

Municipal Stability Board

Wednesday, June 16, 2021 at 11:00 a.m.
Virtual Public Meeting
via Microsoft TEAMS
<https://bit.ly/msb06162021>

I. Call to Order

- A. Roll Call
- B. Approval of May 19, 2021 Minutes

II. Public Comment

- A. 2-minute limit

III. Correspondence

- A. Treasury Update

IV. New Business

- A. Receipt of Corrective Action Plans
 - i. Charter Township of Kalamazoo
 - ii. Kingsford City Housing Commission
- B. Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-20)
 - i. Delta County Road Commission
- C. Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-21)
 - i. City of Davison
 - ii. City of Dearborn Heights
 - iii. City of Hastings
 - iv. Jackson District Library
 - v. Luce County Road Commission

- vi. Newaygo County Road Commission
- vii. City of New Baltimore
- viii. Redford Charter Township
- ix. St Clair County Road Commission
- x. Traverse City Light & Power
- xi. Vicksburg District Library
- xii. Village of Union City
- xiii. City of Warren
- xiv. City of Wayne
- xv. City of Woodhaven
- xvi. City of Wyandotte
- xvii. Ypsilanti Community Utilities Authority

D. Board Removal from Corrective Action (Resolution 2021-22)

- i. Jackson District Library
- ii. City of New Baltimore
- iii. Traverse City Light and Power Authority

E. Request for Removal from Corrective Action (Resolution 2021-23)

- i. Monroe County Road Commission

F. Noncompliance (Resolution 2021-24)

V. Public Comment

- A. 2-minute limit

VI. Board Comment

VII. Adjournment

MUNICIPAL STABILITY BOARD

Wednesday, May 19, 2021
11:00 a.m.

Virtual Public Meeting via Microsoft TEAMS

Draft Meeting Minutes

CALL TO ORDER

Chairman Eric Scorsone called the meeting to order at 11:01 a.m.

ROLL CALL

Members Present: Three

Eric Scorsone – Dewitt, MI

John Lamerato – Big Creek Township, MI

Barry Howard – West Bloomfield, MI

Let the record show that three board members eligible to vote were present. A quorum was present.

APPROVAL OF MINUTES

A motion was made to approve the April 21, 2021 board meeting minutes by Barry Howard and supported by John Lamerato. The Board unanimously approved the April 21, 2021 meeting minutes. 3 ayes and 0 nays.

PUBLIC COMMENT

No public comment.

CORRESPONDENCE

Nick Brousseau discussed the upcoming Corrective Action Plan (CAP) Reviews and CAP monitoring certifications of compliance, as well as gave an update on Treasury's outreach and communication.

NEW BUSINESS

RECEIPT OF CORRECTIVE ACTION PLANS

Nick Brousseau was asked to review the receipt of Corrective Action Plan from 1 local government (1 system).

- Delta County Road Commission

A motion was made to receive the Receipt of Corrective Action Plan by John Lamerato and supported by Barry Howard.

The Board unanimously approved to receive the Receipt of Corrective Action Plan. 3 ayes and 0 nays. The motion passed.

APPROVALS AND DISAPPROVALS OF CORRECTIVE ACTION PLANS (RESOLUTION 2021-16)

Kayla Rosen was asked to review the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-16) with the Board:

- District Health Department No. 4 (Approval)
- Ontonagon County Economic Development Corporation (Approval)
- Schoolcraft County Road Commission (Approval)

A motion was made to approve the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-16) by Barry Howard and supported by John Lamerato.

The Board unanimously approved the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-16). 3 ayes and 0 nays. Resolution 2021-16 passed.

CORRECTIVE ACTION PLAN MONITORING CERTIFICATIONS OF COMPLIANCE FROM 19 LOCAL GOVERNMENTS (26 PLANS) (RESOLUTION 2021-17)

Kayla Rosen and Nick Brousseau were asked to review the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-17) with the Board:

- City of Battle Creek (Compliant)
- City of Benton Harbor (Compliant)
- Bloomfield Township Public Library (Compliant)
- City of Center Line (2 systems) (Compliant)
- City of Crystal Falls (Compliant with Conditions)
- City of Dearborn Heights (Removed from Appendix B, tabled until next month)
- Eastern Upper Peninsula Transportation Authority (Compliant)
- Lansing Housing Commission (Compliant)
- Marquette County Road Commission (2 systems) (Compliant)
- Michigan Works! Region B Consortium (Compliant)
- Montcalm County Road Commission (2 systems) (Compliant)
- City of Mount Clemens (Compliant)
- Otsego County Road Commission (2 systems) (Compliant)
- Ottawa County Road Commission (2 systems) (Compliant)
- City of Pontiac (Compliant)
- Presque Isle County Road Commission (Compliant)
- City of Taylor (3 systems) (Compliant)
- Wayne County Airport Authority (Compliant)
- West Iron County Sewer Authority (Non-Compliant)

Kayla Rosen and Nick Brousseau went over the 19 local governments with 26 plans.

John Lamerato asked about the City of Mount Clemens and if they are putting additional money into their OPEB Plan. Nick replied that they are putting additional money in and have over the past years and continuing to do so.

Barry Howard motioned to remove the City of Dearborn Heights from the Corrective Action Plan Monitoring Certifications of Compliance and table it until the next month and it was supported by John Lamerato.

**MAY 2021 MSB
DRAFT MEETING MINUTES**

The Board unanimously approved the removal of the City of Dearborn Heights from Appendix B and table discussion until next month. 3 ayes and 0 nays. The motioned passed.

A motion was made to approve the amended Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-17 by John Lamerato and supported by Barry Howard.

The Board unanimously approved the amended Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-17). 3 ayes and 0 nays. Resolution 2021-17 passed.

BOARD REMOVAL FROM CORRECTIVE ACTION (RESOLUTION 2021-18)

Nick Brousseau was asked to review the Board Removal from Corrective Action (Resolution 2021-18) with the Board:

- Lansing Housing Commission (OPEB)
- Michigan Works! Region B Consortium (OPEB)
- Wayne County Airport Authority (OPEB)

A motion was made to approve the Board Removal from Corrective Action (Resolution 2021-18) by Barry Howard and supported by John Lamerato.

The Board unanimously approved the Board Removal from Corrective Action (Resolution 2021-18). 3 ayes and 0 nays. Resolution 2021-18 passed.

LOCAL GOVERNMENT REQUEST FOR REMOVAL FROM CORRECTIVE ACTION (RESOLUTION 2021-19)

Nick Brousseau was asked to review the Local Government Request for Removal from Corrective Action (Resolution 2021-19) with the Board:

- Village of Romeo (Pension)

Nick Brousseau reviewed the local government that no longer meets the definition of underfunded status and have requested to be removed.

A motion was made to approve the Local Government Request for Removal from Corrective Action (Resolution 2021-19) by John Lamerato and supported by Barry Howard.

The Board unanimously approved the Local Government Request for Removal from Corrective Action (Resolution 2021-19). 3 ayes and 0 nays. Resolution 2021-19 passed.

PUBLIC COMMENT

No public comment.

BOARD COMMENT

Barry Howard asked a follow up question about the judgment levy with Ontonagon that was discussed at the previous month's meeting. A short discussion about judgment levies occurred. John Lamerato noted that the local governments have been following their corrective action plans and are making progress. Eric Scorsone concurred and noted that this process is forcing conversations, increasing transparency, and is overall increasing assets, and reducing liabilities. Barry Howard agreed, and noted that Treasury has assisted with this with full transparency, timeliness, and reviews.

**MAY 2021 MSB
DRAFT MEETING MINUTES**

The Board asked the Attorney General's office representative to discuss if the next meeting will also be virtual. A short discussion occurred and they Attorney General's office will be giving Treasury more guidance in the next week or so.

NEXT MEETING

The next regular meeting will be on June 16, 2021 at 11:00 a.m.

ADJOURNMENT

A motion was made to adjourn by Barry Howard and supported by John Lamerato.

The Board unanimously approved the motion to adjourn. The motion passed with 3 ayes and 0 nays. There being no further business, the meeting adjourned at 11:35 a.m.

Treasury's Public Act 202 of 2017 Update

As of 6/10/2021

Table 1: Upcoming CAP Reviews

Public Act 202 of 2017: Corrective Action Plan Review Schedule				
LOCAL GOVERNMENT TYPE	Tentative Month of Corrective Action Plan Review			
	June	July	August	September
Non Primary	1	0	1	1
Primary	0	2	4	2
Total	1	2	5	3

CAP Monitoring Notifications and Reviews

- A total of 154 local governments have been sent monitoring certification requests to date
- 133 local governments have returned requested monitoring submission(s) to Treasury

Table 2: CAP Monitoring Certification of Compliance Reviews

Public Act 202 of 2017: Corrective Action Plan Monitoring Schedule						
Monitoring Phase	Tentative Month of Corrective Action Plan Monitoring Certification					
	June	July	August	September	October	November
Monitoring Certification Sent	6	5	4	2	0	0
Monitoring Certification Due	4	6	6	6	5	4
Board to Review	20	20	19	9	4	6

Treasury Department Communication and Outreach Report

- 281 one-on-one 30-minute calls scheduled by local governments to discuss the Public Act 202 process
 - 4 individual calls since the May Board meeting

Local Government COVID-19 Webpage

- www.Michigan.gov/Treasury | Local Government | COVID-19 Updates for Local Governments and School Districts
 - Local government resources and Treasury guidance
 - Registration for Treasury webinars and links to previous webinars
 - Treasury will continue to provide additional webinars as information becomes available



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 16, 2021
TO: The Municipal Stability Board (the Board)
FROM: Community Engagement and Finance Division, Department of Treasury
SUBJECT: Receipt of Corrective Action Plan(s)

Suggested Action: The Board motions to receive the following corrective action plans, which will be considered at their next scheduled meeting:

Fiscal Year 2019 Plans

- I. Charter Township of Kalamazoo
 - A. OPEB

Fiscal Year 2020 Plans

- II. Kingsford City Housing Commission
 - A. Pension

Corrective Action Plan Review: Following receipt of these corrective action plans, the Board shall approve or disapprove each corrective action plan within 45 days. The Board will vote on these corrective action plans at their next scheduled meeting. Corrective action plan resubmissions that fail to materially address the reason(s) for prior disapproval, or are withdrawn by a local government, may not be reviewed by the Board.

Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017 (the Act).

1. LOCAL GOVERNMENT INFORMATION

Local Government Name: CHARTER TOWNSHIP OF KALAMAZOO Six-Digit Muni Code: 391070

Retirement Health Benefit System Name: OTHER POST EMPLOYMENT BENEFITS

Contact Name (Administrative Officer): NANCY DESAI

Title if not Administrative Officer: DIRECTOR OF FINANCE Telephone: (269) 381-8080

Email (Communication will be sent here): NBDESAI@KTWP.ORG

Fiscal Year System was Determined to be Underfunded: 2019

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local government shall develop and submit for approval a corrective action plan for the local government. The local government shall determine the components of the corrective action plan. This corrective action plan shall be submitted by any local 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 government is a city, village, township, or county, the actuarially determined contribution (ADC) for all of the retirement health systems of the local government is greater than 12% of the local government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local 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 government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of 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.** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a disapproval of the corrective action plan.

The submitted plan must demonstrate through distinct supporting documentation how and when the local government will reach the 40% funded ratio. Or, if the local government is a city, village, township, or county, the submitted plan may demonstrate how and when the ADC for all retirement health systems will be less than 12% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ADC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local government must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

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-20XX, Local Government Name, Retirement System Name** (e.g. Corrective Action Plan-2019, 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 Board shall review and vote on the approval of a corrective action plan submitted by a local government. If a corrective action plan is approved, the Board will monitor the corrective action plan and report on the local government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will receive the corrective action plan submission at the Board's next scheduled meeting. 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 government may also include in its corrective action plan a review of the local 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 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 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 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 government is in substantial compliance with the Act. If the Board determines that an underfunded local government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local government detailing the reasons for the determination of noncompliance with the corrective action plan. The local 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.

- 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 government done to improve its underfunded status, and which attachment(s) supports your actions).

- 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, 2019**, the local government entered into new collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** that increased employee co-payments and deductibles for health care. 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, 2019**.*

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

Sample Statement: *The local government created a qualified trust to receive, invest, and accumulate assets for retirement health care on **June 23, 2016**. The local government adopted a policy to change its funding methodology from Pay-Go to full funding of the ADC. Furthermore, the local government committed to contributing **\$500,000** annually, in addition to the ADC 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 ADC 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 **2017**. Attached is an updated actuarial valuation from **2019** 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 government do to improve its underfunded status, and which attachment(s) supports your actions).

