attached as **Exhibit A** to this Resolution, is hereby approved and adopted.
2. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability
Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan

Municipal Stability Board
for
The State of Michigan

Policy Governing Public Comments

1. That each person be allowed up to two (2) minutes to address the meeting;
2. That each person wishing to address the meeting identify himself/herself by name, and complete public comment card at the beginning of the meeting. If the person is representing an organization or group, the person is requested to indicate whether his/her comments or presentation represents the official view of the organization or group; and
3. That the Board members may question speakers, but are not obligated to comment or answer questions in response to issues raised by the public.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-5

CONSENT AGENDA POLICY

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the “Act”), allows for the creation of the Municipal Stability Board (the “Board”) within the Michigan Department of Treasury; And

WHEREAS, Section 7 of the Act provides, in part, that the Board shall exercise its duties through a three member board; And

WHEREAS, Section 7(8) of the Act provides that “the board shall adopt bylaws for governance of the board, which must, at a minimum, address the procedures for conducting meetings, including voting procedures, and the requirements of its members to attend meetings”; And

WHEREAS, the members of the Board wish to adopt a policy on the use of consent agendas to govern the operation of the Board;

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the Municipal Stability Board Consent agenda Policy attached as **Exhibit A** to this Resolution, is hereby approved and adopted.
2. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
3. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability
Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan

Municipal Stability Board for The State of Michigan

Policy on Consent Agendas

Content of Agenda

Items requiring a decision that are expected to require no discussion or debate may, at the Chair's option, be placed on the agenda under the heading "Consent Agenda".

Materials and motions proposed to be dealt with under the consent agenda portion of the agenda shall be clearly identified as falling under the consent agenda in the meeting packages. Board members should review the consent agenda items prior to the meeting on the expectation that no discussion will take place during the board meeting.

Approval of Agenda

The agenda will be approved by the board at the beginning of each meeting.

Members of the board may request that matters be added, deleted or that the order of items be moved and the Chair shall make a decision on each such request. Any such decision may be subject to challenge and reversed by the board.

Items may be moved out of the consent agenda section at the request of any member of the board prior to approval of the agenda. No motion or vote of the board is required with respect to a request to move an item out of the consent agenda.

When a member of the board requests that an item be moved out of the consent agenda section, the Chair shall decide where to place that item on the agenda.

When only one item in a committee report does not qualify as a consent agenda item or is requested to be moved, that item shall be moved out of the consent agenda and the rest of the items in the report shall remain in the consent agenda.

Minutes

Minutes of the meeting will include the full text of resolutions adopted under the consent agenda portion of the meeting.

Amendment

This policy may be amended by the board.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

MUNICIPAL STABILITY BOARD

RESOLUTION 2018-6

APPROVING AND ADOPTING NOTICE OF REGULAR MEETINGS OF THE MUNICIPAL STABILITY BOARD FOR 2018

WHEREAS, Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the “Act”), allows for the creation of the Municipal Stability Board (the “Board”) within the Michigan Department of Treasury; And

WHEREAS, Section 7 of the Act provides, in part, that the Board shall exercise its duties through a three member board; And

WHEREAS, members of the Municipal Stability Board, in the interest of promoting transparency in the discharge of its duties, deems the Board to be a “public body” as that term is used in Section 2(a) of the Open Meetings Act; And

WHEREAS, Section 5(2) of the Open Meetings Act, provides that “for regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings”; and

NOW THEREFORE, be it resolved by the Municipal Stability Board as follows:

1. That the Notice of Regular Meetings, attached as **Exhibit A** to this Resolution, is approved and adopted by the Municipal Stability Board.

2. That the persons designated in Resolution 2018-2 are hereby directed to post the Notice of Regular Meetings within 10 days pursuant to Section 5(2) of Public Act 267 of 1976, the Open Meetings Act.
3. That the minutes of the Municipal Stability Board meeting at which this Resolution is adopted take notice of the adoption of this Resolution.
4. This Resolution shall have immediate effect.

IN WITNESS WHEREOF, the members of the Municipal Stability Board, or their designees, have signed and adopted this Resolution.

Municipal Stability Board

By _____
Barry Howard, Member – Municipal Stability Board

By _____
Dr. Daryl Delabbio, Member – Municipal Stability Board

By _____
Dr. Eric Scorsone, Chair - Municipal Stability Board

Date: _____
Lansing, Michigan

MUNICIPAL STABILITY BOARD

Austin Building • 430 W. Allegan Street • Lansing, MI 48922

2018 NOTICE OF REGULAR MEETINGS

The Municipal Stability Board will hold its regular meetings during the calendar year ending December 31, 2018, on the following times at the Austin Building, 430 W. Allegan Street, Lansing, MI 48922.

Date	Austin Building Room	Meeting Time	Meeting Type
Friday, May 18, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, June 20, 2018	State Treasurer's Boardroom	8:00am	Workshop
Wednesday, June 20, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, July 18, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, August 15, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, September 19, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, October 17, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, November 21, 2018	State Treasurer's Boardroom	10:00am	Board Meeting
Wednesday, December 19, 2018	State Treasurer's Boardroom	10:00am	Board Meeting

The meeting is open to the public and this notice is provided under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the Municipal Stability Board should contact Kristin Brown at (517) 373-3269 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC 12131 to 12134.

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Board within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Board within 7 business days after approval by the Board.

The Board may hold special meetings, in addition to the regular meetings above. Special meetings are also open to the public and separate notice will be posted in advance of special meetings.