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 government will seek to align benefit levels for the retired membership with each class of active employees. Beginning with summer 2020 contract negotiations, the local government will seek revised collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** to increase employee co-payments and deductibles for health care. 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 2030 if these changes were adopted and implemented by fiscal year 2021.*

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

Sample Statement: *The local government will create a qualified trust to receive, invest, and accumulate assets for retirement health care by December 31, 2020. The local government will adopt a policy to change its funding methodology from Pay-Go to full funding of the ADC by December 31, 2020. Additionally, beginning in fiscal year 2021, the local government will contribute \$500,000 annually in addition to the ADC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to 40% by 2023. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ADC and additional \$500,000 for the next five years.*

The Charter Township of Kalamazoo will create a qualified trust to receive, invest, and accumulate assets for retirement health care by December 31, 2020. The Township will adopt a policy to change its funding methodology from "Pay-Go" to contributing a minimum of \$100,000 per year to include the normal cost of employees hired after June 30, 2018 and will continue to pay the retiree health premiums from its general operating budget until such time that the payments can be paid from the Trust. 40% funded by 2029

- 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 2020, the local government will begin amortizing the unfunded portion of the health care 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 2023 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 your local government 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, 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 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:

- Attachment – 1
 Attachment – 1a
 Attachment – 2a
 Attachment – 3a
 Attachment – 4a
 Attachment – 5a
 Attachment – 6a

Type of Document:

- This corrective action plan (required);**
- Documentation from the governing body approving this corrective action plan (required);**
- An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which illustrates how and when the local government will reach the 40% funded ratio. Or, if the local government is a city, village, township, or county, how and when the ADC will be less than 12% of governmental fund revenues, as defined by the Act (required);**
- Documentation of additional payments in past years that are not reflected in your audited financial statements (e.g. enacted budget, system provided information);
- Documentation of commitment to additional payments in future years (e.g. resolution, ordinance);
- A separate corrective action plan that the local government 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;
- Other documentation, not categorized above.

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the three corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the Corrective Action Plan Development: Best Practices and Strategies document.

Corrective Action Plan Criteria:

Description:

Underfunded Status

Is there a description and adequate supporting documentation of how and when the retirement system will reach the 40% funded ratio? Or, if your local government is a city, village, township, or county, how and when the ADC of all retirement health care systems will be less than 12% of governmental fund revenues? Do the corrective actions address the underfunded status in a reasonable timeframe?

Legality

Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included?

Affordability

Do the corrective action(s) listed allow the local government to make the retiree health care premium payment, as well as normal cost payments for new hires now and into the future without additional changes to this corrective action plan?

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

I, Dexter Mitchell, as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) (insert title) TOWNSHIP MANAGER approve this corrective action plan and will implement the prospective actions contained in this corrective action plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

The MERS Health Funding Retiree Vehicle - KTWP (insert retirement health system name) will achieve a funded status of at least 40% by fiscal year 2029 as demonstrated by the required supporting documentation listed in Section 6.

OR, if the local government is a city, village, township, or county:

The ADC for all the retirement health benefit systems of the local government will be less than 12% of the local government's annual governmental fund revenues by fiscal year 2021 as demonstrated by required supporting documentation listed in Section 6.

Signature:



Date:

5/24/2021

Protecting Local Government Retirement and Benefits Act

Corrective Action Plan:

Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017 (The Act).

1. LOCAL GOVERNMENT INFORMATION

Local Government Name: Kingsford Housing Commission Six-Digit Muni Code: 227510
Defined Benefit Pension System Name: MERS
Contact Name (Administrative Officer): Jeanne Shaltz
Title if not Administrative Officer: Executive Director Telephone: (906) 774-2771
Email (Communication will be sent here): director@kingsfordhousing.org
Fiscal Year System was Determined to be Underfunded: 2020

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local government shall develop and submit for approval a corrective action plan for the local government. The local government shall determine the components of the corrective action plan. This corrective action plan shall be submitted by any local 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 government is a city, village, township, or county, the actuarially determined contribution (ADC) for all of the defined benefit pension retirement systems of the local government is greater than 10% of the local government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local 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 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.*** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a disapproval of the corrective action plan.

The submitted plan must demonstrate through distinct supporting documentation how and when the local government will reach the 60% funded ratio. Or, if the local government is a city, village, township, or county, the submitted plan may demonstrate how and when the ADC for all defined benefit pension systems will be less than 10% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ADC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local government must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

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-20XX, Local Government 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 Board shall review and vote on the approval of a corrective action plan submitted by a local government. If a corrective action plan is approved, the Board will monitor the corrective action plan and report on the local government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will receive the corrective action plan submission at the Board's next scheduled meeting. 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 government may also include in its corrective action plan a review of the local 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 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 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 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 government is in substantial compliance with the Act. If the Board determines that an underfunded local government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local government detailing the reasons for the determination of noncompliance with the corrective action plan. The local 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.

- 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 government done to improve its underfunded status, and which attachment(s) supports your actions).

- 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, 2019**. On page **8** of the attached actuarial supplemental valuation, it shows our funded ratio will be **60%** by fiscal year **2022**.*

Closed pension plan for new hires

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

Sample Statement: *The local government provided a lump sum payment of **\$1 million** to the **General Employees' Retirement System** on **January 1, 2019**. This lump sum payment was in addition to the ADC of the system. The additional contribution will increase the retirement system's funded ratio to **61%** by **2027**. 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 **2017**. Attached is an updated actuarial valuation from **2019** 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 funding 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 government do to improve its underfunded status, and which attachment(s) supports your actions).

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 2019** contract negotiations, the local government 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 2021** if these changes were adopted and implemented by **fiscal year 2020**.

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

Sample Statement: Beginning in **fiscal year 2020**, the local government 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 ADC of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2026**. 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 2020**, the local government 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 2023** as shown in the attached actuarial analysis on page 13.

we are required to file an independent audit but are still under the City of Kingsford Plan. The underfunded liability will be fully funded in 18 years.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for your local government to make, at a minimum, the ADC payment for the defined benefit pension system according to your long-term budget forecast?

Yes

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 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:

Attachment – 1

Attachment – 1a

Attachment – 2a

Attachment – 3a

Attachment – 4a

Attachment – 5a

Attachment – 6a

Type of Document:

This corrective action plan form (required);

Documentation from the governing body approving this corrective action plan (required);

An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which illustrates how and when the local government will reach the 60% funded ratio. Or, if the local government is a city, village, township, or county, how and when the ADC will be less than 10% of governmental fund revenues, as defined by the Act (required);

Documentation of additional payments in past years that are not reflected in your audited financial statements (e.g. enacted budget, system provided information);

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance);

A separate corrective action plan that the local government 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;

Other documentation not categorized above.

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the three corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the [Corrective Action Plan Development: Best Practices and Strategies](#) document.

Corrective Action Plan Criteria:

Description:

Underfunded Status

Is there a description and adequate supporting documentation of how and when the retirement system will reach the 60% funded ratio? Or, if your local government is a city, village, township, or county, how and when the ADC of all pension systems will be less than 10% of governmental fund revenues? Do the corrective actions address the underfunded status in a reasonable timeframe?

Legality

Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included?

Affordability

Do the corrective action(s) listed allow the local government to make the ADC payment for the pension system now and into the future without additional changes to this corrective action plan?

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

I, George Shultz, as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) (insert title) Exec. Director approve this corrective action plan and will implement the prospective actions contained in this corrective action plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

The Kingsford Hsng MERS Plan (insert retirement pension system name) will achieve a funded status of at least 60% by fiscal year 2038 as demonstrated by required supporting documentation listed in Section 6.

OR, if the local government is a city, village, township, or county:

The ADC for all the defined benefit pension retirement systems of the local government will be less than 10% of the local government's annual governmental fund revenues by fiscal year _____ as demonstrated by required supporting documentation listed in Section 6.

Signature:

George Shultz

Date: 6-4-2021

Cheryl Palmer, City Treasurer
City of Kingsford

6-4-2021

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-20**

APPROVAL OR DISAPPROVAL OF CORRECTIVE ACTION PLANS

WHEREAS, the Michigan legislature passed the Protecting Local Government Retirement and Benefits Act, MCL 38.2801 et. seq. (the “Act”), creating the Municipal Stability Board (the “Board”) for the purpose of reviewing and approving corrective action plans submitted by municipalities addressing the underfunded status of their municipal retirement systems (the “Corrective Action Plan”);

WHEREAS, the Michigan Department of Treasury (“Treasury”) provides administrative services to the Board;

WHEREAS, on September 16, 2020 by Resolution 2020-13, the Board adopted the Best Practices and Corrective Action Plans Approval Criteria (“Approval Criteria”) pursuant to MCL 38.2808;

WHEREAS, the Best Practices generally require that a plan (i) will sustain legacy costs and future retirement benefits; (ii) utilizes modern plan design; and (iii) is administered as effectively as possible to maintain a fiscally stable retirement system;

WHEREAS, the Approval Criteria generally requires that a plan (i) demonstrate how and when a retirement system will reach a sixty percent funded ratio for pension systems and/or a forty percent funded ratio for retirement health systems within a reasonable timeframe; (ii) is legal and feasible; and (iii) is affordable;

WHEREAS, the Board previously received the municipalities’ listed on Appendix A attached to this Resolution (the “Municipalities”), Corrective Action Plans;

WHEREAS, Treasury and the Board have reviewed the Municipalities’ Corrective Action Plans pursuant to the Best Practices and Approval Criteria; and

WHEREAS, Treasury is recommending the Board approve or disapprove the Corrective Action Plans as detailed on Appendix A attached hereto.

NOW THEREFORE, BE IT RESOLVED, the Board determines that the Municipalities’ Corrective Action Plans Treasury is recommending for approval listed on Appendix A, sufficiently meet the Best Practices and Approval Criteria;

BE IT FURTHER RESOLVED, the Board determines the Municipalities’ Corrective Action Plans Treasury is recommending for disapproval listed on Appendix A, do not sufficiently meet the Best Practices and Approval Criteria;

BE IT FURTHER RESOLVED, the Board approves or disapproves the Municipalities' Corrective Action Plans in agreement with Treasury's recommendation as listed on Appendix A;

BE IT FURTHER RESOLVED, that Treasury is directed to oversee the approved Corrective Action Plans are implemented pursuant to MCL 38.2810 and to report to the Board the status of the implementation on a regular basis;

BE IT FURTHER RESOLVED, that Treasury is directed to provide to Municipalities notification of the Board's detailed reasons for disapproval of their Municipality's Corrective Action Plan (the "Disapproval Letter") within fifteen days of this resolution pursuant to MCL 38.2810(4); and

BE IT FURTHER RESOLVED, that Municipalities who fail to resubmit a Corrective Action Plan materially addressing the reasons for disapproval within 60 days of the Disapproval Letter as required by MCL 38.2810(4), shall be deemed in noncompliance with the Act.

Ayes:

Nays:

Recused:

Lansing, Michigan

June 16, 2021

Municipal Stability Board Appendix A, June 16, 2021

Color Code Key
Green meets CAP Criteria
Yellow partially meets CAP Criteria
Red does not meet CAP Criteria

CAP Criteria Key	
Underfunded Status	Was there description and adequate supporting documentation of how and when the retirement system will address the Underfunded Status criteria as defined by the Municipal Stability Board?
Legality	Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible?
Affordable	The local government must confirm that corrective actions listed in the CAP allow for the local government to make, at a minimum, the annual required contribution (ARC) payment for pension plans and/or the retiree healthcare premium payment, as well as the normal cost payment for new hires for retirement health benefits

#	Local Government	Municode	Fiscal Year	System Type	Date Received	Underfunded Status	Legality	Affordable	Treasury Recommendation	Corrective Action Plan Link
1	Delta County Road Commission	210100	2019	Pension	5/19/2021	Yes	Yes	Yes	Approve	Delta County Road Commission Pension CAP

Treasury Recommendation
DELTA COUNTY ROAD COMMISSION Pension Corrective Action Plan (CAP)
Non-Primary Unit 210100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$7,415,038	\$13,398,483	55.3%	\$612,462	\$10,164,992	6.0 %	YES
Total		\$7,415,038	\$13,398,483		\$612,462	\$10,164,992	6.0 %	

Source: Retirement Report 2020, Audited Financial Statements

Staff Recommendation: Approval of the pension corrective action plan submitted by DELTA COUNTY ROAD COMMISSION, which was received by the Municipal Stability Board (the Board) on 5/19/2021. If approved by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and implementation of their corrective action plan.

Changes Made:

- Modern Plan Design:
 - Division 01-Teamsters (benefit B-2 2% multiplier) was closed to new hires 4/1/2012 & new Division 13 was created for anyone hired after that date with lower benefits (B-1 1.7% multiplier) as well as added 3% member contribution rate for all new hires. Division Non Union/Administrative Employees (benefit B-4 2.5% multiplier) was closed to new hires 9/1/2012 & new Division 14 was created for any administrative employees hired after that date with lower benefits (B-3 2.25% multiplier). The actuarial valuation, it shows our funded ratio will be 60% by fiscal year 2022/2023.
- Plan Funding:
 - Since 2011 the Road Commission has made additional lump-sum payments toward their unfunded liability as their budget & financial conditions allowed. The breakdown of the extra payments made are as follows: 2011-\$200,000; 2012-\$200,000; 2013-\$200,000. Beginning with the 2017 payment a "surplus division" was opened so that these payments will not lower regular payments. Additional payments are projected to increase the system's funding ratio to 60% by 2022/2023.
- Other Considerations:
 - None listed.

Prospective Changes:

- Modern Plan Design:
 - None listed.
- Plan Funding:
 - In fiscal year 2021, the Delta County Road Commission will provide a lump sum payment of \$600,000 to the surplus division. See page 2 of proposed FY 2021 Budget which highlights this contribution of \$600,000. The Road Commission's goal is to continue making additional surplus payments to get our unfunded liability paid off in a timely manner. See page 7 of the actuarial valuation, showing the funded ratio will be 60% by fiscal year 2022/2023.

Treasury Recommendation
DELTA COUNTY ROAD COMMISSION Pension Corrective Action Plan (CAP)
Non-Primary Unit 210100

- Other Considerations:
 - None listed.

System Status for All Divisions: OPEN

Plan size: members 90

- Inactive employees or beneficiaries currently receiving benefits: 5
- Inactive employees entitled to but not yet receiving benefits: 48
- Active employees: 37

Corrective Action Plan Criteria:

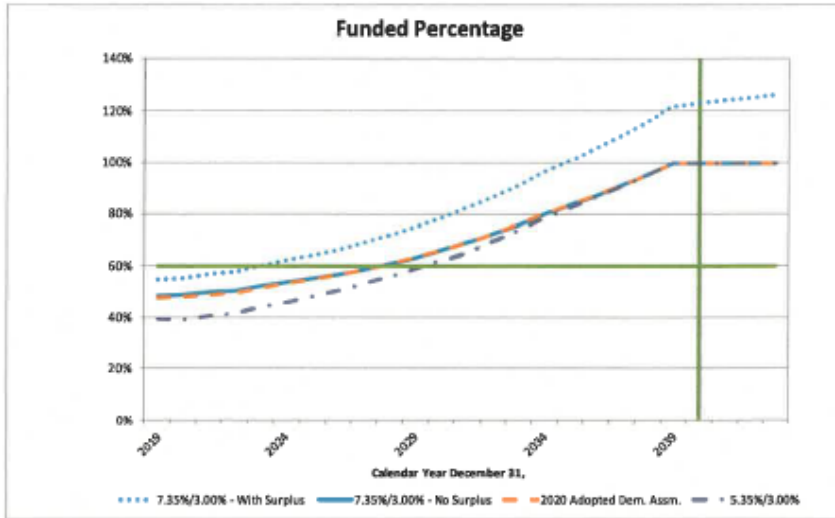
The following corrective action plan approval criteria are met:

- Underfunded Status:
 - The corrective action plan demonstrates it will reach the PA 202 established funding level of 60% funded as demonstrated by the internal analysis/actuarial projection/actuarial valuation found in the corrective action plan within a reasonable timeframe (2023).
- Legal and Feasible:
 - In section 7 of the corrective action plan template, the local unit confirms that the plan is legal and feasible because the plan follows all applicable laws, the actions listed are feasible, and the plan is approved by the governing body.
- Affordable:
 - The local unit confirms in section 5 of the corrective action plan template that the corrective actions listed will allow for the local unit to make, at a minimum, the annual required contribution payment according to the long-term budget forecast.

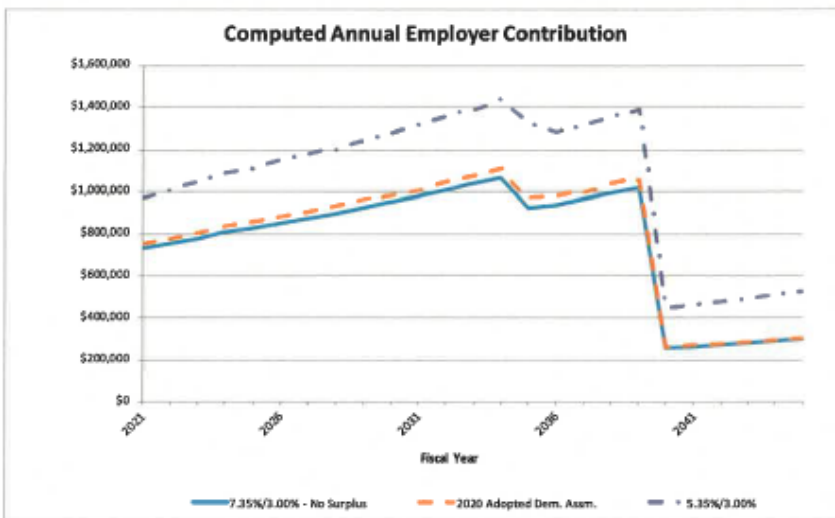
Supplemental Information:

The Road Commission included their MERS pension valuation including charts showing the projected funding ratio and projected future employer contributions. Over the next 13 years, annual contributions increase by 47% (3.5% per year).

**Treasury Recommendation
DELTA COUNTY ROAD COMMISSION Pension Corrective Action Plan (CAP)
Non-Primary Unit 210100**



Notes:
 All projected funded percentages are shown with no phase-in.
 Assumes assets from Surplus divisions will not be used to lower employer contributions during the projection period.
 The green indicator lines have been added at 60% funded and 21 years following the valuation date for PA 202 purposes



Notes:
 All projected contributions are shown with no phase-in.
 Projected employer contributions do not reflect the use of any assets from the Surplus divisions.

The Community Engagement and Finance Division (CEFD) contact:

- None.

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-21**

CORRECTIVE ACTION PLAN MONITORING COMPLIANCE

WHEREAS, the Michigan legislature passed the Protecting Local Government Retirement and Benefits Act, MCL 38.2801 et. seq. (the “Act”), creating the Municipal Stability Board (the “Board”) for the purpose of reviewing and approving corrective action plans submitted by municipalities addressing the underfunded status of their municipal retirement systems (the “Corrective Action Plan”) as well as for monitoring compliance with those plans;

WHEREAS, the Michigan Department of Treasury (“Treasury”) provides administrative services to the Board;

WHEREAS, the Act requires the Board to certify not less than every 2 years a local unit of government’s (a “Municipality”) compliance with the Act and any Corrective Action Plan.

WHEREAS, the Board passed Resolution 2020-11 adopting the Corrective Action Plan Monitoring Policy and Procedures (“Monitoring Procedures”);

WHEREAS, the Board previously approved the Municipalities’, listed on Appendix B and attached to this Resolution, Corrective Action Plans;

WHEREAS, Treasury and the Board have reviewed the Municipalities’ compliance with their respective Corrective Action Plans and the Act pursuant to the Monitoring Procedures; and

WHEREAS, Treasury has submitted recommendations whether to certify that the municipalities listed on Appendix B attached hereto are in substantial compliance with the Act.

NOW THEREFORE, BE IT RESOLVED, the Board hereby certifies that the Municipalities Corrective Action Plans listed on Appendix B notated as Compliant are in substantial compliance with the Act and their respective Corrective Action Plans;

BE IT FURTHER RESOLVED, the Board hereby certifies that the Municipalities Corrective Action Plans listed on Appendix B notated as Compliant with Conditions are in substantial compliance with the Act and their respective Corrective Action Plans, provided that the Municipalities meet the requirements identified by the Board by the next certification date (the “Compliance Conditions”);

BE IT FURTHER RESOLVED, the Board determines the Municipalities’ notated as noncompliant are not in substantial compliance with their respective Corrective Action Plan and/or the Act (the “Noncompliance Determination”);

BE IT FURTHER RESOLVED, that Treasury is directed to provide relevant Municipalities with notification of the Board's detailed Compliance Conditions and reasons for the Noncompliance Determination within fifteen days of this resolution;

BE IT FURTHER RESOLVED, that Municipalities will have sixty days to address the reasons for the Noncompliance Determination from the date of the notification of such reasons; and

BE IT FURTHER RESOLVED, that Municipalities who fail to address the reasons for the Noncompliance Determination within sixty days will be deemed in noncompliance with the Act pursuant to MCL 38.2810(6).

Ayes:

Nays:

Recused:

Lansing, Michigan

June 16, 2021

Municipal Stability Board Appendix B, June 16, 2021

Color Code Key
Green meets CAP Monitoring Criteria
Yellow partially meets CAP Monitoring Criteria
Red does not meet CAP Monitoring Criteria

CAP Monitoring Criteria Key	
Underfunded Status	Is the local government addressing their underfunded status in the same timeframe or less, as the approved CAP?
Substantial Changes	Does the corrective action plan remain substantially the same as the original approved submission?
Sustainability	The local government must certify the plan is still affordable, though detailed supporting documentation. This includes documentation that the local government's retirement costs are not increasing at a rate greater than what can be afforded

#	Local Government	Municode	Fiscal Year	System Type	Date Received	Underfunded Status	Substantial Changes	Sustainability	Treasury Recommendation	CAP Monitoring Certification Form Link
1	City of Davison	252020	2017	OPEB	2/22/2021	Met	Met	Partially Met	Compliant	City of Davison - OPEB
2	City of Davison	252020	2017	Pension	2/22/2021	Met	Met	Partially Met	Compliant	City of Davison - Pension
3	City of Dearborn Heights	822040	2017	OPEB	5/16/2021	Partially Met	Met	Partially Met	Compliant	City of Dearborn Heights - OPEB
4	City of Hastings	082010	2017	OPEB	N/A	Not Met	Not Met	Not Met	Noncompliant	No Submission
5	Jackson District Library	388000	2017	OPEB	12/3/2020	Met	Met	Partially Met	Compliant	Jackson District Library - OPEB
6	Luce County Road Commission	480100	2017	Pension	12/4/2020	Met	Met	Met	Compliant	Luce County Road Commission - Pension
7	Luce County Road Commission	480100	2017	OPEB	12/21/2020	Partially Met	Met	Met	Compliant	Luce County Road Commission - OPEB
8	Newaygo County Road Commission	620100	2017	OPEB	1/11/2021	Met	Met	Met	Compliant	Newaygo County Road Commission - OPEB
9	City of New Baltimore	502060	2017	OPEB	4/27/2021	Met	Met	Met	Compliant	City of New Baltimore - OPEB
10	Redford Charter Township	821080	2017	OPEB-General Employees	2/26/2021	Met	Met	Partially Met	Compliant	Redford Charter Township - OPEB Employees
11	Redford Charter Township	821080	2017	OPEB-Police and Fire	2/26/2021	Met	Met	Partially Met	Compliant	Redford Charter Township - OPEB-Police and Fire
12	Redford Charter Township	821080	2018	Pension-General Employees	2/26/2021	Met	Met	Partially Met	Compliant	Redford Charter Township - Pension
13	Redford Charter Township	821080	2019	Pension-Police and Fire	2/26/2021	Met	Met	Partially Met	Compliant	Redford Charter Township - Pension
14	St Clair County Road Commission	740100	2017	OPEB	12/8/2020	Met	Met	Met	Compliant	St Clair County Road Commission - OPEB
15	Traverse City Light & Power	287516	2018	Pension	3/11/2021	Met	Met	Met	Compliant	Traverse City Light & Power - Pension
16	Vicksburg District Library	398005	2017	Pension	2/3/2021	Met	Met	Partially Met	Compliant	Vicksburg District Library - Pension
17	Village of Union City	123030	2017	OPEB	3/22/2021	Met	Partially Met	Met	Compliant	Village of Union City - OPEB
18	City of Warren	502120	2017	OPEB-General Employees	4/16/2021	Met	Met	Partially Met	Approve	City of Warren - OPEB-General Employees
19	City of Warren	502120	2017	OPEB-Police and Fire	4/16/2021	Met	Met	Partially Met	Approve	City of Warren - OPEB-Police and Fire
20	City of Wayne	822300	2017	Pension	3/16/2021	Met	Met	Not Met	Compliant with Conditions	City of Wayne - Pension
21	City of Wayne	822300	2017	OPEB	3/18/2021	Met	Met	Not Met	Compliant with Conditions	City of Wayne - OPEB
22	City of Woodhaven	822320	2017	OPEB	2/17/2021	Partially Met	Met	Met	Compliant	City of Woodhaven - OPEB
23	City of Wyandotte	822330	2017	OPEB	2/11/2021	Met	Met	Partially Met	Compliant	City of Wyandotte - OPEB
24	Ypsilanti Community Utilities Authority	817514	2017	Pension	3/22/2021	Met	Met	Met	Compliant	Ypsilanti Community Utilities Authority - Pension

**Treasury Recommendation
City of Davison Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS - Union and Supervisors	Pension	\$6,892,263	\$14,176,206	48.6%	\$619,574	\$3,503,498	18.7%	Yes
Nonunion Pension Plan	Pension	\$1,101,716	\$1,345,879	81.9%				No
City of Davison OPEB	OPEB	\$789,823	\$8,131,210	9.7%	\$779,915		22.3%	Yes
Total		\$8,783,802	\$23,653,295		\$1,399,489	\$3,503,498	41.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS Pension corrective action plan monitoring certification of compliance submitted by City of Davison. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, underfunded status will now be addressed by fiscal year 2026, which is within the Board's required timeframe.

In November of 2018, when submitted the City submitted its original CAP, they were given ballpark projections from MERS of funding status based on several plan changes we were implementing. These figures showed 2025 as the year the City would reach 60% funded. The City's most recent Actuarial Valuation shows it will be 2026 when the City reaches the 60% funded level.

Substantial Changes

CAP Changes Implemented:

- In additional to the system design changes previously documented in the approved CAP, in December of 2019 and 2020 additional contributions of \$50,000 were made to the surplus division of the City's MERS Pension System. These contributions were in addition to the ADC required.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

**Treasury Recommendation
City of Davison Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020**

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2023
- Percentage of Revenues: 32.9%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - A revised worksheet was created by Treasury to adjust the amounts of enterprise fund revenues used in the sustainability worksheet and to add the ADC amount from an additional pension system.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 42

- Inactive employees or beneficiaries currently receiving benefits: **21**
- Inactive employees entitled to but not yet receiving benefits: **4**
- Active employees: **17**

Corrective Action Plan Monitoring Criteria:

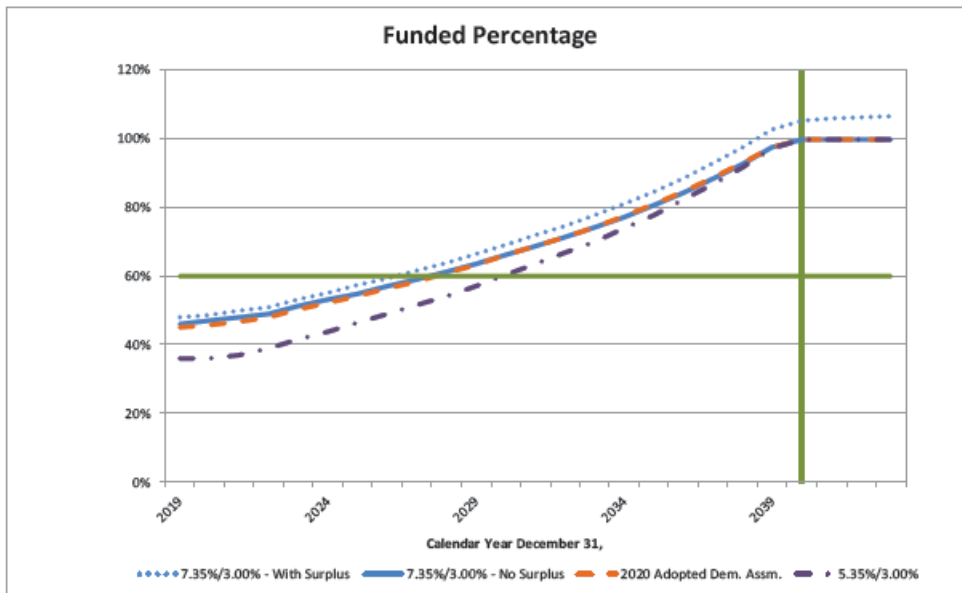
- Underfunded Status:
 - City of Davison has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Davison has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Davison has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
City of Davison Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020

Supplemental Information:

The City provided their MERS valuation charts showing that they are projecting to reach 60% funded in 2026. Additionally, a chart was provided showing that their annual employer costs are projected to increase by 63% over the next 18 years (3.5% per year).

Attachment 2a



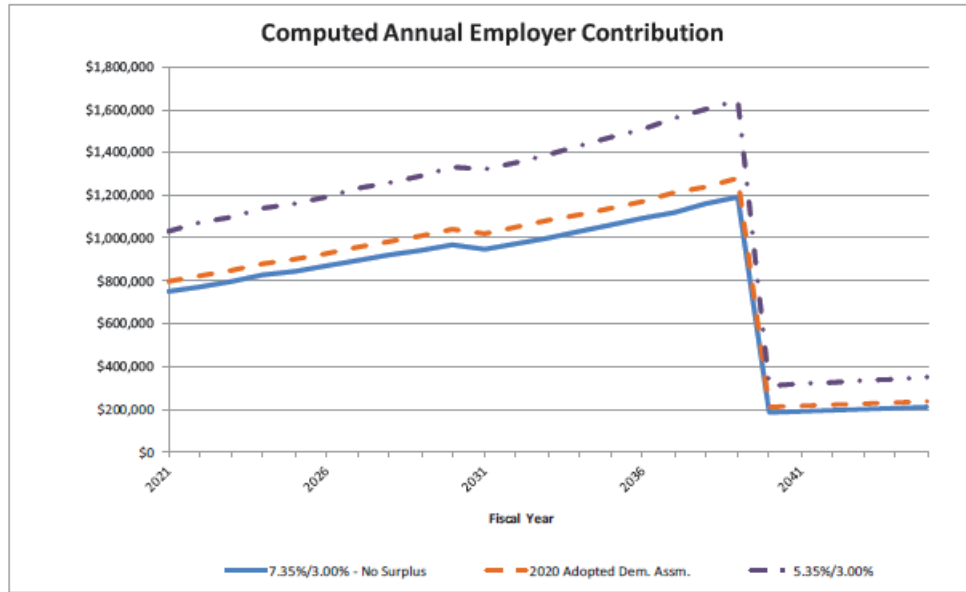
Notes:

All projected funded percentages are shown with no phase-in.

Assumes assets from Surplus divisions will not be used to lower employer contributions during the projection period.

The green indicator lines have been added at 60% funded and 21 years following the valuation date for PA 202 purposes.

**Treasury Recommendation
City of Davison Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020**



Notes:

All projected contributions are shown with no phase-in.
Projected employer contributions do not reflect the use of any assets from the Surplus divisions.

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$3,503,498			
2020	\$844,608	\$50,000	\$307,525	\$58,785	\$3,503,498	\$378,275	32.5%	
2021	\$858,409	\$50,000	\$282,182	\$59,961	\$3,573,568	\$375,166	31.7%	-0.8%
2022	\$874,829	\$50,000	\$283,993	\$61,160	\$3,645,039	\$380,995	31.5%	1.6%
2023	\$898,761	\$50,000	\$318,996	\$62,383	\$3,717,940	\$399,042	32.3%	4.7%
2024	\$915,224	\$50,000	\$356,799	\$63,631	\$3,792,299	\$415,696	32.9%	4.2%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	2.4%

The Community Engagement and Finance Division (CEFD) contact:

- On 5/26/2021, CEFD requested additional documentation to verify the OPEB benefit payment amounts, and the projected ADC for the pension system not in CAP.

**Treasury Recommendation
City of Davison OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS - Union and Supervisors	Pension	\$6,892,263	\$14,176,206	48.6%	\$619,574	\$3,503,498	18.7%	Yes
Nonunion Pension Plan	Pension	\$1,101,716	\$1,345,879	81.9%				No
City of Davison OPEB	OPEB	\$789,823	\$8,131,210	9.7%	\$779,915		22.3%	Yes
Total		\$8,783,802	\$23,653,295		\$1,399,489	\$3,503,498	41.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of Davison OPEB System OPEB corrective action plan monitoring certification of compliance submitted by City of Davison. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Davison is addressing underfunded status by fiscal year 2042 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- In addition to actions previously documented on the City's approved corrective action plan, the City has made additional contributions to its OPEB trust in the amounts of \$55,443, \$58,785 and \$55,312 in 2018, 2019, and 2020 respectively.
- The City is also reviewing additional options for active employees hired prior to 2018 to opt-out of OPEB. This is occurring during 2021 collective bargaining.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
City of Davison OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 32.9%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - A revised worksheet was created by Treasury to adjust the amounts of enterprise fund revenues used in the sustainability worksheet and to add the ADC amount from an additional pension system.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 46

- Inactive employees or beneficiaries currently receiving benefits: **26**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **20**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Davison has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Davison has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Davison has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

City provided a projection of their future funded status, demonstrating that they are projected to reach 40% funded in 2042. Additionally, they provided a sustainability worksheet showing the projected costs over the next 5-years. While the projected annual retirement costs represent over 30% of revenues, the costs do not increase significantly year over year. As the combined retirement costs are so high, it will be important to continue to monitor for future increases.

Treasury Recommendation
City of Davison OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 252020

City of Davison

OPEB Funded Status Projection

Date	Funded Status	Trust Assets	Total OPEB Liability
6/30/2020	9.7%	\$ 789,823	\$ 8,131,210
6/30/2021	10.5%	\$ 902,394	\$ 8,571,626
6/30/2022	11.3%	\$ 1,023,990	\$ 9,047,923
6/30/2023	12.2%	\$ 1,155,267	\$ 9,500,070
6/30/2024	13.1%	\$ 1,296,925	\$ 9,912,959
6/30/2025	14.1%	\$ 1,449,715	\$ 10,312,997
6/30/2026	15.1%	\$ 1,614,441	\$ 10,716,146
6/30/2027	16.1%	\$ 1,791,962	\$ 11,142,970
6/30/2028	17.1%	\$ 1,983,200	\$ 11,571,580
6/30/2029	18.2%	\$ 2,189,141	\$ 11,996,087
6/30/2030	19.4%	\$ 2,410,840	\$ 12,401,091
6/30/2031	20.7%	\$ 2,649,427	\$ 12,787,092
6/30/2032	22.1%	\$ 2,906,111	\$ 13,164,817
6/30/2033	23.5%	\$ 3,182,188	\$ 13,528,639
6/30/2034	25.0%	\$ 3,479,043	\$ 13,898,254
6/30/2035	26.6%	\$ 3,798,160	\$ 14,282,651
6/30/2036	28.2%	\$ 4,141,127	\$ 14,684,308
6/30/2037	29.9%	\$ 4,509,644	\$ 15,106,211
6/30/2038	31.6%	\$ 4,905,529	\$ 15,522,385
6/30/2039	33.5%	\$ 5,330,730	\$ 15,920,627
6/30/2040	35.5%	\$ 5,787,332	\$ 16,323,108
6/30/2041	37.5%	\$ 6,277,566	\$ 16,741,434
6/30/2042	39.6%	\$ 6,803,818	\$ 17,188,219
6/30/2043	41.7%	\$ 7,368,644	\$ 17,668,331
6/30/2044	43.8%	\$ 7,974,779	\$ 18,188,472
6/30/2045	46.0%	\$ 8,625,150	\$ 18,736,521

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$3,503,498			
2020	\$844,608	\$50,000	\$307,525	\$58,785	\$3,503,498	\$378,275	32.5%	
2021	\$858,409	\$50,000	\$282,182	\$59,961	\$3,573,568	\$375,166	31.7%	-0.8%
2022	\$874,829	\$50,000	\$283,993	\$61,160	\$3,645,039	\$380,995	31.5%	1.6%
2023	\$898,761	\$50,000	\$318,996	\$62,383	\$3,717,940	\$399,042	32.3%	4.7%
2024	\$915,224	\$50,000	\$356,799	\$63,631	\$3,792,299	\$415,696	32.9%	4.2%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	2.4%

The Community Engagement and Finance Division (CEFD) contact:

- Reached out to the City on 5/26/2021 to request additional information on calculation of OPEB benefit payment amounts.

Treasury Recommendation
City of Dearborn Heights OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822040

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
General Government Employees' Retirement System	Pension	\$37,623,537	\$56,042,507	67.1%	\$1,204,313	\$55,263,726	8.5%	No
Police and Fire Retirement System	Pension	\$169,861,620	\$224,542,006	75.6%				No
General Government Employees' OPEB Trust	OPEB	\$466,043	\$50,101,686	0.9%	\$3,958,570		19.8%	Yes
Police and Fire OPEB Trust	OPEB	\$1,066,350	\$121,356,107	0.9%				Yes
Total		\$209,017,550	\$452,042,306		\$5,162,883	\$55,263,726	28.3%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of Dearborn Heights OPEB System OPEB corrective action plan monitoring certification of compliance submitted by City of Dearborn Heights. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Dearborn Heights is addressing underfunded status by fiscal year 2047 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- Retirees, after 12/31/2018, have increased premium cost sharing and lower costing healthcare plan designs. The City of Dearborn Heights (CODH) will seek to reduce/eliminate retiree healthcare benefits for all new hires. The CODH will also continue to work with our healthcare consultants to strategically lower costs while maintaining benefit levels for existing retirees.

Treasury Recommendation
City of Dearborn Heights OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822040

- The CODH established trusts for Police & Fire retirees and General Government retirees. The Act 345 millage that was established, is used to fund the trusts as they relate to retiree healthcare costs for Police & Fire.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- The CODH is funding the OPEB based on the attached actuarial analysis with an annual payment of \$1.5 million. This will allow the OPEB to reach a funded status of 41% by 06/30/2047, which is within the required 30 year period. Based on historical cash flows in the General Fund and other funds that are responsible for prefunding the \$1.5 million, the City should be capable of meeting the obligation to insure 40% funding within the required 30 year period.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 27.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Updated the sustainability worksheet to include the additional OPEB benefit payment amounts, and local government provided future pension ADC projections. ADC projections were estimated based on a 2-3% annual increase. Total projected annual average increases are 4.2%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 593

- Inactive employees or beneficiaries currently receiving benefits: **333**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **260**

Treasury Recommendation
City of Dearborn Heights OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822040

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Dearborn Heights has partially met the Board’s published monitoring criteria for underfunded status

- Substantial Changes:
 - City of Dearborn Heights has met the Board’s published monitoring criteria for substantial changes

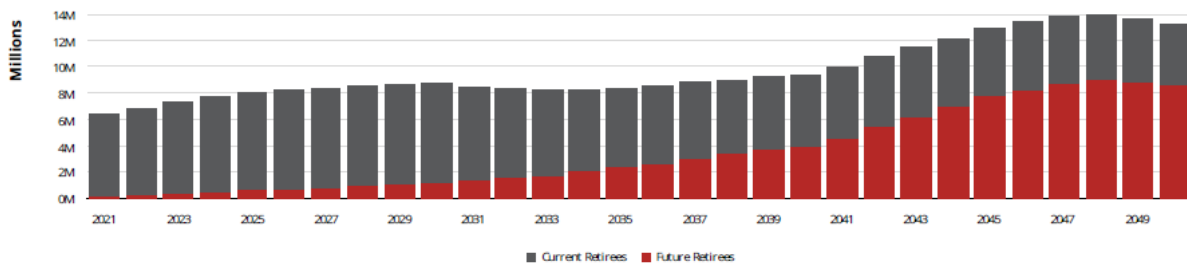
- Sustainability:
 - City of Dearborn Heights has partially met the Board’s published monitoring criteria for sustainability

Supplemental Information:

The City of Dearborn Heights provided its OPEB actuarial valuation showing the projected benefit payment amounts, showing an increase of 104% over the next 27 years (4.25% per year). Additionally, in their originally approved CAP, a funding projection was provided documenting when they are projected to reach 40%. The City's OPEB system is open to new hires, and as such, it will be important to monitor in future submissions to ensure liabilities do not increase significantly, and that the current funding plan remains adequate. Additionally, a sustainability worksheet was developed using data submitted by the City. Additionally, based on 2020 audit reporting, the underfunded system is now separated into two systems. Future monitoring reviews should review as separate systems.

FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total
2021	\$ 6,303,694	\$ 191,012	\$ 6,494,706	2031	\$ 7,067,686	\$ 1,466,010	\$ 8,533,696	2041	\$ 5,325,333	\$ 4,667,033	\$ 9,992,366
2022	\$ 6,539,951	\$ 287,803	\$ 6,827,754	2032	\$ 6,757,245	\$ 1,596,073	\$ 8,353,318	2042	\$ 5,324,553	\$ 5,483,871	\$ 10,808,424
2023	\$ 6,937,201	\$ 390,728	\$ 7,327,929	2033	\$ 6,549,247	\$ 1,749,727	\$ 8,298,974	2043	\$ 5,299,688	\$ 6,181,700	\$ 11,481,388
2024	\$ 7,221,261	\$ 517,669	\$ 7,738,930	2034	\$ 6,220,254	\$ 2,121,437	\$ 8,341,691	2044	\$ 5,164,206	\$ 7,050,798	\$ 12,215,004
2025	\$ 7,329,049	\$ 648,317	\$ 7,977,366	2035	\$ 6,022,315	\$ 2,412,424	\$ 8,434,739	2045	\$ 5,152,018	\$ 7,786,264	\$ 12,938,282
2026	\$ 7,449,365	\$ 741,015	\$ 8,190,380	2036	\$ 5,915,687	\$ 2,675,116	\$ 8,590,803	2046	\$ 5,054,781	\$ 8,344,064	\$ 13,398,845
2027	\$ 7,507,143	\$ 869,527	\$ 8,376,670	2037	\$ 5,793,525	\$ 3,065,410	\$ 8,858,935	2047	\$ 4,938,550	\$ 8,827,224	\$ 13,765,774
2028	\$ 7,517,604	\$ 1,053,666	\$ 8,571,270	2038	\$ 5,536,055	\$ 3,438,311	\$ 8,974,366	2048	\$ 4,870,443	\$ 9,078,422	\$ 13,948,865
2029	\$ 7,502,313	\$ 1,178,910	\$ 8,681,223	2039	\$ 5,511,241	\$ 3,729,973	\$ 9,241,214	2049	\$ 4,786,242	\$ 8,853,517	\$ 13,639,759
2030	\$ 7,465,455	\$ 1,275,568	\$ 8,741,023	2040	\$ 5,357,112	\$ 3,981,810	\$ 9,338,922	2050	\$ 4,622,805	\$ 8,645,171	\$ 13,267,976

Projected Employer Pay-go Cost



Treasury Recommendation

City of Dearborn Heights OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification

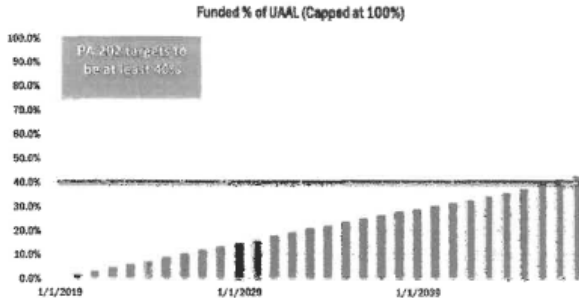
Primary Government 822040

Client Inputs

Will the City contribute pay-as-you-go costs? **Yes**
 Pre-funding City Contributions (in addition to pay-go) \$ 1,500,000
 What is the City's Governmental Fund Revenue? \$ 47,291,305 as of 6/30/2018
 Expected Annual Increase on General Operating Revenue 2.5%

Results Summary

Projected Year of 40% Funding of UAAL **6/30/2047**
 Projected Year of ADC < 12% of GOR **6/30/2093**



Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$55,263,726			
2021	\$6,272,866		\$6,494,706	\$1,500,000	\$56,369,001		25.3%	
2022	\$6,787,684		\$6,827,754	\$1,500,000	\$57,496,381		26.3%	5.9%
2023	\$6,957,376		\$7,327,929	\$1,500,000	\$58,646,308		26.9%	4.4%
2024	\$7,131,310		\$7,738,930	\$1,500,000	\$59,819,234		27.4%	3.7%
2025	\$7,309,593		\$7,977,366	\$1,500,000	\$61,015,619		27.5%	2.5%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	4.2%

The Community Engagement and Finance Division (CEFD) contact:

- On 5/27/2021 CEFD requested additional documentation for the sustainability worksheet and clarification on other items submitted.

Treasury Recommendation
Jackson District Library OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 388000

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$8,059,049	\$8,607,395	93.6%	\$154,974	\$9,039,399	1.7%	No
JACKSON DISTRICT LIBRARY OPEB	OPEB	\$1,051,772	\$1,085,709	96.9%	\$71,072		0.8%	Yes
Total		\$9,110,821	\$9,693,104		\$226,046	\$9,039,399	2.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Jackson District Library OPEB corrective action plan monitoring certification of compliance submitted by Jackson District Library. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Jackson District Library is addressing underfunded status by fiscal year 2018 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The library made substantial contributions to the plan in 2018 and 2019 to fund the plan.
- The plan was 47% funded in 2018 and 97% funded in 2019.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: N/A

Treasury Recommendation
Jackson District Library OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 388000

- Percentage of Revenues: **N/A**

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- The library did not include a sustainability calculation or supporting documentation to for their pension plan for Treasury to recreate the sustainability worksheet. In reviewing their most recent Form 5572, it appears the local government's retirement systems are sustainable. Their most recent data shows their retirement system combine ADC/Revenue to be 7.5%. Their OPEB system is 96.9% funded, and their pension system 93.6% funded. While their system appears sustainable, due to the fact that they did not submit the information requested, we are marking them partially sustainable.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions:

Plan size: members 36

- Inactive employees or beneficiaries currently receiving benefits: **25**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **11**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Jackson District Library has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Jackson District Library has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Jackson District Library has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Library appears to be compliant with their CAP and funded. From 2020-2024, the Library's OPEB costs are expected to increase by approximately 12%, which is about 2% per year.

The Community Engagement and Finance Division (CEFD) contact:

- **None**

**Treasury Recommendation
Luce County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 480100**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$4,453,298	\$10,916,364	40.8%	\$521,412	\$5,208,112	10.0 %	Yes
Luce County Rd Health Retirees	OPEB	\$436,273	\$2,556,924	17.1%	\$248,907		4.8%	Yes
Total		\$4,889,571	\$13,473,288		\$770,319	\$5,208,112	14.8%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS Pension corrective action plan monitoring certification of compliance submitted by Luce County Road Commission. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Luce County Road Commission is addressing underfunded status by fiscal year 2027 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The Road Commission has been and will continue to make additional payments of \$20,000 per month until they are 60% funded.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

Treasury Recommendation
Luce County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 480100

- Fiscal Year: 2020
- Percentage of Revenues: 21.0%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The Road Commission's total annual payments decrease after 2020. However, the pension and OPEB valuation both have a higher payment for the pension ADC and the OPEB benefit payments, than what was submitted in their sustainability.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 55

- Inactive employees or beneficiaries currently receiving benefits: **33**
- Inactive employees entitled to but not yet receiving benefits: **3**
- Active employees: **19**

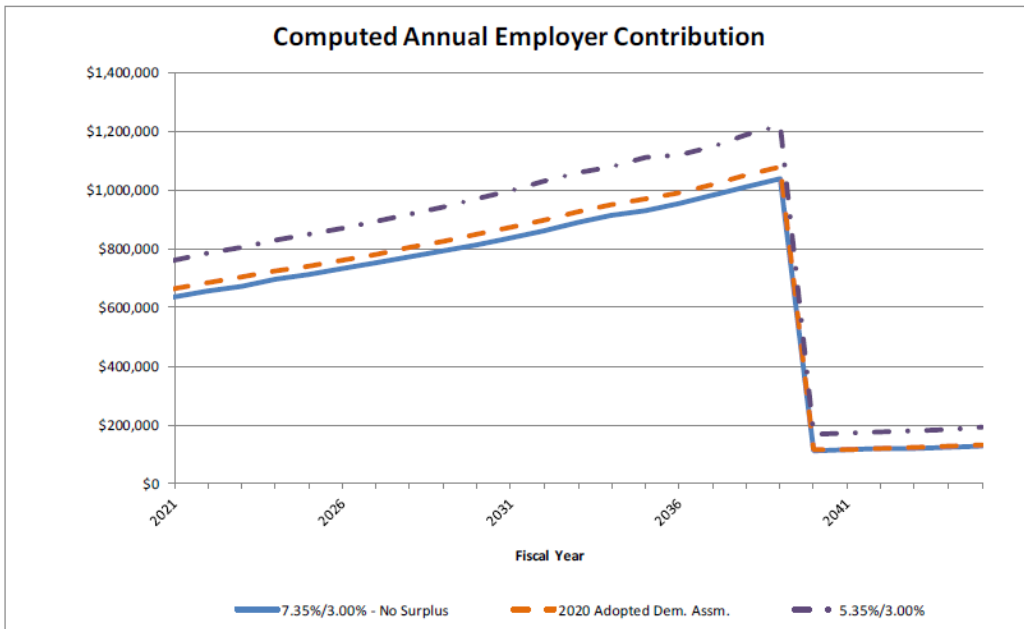
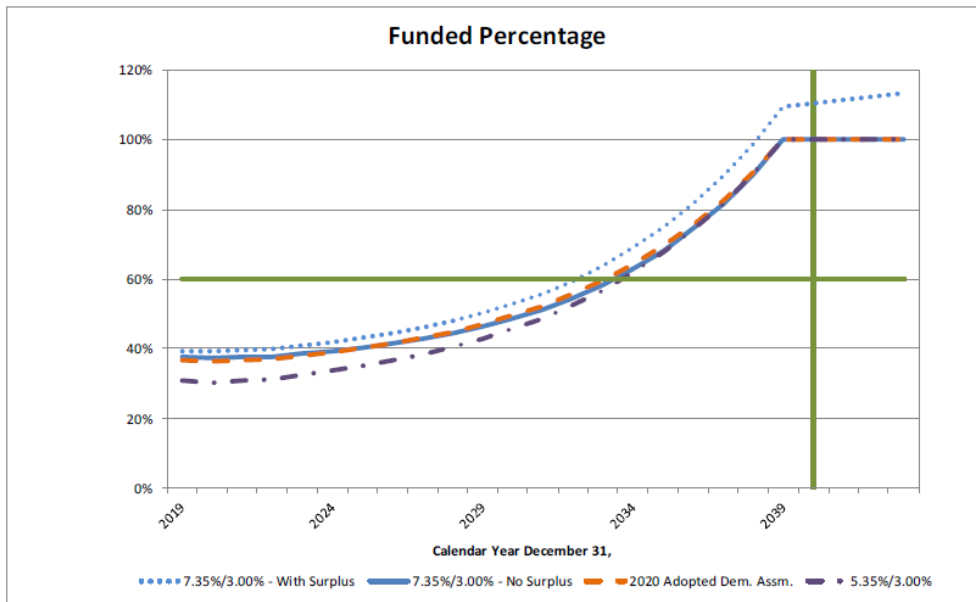
Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Luce County Road Commission has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Luce County Road Commission has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Luce County Road Commission has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission's annual employer costs are estimated to increase about 40% from 2021 to 2040, which is about 2% a year. While the Road Commission's sustainability document may understate some of their future costs, overall, their additional contributions will help the Road Commission address its underfunded status.

Treasury Recommendation
Luce County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 480100



IS:
 rejected contributions are shown with no phase-in.
 rejected employer contributions do not reflect the use of any assets from the Surplus divisions.

Treasury Recommendation
Luce County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 480100

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet							
Instructions							
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)			
2019					\$5,208,112		
2020	\$563,000	\$240,000	\$194,400	\$120,000	\$5,260,193	\$0	21%
2021	\$580,000	\$240,000	\$194,400	\$60,000	\$5,312,795	\$0	20%
2022	\$585,000	\$240,000	\$180,000	\$60,000	\$5,365,923	\$0	20%
2023	\$600,000	\$240,000	\$175,000	\$0	\$5,419,582	\$0	19%
2024	\$605,000	\$240,000	\$175,000	\$0	\$5,473,778	\$0	19%
Projected Annual Revenue Growth (Please select)	1%						

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Luce County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 480100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$4,453,298	\$10,916,364	40.8%	\$521,412	\$5,208,112	10.0 %	Yes
Luce County Rd Health Retirees	OPEB	\$436,273	\$2,556,924	17.1%	\$248,907		4.8%	Yes
Total		\$4,889,571	\$13,473,288		\$770,319	\$5,208,112	14.8%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Morgan Stanley Investment for Health Care OPEB corrective action plan monitoring certification of compliance submitted by Luce County Road Commission. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, Luce County Road Commission is addressing underfunded status by fiscal year 2027 as projected in originally approved plan.

The Road Commission is now addressing underfunded status in 2027, which is 4 years longer than their original plan of fiscal year 2023.

Substantial Changes

CAP Changes Implemented:

- The Road Commission deposited \$20,000 per month in the OPEB trust until May 2020, when they decreased their contributions to \$5,000 per month.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
Luce County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 480100

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2020
- Percentage of Revenues: 21.0%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The Road Commission's total annual payments decrease after 2020. However, the pension and OPEB valuation both have a higher payment for the pension ADC and the OPEB benefit payments, than what was submitted in their sustainability.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 45

- Inactive employees or beneficiaries currently receiving benefits: **33**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **12**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Luce County Road Commission has partially met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Luce County Road Commission has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Luce County Road Commission has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission including an analysis that shows their current funded ratio at 24.3% funded as of 11/30/2020. They will continue to make additional payments into their OPEB trust. While their documentation does not explicitly show them reaching 40% funded, it is reasonable that they will reach 40% in 2027 with their additional payments.

Treasury Recommendation
Luce County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 480100

Deposits and Value by month for Morgan Stanley Trust
 Opened May 2018

Month Range	Amnt Deposited	Total to Date Dep.	Value EOM	Difference	Rate of Return	OPEB Liability	% Funded
5-1-18/5-31-18	\$20,000.00	\$20,000.00	\$19,926.58	-\$73.42	-0.37%	\$3,132,987.00	0.64%
6-1-18/6-30-18	\$20,000.00	\$40,000.00	\$39,472.27	-\$527.73	-1.32%	\$3,132,987.00	1.26%
7-1-18/7-31-18	\$20,000.00	\$60,000.00	\$60,261.27	\$261.27	0.44%	\$3,132,987.00	1.92%
8-1-18/8-31-18	\$20,000.00	\$80,000.00	\$80,178.56	\$178.56	0.22%	\$3,132,987.00	2.56%
9-1-18/9-30-18	\$20,000.00	\$100,000.00	\$99,843.65	-\$156.35	-0.16%	\$3,132,987.00	3.19%
10-1-18/10-31-18	\$20,000.00	\$120,000.00	\$113,127.81	-\$6,872.19	-5.73%	\$3,132,987.00	3.61%
11-1-18/11-30-18	\$20,000.00	\$140,000.00	\$134,686.83	-\$5,313.17	-3.80%	\$3,132,987.00	4.30%
12-1-18/12-31-18	\$20,000.00	\$160,000.00	\$149,081.79	-\$10,918.21	-6.82%	\$2,715,931.00	5.49%
1-1-19/1-31-19	\$20,000.00	\$180,000.00	\$178,889.33	-\$1,110.67	-0.62%	\$2,715,931.00	6.59%
2-1-19/2-28-19	\$20,000.00	\$200,000.00	\$202,465.21	\$2,465.21	1.23%	\$2,715,931.00	7.45%
3-1-19/3-31-19	\$20,000.00	\$220,000.00	\$225,835.43	\$5,835.43	2.65%	\$2,715,931.00	8.32%
4-1-19/4-30-19	\$20,000.00	\$240,000.00	\$250,455.60	\$10,455.60	4.36%	\$2,715,931.00	9.22%
5-1-19/5-31-19	\$20,000.00	\$260,000.00	\$262,279.57	\$2,279.57	0.88%	\$2,715,931.00	9.66%
6-1-19/6-30-19	\$20,000.00	\$280,000.00	\$295,017.85	\$15,017.85	5.36%	\$2,715,931.00	10.86%
7-1-19/7-31-19	\$20,000.00	\$300,000.00	\$314,786.55	\$14,786.55	4.93%	\$2,715,931.00	11.59%
8-1-19/8-31-19	\$20,000.00	\$320,000.00	\$331,942.46	\$11,942.46	3.73%	\$2,715,931.00	12.22%
9-1-19/9-30-19	\$20,000.00	\$340,000.00	\$354,205.36	\$14,205.36	4.18%	\$2,715,931.00	13.04%
10-1-19/10-31-19	\$20,000.00	\$360,000.00	\$379,438.45	\$19,438.45	5.40%	\$2,715,931.00	13.97%
11-1-19/11-30-19	\$20,000.00	\$380,000.00	\$404,072.99	\$24,072.99	6.33%	\$2,715,931.00	14.88%
12-1-19/12-31-19	\$20,000.00	\$400,000.00	\$436,272.96	\$36,272.96	9.07%	\$2,592,917.00	16.83%
1-1-20/1-31-20	\$20,000.00	\$420,000.00	\$452,252.97	\$32,252.97	7.68%	\$2,592,917.00	17.44%
2-1-20/2-29-20	\$20,000.00	\$440,000.00	\$450,525.90	\$10,525.90	2.39%	\$2,592,917.00	17.38%
3-1-20/3-31-20	\$20,000.00	\$460,000.00	\$407,972.96	-\$52,027.04	-11.31%	\$2,592,917.00	15.73%
4-1-20/4-30-20	\$20,000.00	\$480,000.00	\$467,493.33	-\$12,506.67	-2.61%	\$2,592,917.00	18.03%
5-1-20/5-31-20	\$20,000.00	\$500,000.00	\$510,492.16	\$10,492.16	2.10%	\$2,592,917.00	19.69%
6-1-20/6-30-20	\$5,000.00	\$505,000.00	\$530,040.63	\$25,040.63	4.96%	\$2,592,917.00	20.44%
7-1-20/7-31-20	\$5,000.00	\$510,000.00	\$560,114.39	\$50,114.39	9.83%	\$2,592,917.00	21.60%
8-1-20/8-31-20	\$5,000.00	\$515,000.00	\$584,624.32	\$69,624.32	13.52%	\$2,592,917.00	22.55%
9-1-20/9-30-20	\$5,000.00	\$520,000.00	\$577,304.48	-\$7,304.48	11.02%	\$2,592,917.00	22.26%
10-1-20/10-31-20	\$5,000.00	\$525,000.00	\$580,519.60	\$55,519.60	10.58%	\$2,592,917.00	22.39%
11-1-20/11-30-20	\$5,000.00	\$530,000.00	\$630,616.31	\$100,616.31	18.98%	\$2,592,917.00	24.32%

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet							
<u>Instructions</u>							
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)			
2019					\$5,208,112		
2020	\$563,000	\$240,000	\$194,400	\$120,000	\$5,260,193	\$0	21%
2021	\$580,000	\$240,000	\$194,400	\$60,000	\$5,312,795	\$0	20%
2022	\$585,000	\$240,000	\$180,000	\$60,000	\$5,365,923	\$0	20%
2023	\$600,000	\$240,000	\$175,000	\$0	\$5,419,582	\$0	19%
2024	\$605,000	\$240,000	\$175,000	\$0	\$5,473,778	\$0	19%
Projected Annual Revenue Growth (Please select)	1%						

The Community Engagement and Finance Division (CEFD) contact:

- On 1/4/2021, Treasury reached out to the Road Commission asking for documentation of the governing body approval to change their additional contributions.

**Treasury Recommendation
Newaygo County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 620100**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS RETIREMENT SYSTEM	Pension	\$9,432,290	\$11,827,525	79.7%	\$276,888	\$14,037,521	2.0 %	No
MERS OPEB Trust Fund	OPEB	\$907,955	\$3,788,017	24.0 %	\$719,640		5.1%	Yes
Total		\$10,340,245	\$15,615,542		\$996,528	\$14,037,521	7.1%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the OPEB corrective action plan monitoring certification of compliance submitted by Newaygo County Road Commission. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Newaygo County Road Commission is addressing underfunded status by fiscal year 2026 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The Road Commission has been making additional contributions of \$300,000 annually into their trust. They are now 23.97% funded and are on track to be 40% funded by 2026.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2020
- Percentage of Revenues: 4.9%

Treasury Recommendation
Newaygo County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 620100

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 54

- Inactive employees or beneficiaries currently receiving benefits: **11**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **43**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Newaygo County Road Commission has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Newaygo County Road Commission has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Newaygo County Road Commission has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission submitted an internal valuation showing them reaching 40%. A sustainability worksheet was also included. This was created by Treasury using submitted data from the Road Commission and estimated pension ADC amounts.

Treasury Recommendation
Newaygo County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 620100

Year ending	Contribution			Projected assets	Percent Funded	Contribution			Projected assets	Percent Funded
	To OPEB trust	benefit pmts	Total			To OPEB trust	benefit pmts	Total		
2017		174,299	174,299	174,299	0%		174,299	174,299	0	0%
2018	310,190	202,610	512,800	310,190	6%	242,105	202,610	444,715	242,105	5%
2019	310,190	233,424	543,614	629,686	12%	242,105	233,424	475,529	491,474	9%
2020	310,190	279,061	589,251	958,767	17%	242,105	279,061	521,166	748,323	13%
2021	310,190	272,610	582,800	1,297,720	23%	242,105	272,610	514,715	1,012,878	18%
2022	310,190	287,955	598,145	1,646,841	29%	242,105	287,955	530,061	1,285,370	22%
2023	310,190	284,582	594,772	2,006,437	34%	242,105	284,582	526,687	1,566,036	27%
2024	310,190	254,041	564,231	2,376,820	40%	242,105	254,041	496,147	1,855,123	31%
2025		262,864	262,864	2,448,125	40%	242,105	262,864	504,970	2,152,882	36%
2026		300,126	300,126	2,521,568	41%	242,105	300,126	542,231	2,459,574	40%
2027		306,931	306,931	2,597,215	42%		306,931	306,931	2,533,361	41%
2028		330,655	330,655	2,675,132	43%		330,655	330,655	2,609,362	42%
2029		336,120	336,120	2,755,386	44%		336,120	336,120	2,687,642	43%

The scenarios anticipate that over the funding period we will continue to make retiree benefit payments from general operating funds and not plan assets until some point at which funding levels will support that without dropping asset levels below 40% of the liability. The extent to which level will permit that will best be determined after reaching the 40% goal.

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
<u>Instructions</u>								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$16,161,056			
2020	\$287,653		\$279,061	\$242,105	\$16,484,277		4.9%	
2021	\$293,406		\$272,610	\$242,105	\$16,813,963		4.8%	-0.1%
2022	\$299,274		\$287,955	\$242,105	\$17,150,242		4.8%	2.6%
2023	\$305,260		\$284,582	\$242,105	\$17,493,247		4.8%	0.3%
2024	\$311,365		\$254,041	\$242,105	\$17,843,112		4.5%	-2.9%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	0.0%

The Community Engagement and Finance Division (CEFD) contact:

- On 6/1/2021, Treasury reached out for the Road Commission's sustainability worksheet and pension valuation.

Treasury Recommendation
City of New Baltimore OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502060

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$15,074,372	\$19,512,262	77.3%	\$400,049	\$9,401,611	4.3%	No
City of New Baltimore's Retiree Healthcare Plan	OPEB	\$3,002,931	\$7,927,996	37.9%	\$202,516		2.2%	Yes
Total		\$18,077,303	\$27,440,258		\$602,565	\$9,401,611	6.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of New Baltimore Retiree Health Care Fund OPEB corrective action plan monitoring certification of compliance submitted by City of New Baltimore. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of New Baltimore is addressing underfunded status by fiscal year 2019 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- In the Spring of 2019, the City changed the medical benefit provider for Medicare-eligible retirees, which was an allowable action within the retiree health contracts.
- The City's actuarial valuation shows the City's OPEB was 41.6% funded by fiscal year 2019.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
City of New Baltimore OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502060

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 10.6%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Treasury reached out to the City for supporting documentation, which was received. Additionally, the City's projected annual payments increase by an average amount of 4.9% per year over the next five years. While this is very close to the 5% threshold, the City's total retirement costs are only 10.6% of their revenues, so the plan appears to be sustainable.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 56

- Inactive employees or beneficiaries currently receiving benefits: **35**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **21**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of New Baltimore has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of New Baltimore has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of New Baltimore has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The City provided a valuation showing they are 41.6% funded in fiscal year 2019; however, fiscal year 2020 valuation shows that they dropped back to 37.88% in fiscal year 2020. The City did not trigger as underfunded on its Retirement System Annual Reporting (Form 5572) in fiscal year 2020 because its actuarially determined contribution for OPEB was only 2.2% of governmental revenues.

Treasury Recommendation
City of New Baltimore OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502060

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

[Instructions](#)

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$9,401,611			
2021	\$635,076		\$300,198		\$9,589,643	\$228,651	9.5%	
2022	\$651,000		\$359,080		\$9,781,436	\$246,939	10.1%	8.0%
2023	\$673,000		\$370,920		\$9,977,065	\$255,213	10.2%	3.4%
2024	\$708,000		\$384,845		\$10,176,606	\$267,173	10.5%	4.7%
2025	\$710,000		\$421,065		\$10,380,138	\$276,517	10.6%	3.5%

4.9%

Projected Annual Revenue Growth (Please select)	2%
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The Community Engagement and Finance Division (CEFD) contact:

- On 6/2/2021, Treasury request the City's pension valuation.

Treasury Recommendation
Redford Charter Township MERS Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Primary Government 821080

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$29,006,164	\$53,118,553	54.6%	\$2,132,737	\$43,442,790	17.9%	Yes
Police and Fire Employees Retirement System	Pension	\$58,911,552	\$121,460,058	48.5%				Yes
General Employees OPEB	OPEB	\$2,522,749	\$62,717,693	4.0 %	\$3,624,070		22.6%	Yes
Police and Fire OPEB	OPEB	\$4,978,931	\$117,432,214	4.2%				Yes
Total		\$95,419,396	\$354,728,518		\$5,756,807	\$43,442,790	40.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS Pension corrective action plan monitoring certification of compliance submitted by Redford Charter Township. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, underfunded status will now be addressed by fiscal year 2032, which is within the Board's required timeframe.

The local government stated they were meeting underfunded status in the same year, however the CAP was approved for fiscal year 2031.

Substantial Changes

CAP Changes Implemented:

- The Township stated they will continue to make their ADC payments in full each year, and remain on the same closed amortization schedule that brings the plan to 100% funding by FY 2038.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

Treasury Recommendation
Redford Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 30.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The average percent increase over next five years is 2.2%, however, this is primarily because of a sharp decrease in costs from FY 2020 to 2021. From FY 2021 to 2025, the average increase is 6.1%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 303

- Inactive employees or beneficiaries currently receiving benefits: **179**
- Inactive employees entitled to but not yet receiving benefits: **30**
- Active employees: **94**

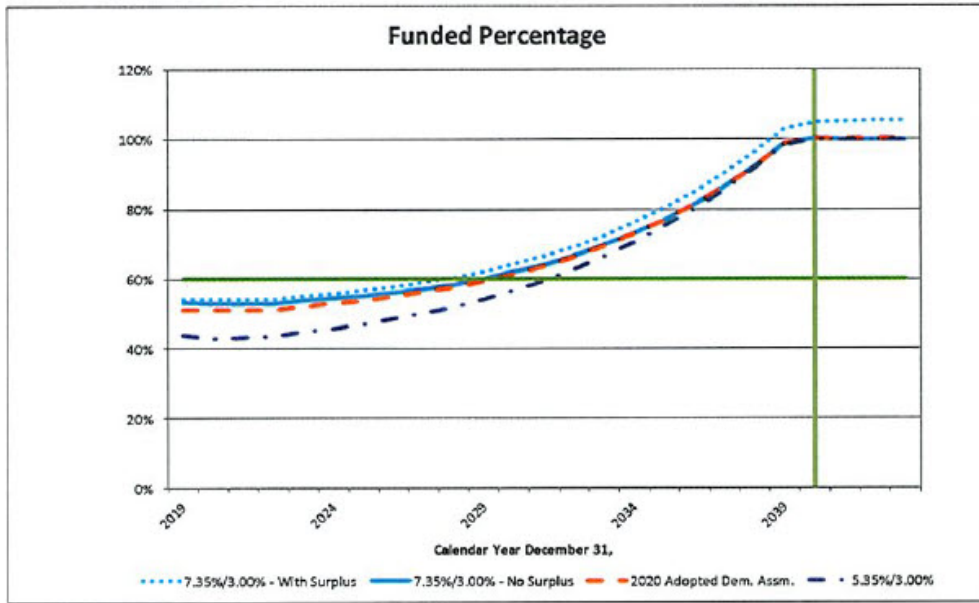
Corrective Action Plan Monitoring Criteria:

- **Underfunded Status:**
 - Redford Charter Township has met the Board's published monitoring criteria for underfunded status.
- **Substantial Changes:**
 - Redford Charter Township has met the Board's published monitoring criteria for substantial changes.
- **Sustainability:**
 - Redford Charter Township has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
Redford Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

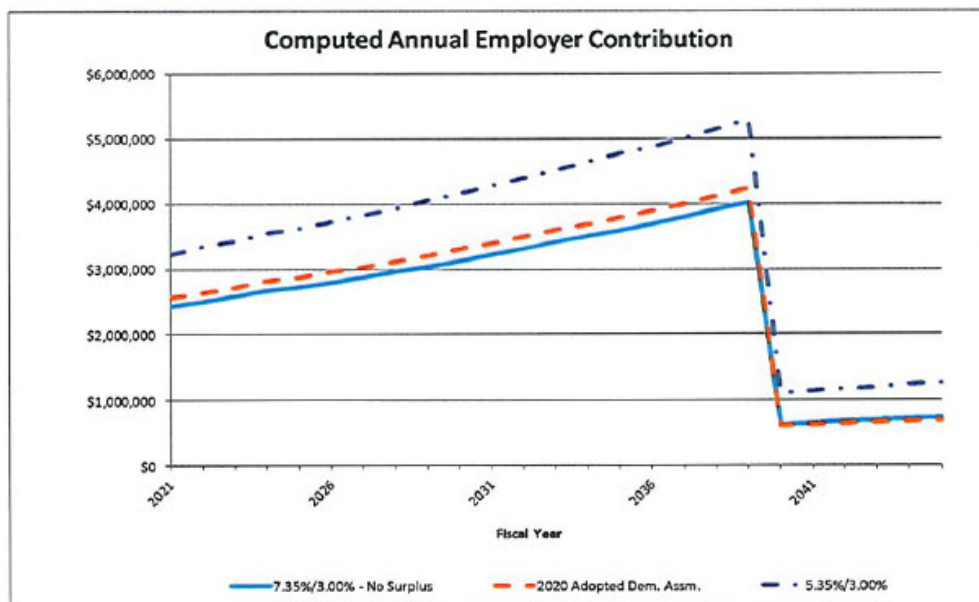
Supplemental Information:

The township appears to be implementing their corrective action plan and making progress on their funded status. Over the next 18 years, the ADC is increasing by about \$1,500,000, or about 58% (3.2% per year). Future monitoring submissions will need to be monitored for signs of additional rising retirement costs.



Notes:

All projected funded percentages are shown with no phase-in.
 Assumes assets from Surplus divisions will not be used to lower employer contributions during the projection period.
 The green indicator lines have been added at 60% funded and 21 years following the valuation date for PA 202 purposes.



Treasury Recommendation
Redford Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

[Instructions](#)

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$43,442,790			
2021	\$8,512,750	\$0	\$2,470,374	\$2,707,105	\$44,311,646	\$563,500	30.5%	
2022	\$9,090,826	\$0	\$2,544,484	\$750,000	\$45,197,879	\$564,443	27.1%	-9.5%
2023	\$9,731,046	\$0	\$2,620,820	\$750,000	\$46,101,836	\$565,402	28.1%	5.8%
2024	\$10,438,885	\$0	\$2,699,444	\$850,000	\$47,023,873	\$566,363	29.4%	6.8%
2025	\$11,148,390	\$0	\$2,780,428	\$850,000	\$47,964,350	\$567,326	30.5%	5.7%

Projected Annual Revenue Growth (Please select)	2%
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The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Redford Charter Township Police and Fire Pension Corrective Action Plan (CAP) Monitoring
Compliance Certification Primary Government 821080

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$29,006,164	\$53,118,553	54.6%	\$2,132,737	\$43,442,790	17.9%	Yes
Police and Fire Employees Retirement System	Pension	\$58,911,552	\$121,460,058	48.5%				Yes
General Employees OPEB	OPEB	\$2,522,749	\$62,717,693	4.0 %	\$3,624,070		22.6%	Yes
Police and Fire OPEB	OPEB	\$4,978,931	\$117,432,214	4.2%		Yes		
Total		\$95,419,396	\$354,728,518		\$5,756,807	\$43,442,790	40.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Police and Fire Pension Pension corrective action plan monitoring certification of compliance submitted by Redford Charter Township. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, underfunded status will now be addressed by fiscal year 2032, which is within the Board's required timeframe.

Previously, the Township stated they were going to be funded in 2031. Due to market fluctuations and staffing changes, the year in which we will reach 60% funding has been pushed back by one fiscal year according to the most recent valuation.

Substantial Changes

CAP Changes Implemented:

- The Township states that they continue to make ADC payments in full each year and remain on the same closed amortization schedule bringing the plan to 100% funding by FY 2038.

CAP Changes Not Implemented:

- None listed.

Treasury Recommendation
Redford Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 30.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The average percent increase over next five years is 2.2%; however, this is primarily because of a sharp decrease in costs from FY 2020 to 2021. From FY 2021 to 2025, the average increase is 6.1%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 283

- Inactive employees or beneficiaries currently receiving benefits: **98**
- Inactive employees entitled to but not yet receiving benefits: **1**
- Active employees: **184**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Redford Charter Township has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Redford Charter Township has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Redford Charter Township has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
Redford Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Supplemental Information:

The Township appears to be implementing their corrective action plan and making progress on their funded status. Over the next 15 years, the ADC is increasing by \$8,079,922, or 139% (9.3% per year). The previously approved CAP documents that an uncapped police and fire millage covers the pension ADC, so these increases should be covered through increased millage revenue. Regardless, future monitoring submissions will need to be monitored for signs of additional rising retirement costs. The average percent increase over next five years is 2.2%; however, this is primarily because of a sharp decrease in costs from FY 2020 to 2021. From FY 2021 to 2025, the average increase is 6.1%.

Actuarial Information for GASB Statements 67/68

March 31, 2020

Table 1
Projection of Total Contributions*
Assuming 17 Year Closed Amortization of UAAL

Year Beg. 4/1	Projected Entry Age AAL	Projected Funding Value of Assets	UAAL	17 Year Closed Amortization	Projected Employer Normal Cost	Employer Contributions	Employee Contributions (paid by Employer)	Total Contributions
2020	\$113,716,862	\$64,381,160	\$49,335,702	\$3,656,070	\$975,791	\$4,631,861	\$278,321	\$4,910,182
2021	113,894,888	56,114,040	57,780,848	4,490,519	1,017,184	5,507,703	290,119	5,797,822
2022	114,227,280	54,121,853	60,105,427	4,917,642	1,012,072	5,929,714	291,744	6,221,458
2023	114,515,795	52,351,851	62,163,944	5,377,967	1,064,429	6,442,396	306,744	6,749,140
2024	114,996,583	51,099,148	63,897,435	5,874,786	1,072,733	6,947,519	311,340	7,258,859
2025	115,467,992	52,392,871	63,075,121	6,199,325	1,128,146	7,327,471	327,244	7,654,715
2026	116,143,465	54,290,452	61,853,013	6,543,686	1,184,775	7,728,461	343,492	8,071,953
2027	117,047,684	56,867,425	60,180,259	6,909,812	1,208,313	8,118,125	350,884	8,469,009
2028	118,055,003	60,051,740	58,003,263	7,300,475	1,248,955	8,549,430	362,614	8,912,044
2029	119,282,539	64,026,808	55,255,731	7,718,424	1,260,642	8,979,066	365,616	9,344,682
2030	120,617,530	68,748,459	51,869,071	8,168,136	1,318,592	9,486,728	382,143	9,868,871
2031	122,277,746	74,519,581	47,758,165	8,654,683	1,303,307	9,957,990	380,896	10,338,886
2032	123,924,649	81,085,775	42,838,874	9,188,320	1,236,194	10,424,514	363,959	10,788,473
2033	125,312,219	88,305,378	37,006,841	9,785,307	1,284,156	11,069,463	377,734	11,447,197
2034	127,020,739	96,907,069	30,113,670	10,470,086	1,172,153	11,642,239	349,938	11,992,177
2035	128,291,015	106,284,710	22,006,305	11,317,521	1,093,154	12,410,675	334,394	12,745,069
2036	129,379,741	116,963,856	12,415,885	12,592,422	986,994	13,579,416	298,328	13,877,744
2037	130,004,794	129,209,183	795,611	806,924	891,602	1,698,526	266,505	1,965,031
2038	130,244,549	129,704,920	539,629	547,302	688,983	1,236,285	215,778	1,452,063
2039	129,704,280	129,156,607	547,673	555,460	527,979	1,083,439	167,503	1,250,942
2040	128,452,467	127,892,638	559,829	567,789	419,501	987,290	141,529	1,128,819

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

Instructions

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$43,442,790			
2021	\$8,512,750	\$0	\$2,470,374	\$2,707,105	\$44,311,646	\$563,500	30.5%	
2022	\$9,090,826	\$0	\$2,544,484	\$750,000	\$45,197,879	\$564,443	27.1%	-9.5%
2023	\$9,731,046	\$0	\$2,620,820	\$750,000	\$46,101,836	\$565,402	28.1%	5.8%
2024	\$10,438,885	\$0	\$2,699,444	\$850,000	\$47,023,873	\$566,363	29.4%	6.8%
2025	\$11,148,390	\$0	\$2,780,428	\$850,000	\$47,964,350	\$567,326	30.5%	5.7%

Projected Annual Revenue Growth (Please select)	2%
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The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Redford Charter Township General Employees OPEB Corrective Action Plan (CAP)
Monitoring Compliance Certification Primary Government 821080

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$29,006,164	\$53,118,553	54.6%	\$2,132,737	\$43,442,790	17.9%	Yes
Police and Fire Employees Retirement System	Pension	\$58,911,552	\$121,460,058	48.5%				Yes
General Employees OPEB	OPEB	\$2,522,749	\$62,717,693	4. %	\$3,624,070		22.6%	Yes
Police and Fire OPEB	OPEB	\$4,978,931	\$117,432,214	4.2%		Yes		
Total		\$95,419,396	\$354,728,518		\$5,756,807	\$43,442,790	40.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the General Employees OPEB corrective action plan monitoring certification of compliance submitted by Redford Charter Township. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Redford Charter Township is addressing underfunded status by fiscal year 2048 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- Per the Township's CAP, beginning in in FY 2019 they began making additional contributions above the pay-go funding requirements to be applied towards our actuarial accrued liability.

CAP Changes Not Implemented:

- Treasury notes that the Township did not mention any changes to contracts, which was mentioned in the CAP; however, this does not appear to change the Township's ability to reach funded status in 2048 according to current projections.

Treasury Recommendation
Redford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Additional Changes Implemented

- In addition, in the current fiscal year (FY 2021), the Township has identified an additional \$1.95M that was in their former self-insurance fund that they will be transferring into the General OPEB Trust Fund as well. This transfer will not be reflected

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 30.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The average percent increase over next five years is 2.2%; however, this is primarily because of a sharp decrease in costs from FY 2020 to 2021. From FY 2021 to 2025, the average increase is 6.1%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 228

- Inactive employees or beneficiaries currently receiving benefits: **138**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **90**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Redford Charter Township has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Redford Charter Township has met the Board's published monitoring criteria for substantial changes.

Treasury Recommendation
Redford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

- Sustainability:
 - Redford Charter Township has partially met the Board’s published monitoring criteria for sustainability.

Supplemental Information:

The Township appears to be implementing their corrective action plan and making progress on their funded status. Over the next 27 years, the pay-go amount for the OPEB system is increasing by \$1,295,245, or 122% (4.5% per year). Future submissions will need to be closely monitored for additional rising costs.

General Employees Retirement Health Benefit Systems

PA 202	Fiscal				0.03		0.07		
Year	Year	NORMAL COST	Additional Contribution	Total Yearly Contribution	Actuarial Accrued Liability**	PLAN ASSETS - Start of FY	Investment Earnings	PLAN ASSETS - End of FY	Funded Ratio
<i>End of FY 2018 per GASB 74 Actuarial Report</i>					\$ 50,576,745	\$ 2,016,862	\$ -	\$ 2,016,862	3.99%
1	2019	\$ 999,675	\$ 150,000	\$ 1,149,675	\$ 52,094,047	\$ 2,016,862	\$ 141,180	\$ 2,308,042	4.43%
2	2020	\$ 1,029,666	\$ 300,000	\$ 1,329,666	\$ 53,656,869	\$ 2,308,042	\$ 161,563	\$ 2,769,605	5.16%
3	2021	\$ 1,060,556	\$ 300,000	\$ 1,360,556	\$ 55,266,575	\$ 2,769,605	\$ 193,872	\$ 3,263,478	5.90%
4	2022	\$ 1,092,372	\$ 300,000	\$ 1,392,372	\$ 56,924,572	\$ 3,263,478	\$ 228,443	\$ 3,791,921	6.66%
5	2023	\$ 1,125,144	\$ 300,000	\$ 1,425,144	\$ 58,632,309	\$ 3,791,921	\$ 265,434	\$ 4,357,356	7.43%
6	2024	\$ 1,158,898	\$ 350,000	\$ 1,508,898	\$ 60,391,279	\$ 4,357,356	\$ 305,015	\$ 5,012,370	8.30%
7	2025	\$ 1,193,665	\$ 350,000	\$ 1,543,665	\$ 62,203,017	\$ 5,012,370	\$ 350,866	\$ 5,713,236	9.18%
8	2026	\$ 1,229,475	\$ 350,000	\$ 1,579,475	\$ 64,069,107	\$ 5,713,236	\$ 399,927	\$ 6,463,163	10.09%
9	2027	\$ 1,266,359	\$ 350,000	\$ 1,616,359	\$ 65,991,181	\$ 6,463,163	\$ 452,421	\$ 7,265,584	11.01%
10	2028	\$ 1,304,350	\$ 350,000	\$ 1,654,350	\$ 67,970,916	\$ 7,265,584	\$ 508,591	\$ 8,124,175	11.95%
11	2029	\$ 1,343,480	\$ 400,000	\$ 1,743,480	\$ 70,010,043	\$ 8,124,175	\$ 568,692	\$ 9,092,868	12.99%
12	2030	\$ 1,383,785	\$ 400,000	\$ 1,783,785	\$ 72,110,345	\$ 9,092,868	\$ 636,501	\$ 10,129,368	14.05%
13	2031	\$ 1,425,298	\$ 400,000	\$ 1,825,298	\$ 74,273,655	\$ 10,129,368	\$ 709,056	\$ 11,238,424	15.13%
14	2032	\$ 1,468,057	\$ 400,000	\$ 1,868,057	\$ 76,501,865	\$ 11,238,424	\$ 786,690	\$ 12,425,114	16.24%
15	2033	\$ 1,512,099	\$ 400,000	\$ 1,912,099	\$ 78,796,921	\$ 12,425,114	\$ 869,758	\$ 13,694,872	17.38%
16	2034	\$ 1,557,462	\$ 450,000	\$ 2,007,462	\$ 81,160,828	\$ 13,694,872	\$ 958,641	\$ 15,103,513	18.61%
17	2035	\$ 1,604,186	\$ 450,000	\$ 2,054,186	\$ 83,595,653	\$ 15,103,513	\$ 1,057,246	\$ 16,610,759	19.87%
18	2036	\$ 1,652,311	\$ 450,000	\$ 2,102,311	\$ 86,103,523	\$ 16,610,759	\$ 1,162,753	\$ 18,223,512	21.16%
19	2037	\$ 1,701,881	\$ 450,000	\$ 2,151,881	\$ 88,686,629	\$ 18,223,512	\$ 1,275,646	\$ 19,949,158	22.49%
20	2038	\$ 1,752,937	\$ 450,000	\$ 2,202,937	\$ 91,347,227	\$ 19,949,158	\$ 1,396,441	\$ 21,795,599	23.86%
21	2039	\$ 1,805,525	\$ 500,000	\$ 2,305,525	\$ 94,087,644	\$ 21,795,599	\$ 1,525,692	\$ 23,821,290	25.32%
22	2040	\$ 1,859,691	\$ 500,000	\$ 2,359,691	\$ 96,910,274	\$ 23,821,290	\$ 1,667,490	\$ 25,988,781	26.82%
23	2041	\$ 1,915,482	\$ 500,000	\$ 2,415,482	\$ 99,817,582	\$ 25,988,781	\$ 1,819,215	\$ 28,307,995	28.36%
24	2042	\$ 1,972,946	\$ 500,000	\$ 2,472,946	\$ 102,812,109	\$ 28,307,995	\$ 1,981,560	\$ 30,789,555	29.95%
25	2043	\$ 2,032,134	\$ 500,000	\$ 2,532,134	\$ 105,896,472	\$ 30,789,555	\$ 2,155,269	\$ 33,444,824	31.58%
26	2044	\$ 2,093,098	\$ 550,000	\$ 2,643,098	\$ 109,073,367	\$ 33,444,824	\$ 2,341,138	\$ 36,335,962	33.31%
27	2045	\$ 2,155,891	\$ 550,000	\$ 2,705,891	\$ 112,345,568	\$ 36,335,962	\$ 2,543,517	\$ 39,429,479	35.10%
28	2046	\$ 2,220,568	\$ 550,000	\$ 2,770,568	\$ 115,715,935	\$ 39,429,479	\$ 2,760,064	\$ 42,739,543	36.93%
29	2047	\$ 2,287,185	\$ 550,000	\$ 2,837,185	\$ 119,187,413	\$ 42,739,543	\$ 2,991,768	\$ 46,281,310	38.83%
30	2048	\$ 2,355,801	\$ 550,000	\$ 2,905,801	\$ 122,763,035	\$ 46,281,310	\$ 3,239,692	\$ 50,071,002	40.79%

Treasury Recommendation
Redford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet
[Instructions](#)

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$43,442,790			
2021	\$8,512,750	\$0	\$2,470,374	\$2,707,105	\$44,311,646	\$563,500	30.5%	
2022	\$9,090,826	\$0	\$2,544,484	\$750,000	\$45,197,879	\$564,443	27.1%	-9.5%
2023	\$9,731,046	\$0	\$2,620,820	\$750,000	\$46,101,836	\$565,402	28.1%	5.8%
2024	\$10,438,885	\$0	\$2,699,444	\$850,000	\$47,023,873	\$566,363	29.4%	6.8%
2025	\$11,148,390	\$0	\$2,780,428	\$850,000	\$47,964,350	\$567,326	30.5%	5.7%

Projected Annual Revenue Growth (Please select)	2%
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The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Redford Charter Township Police and Fire OPEB Corrective Action Plan (CAP) Monitoring
Compliance Certification Primary Government 821080

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$29,006,164	\$53,118,553	54.6%	\$2,132,737	\$43,442,790	17.9%	Yes
Police and Fire Employees Retirement System	Pension	\$58,911,552	\$121,460,058	48.5%				Yes
General Employees OPEB	OPEB	\$2,522,749	\$62,717,693	4.0 %	\$3,624,070		22.6%	Yes
Police and Fire OPEB	OPEB	\$4,978,931	\$117,432,214	4.2%				Yes
Total		\$95,419,396	\$354,728,518		\$5,756,807	\$43,442,790	40.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Police and Fire OPEB OPEB corrective action plan monitoring certification of compliance submitted by Redford Charter Township. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Redford Charter Township is addressing underfunded status by fiscal year 2048 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- Per the Township's CAP, beginning in in FY 2019 they began making additional contributions above their pay-go funding requirements to be applied towards our actuarial accrued liability.

CAP Changes Not Implemented:

- Treasury notes that the Township did not mention any changes to contracts, which was mentioned in the CAP; however, this does not appear to change the Township's ability to reach funded status in 2048 according to current projections.

Treasury Recommendation
Redford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2025
- Percentage of Revenues: 30.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The average percent increase over next five years is 2.2%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 266

- Inactive employees or beneficiaries currently receiving benefits: **167**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **99**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Redford Charter Township has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Redford Charter Township has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Redford Charter Township has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
Redford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 821080

Supplemental Information:

The Township appears to be implementing their corrective action plan and making progress on their funded status. Over the next 27 years, the pay-go amount for the OPEB system is increasing by \$1,721,795, or 122% (4.5% per year). Future monitoring submissions will need to be closely monitored for additional retirement costs.

Police and Fire Retirement Health Benefit Systems

PA 202 Year	Fiscal Year	NORMAL COST	Additional Contribution	Total Yearly Contribution	0.03 Actuarial Liability**	PLAN ASSETS - Start of FY	0.07 Investment Earnings	PLAN ASSETS - End of FY	Funded Ratio
<i>End of FY 2018 per GASB 74 Actuarial Report</i>					\$ 82,398,293.00	\$ 4,011,337.00		\$ 4,100,874.00	4.98%
1	2019	\$ 1,328,889	\$ 450,000	\$ 1,778,889	\$ 84,870,242	\$ 4,100,874	\$ 287,061	\$ 4,837,935	5.70%
2	2020	\$ 1,368,755	\$ 450,000	\$ 1,818,755	\$ 87,416,349	\$ 4,837,935	\$ 338,655	\$ 5,626,591	6.44%
3	2021	\$ 1,409,818	\$ 450,000	\$ 1,859,818	\$ 90,038,840	\$ 5,626,591	\$ 393,861	\$ 6,470,452	7.19%
4	2022	\$ 1,452,112	\$ 450,000	\$ 1,902,112	\$ 92,740,005	\$ 6,470,452	\$ 452,932	\$ 7,373,384	7.95%
5	2023	\$ 1,495,676	\$ 450,000	\$ 1,945,676	\$ 95,522,205	\$ 7,373,384	\$ 516,137	\$ 8,339,520	8.73%
6	2024	\$ 1,540,546	\$ 500,000	\$ 2,040,546	\$ 98,387,871	\$ 8,339,520	\$ 583,766	\$ 9,423,287	9.58%
7	2025	\$ 1,586,763	\$ 500,000	\$ 2,086,763	\$ 101,339,507	\$ 9,423,287	\$ 659,630	\$ 10,582,917	10.44%
8	2026	\$ 1,634,365	\$ 500,000	\$ 2,134,365	\$ 104,379,692	\$ 10,582,917	\$ 740,804	\$ 11,823,721	11.33%
9	2027	\$ 1,683,396	\$ 500,000	\$ 2,183,396	\$ 107,511,083	\$ 11,823,721	\$ 827,660	\$ 13,151,382	12.23%
10	2028	\$ 1,733,898	\$ 500,000	\$ 2,233,898	\$ 110,736,416	\$ 13,151,382	\$ 920,597	\$ 14,571,978	13.16%
11	2029	\$ 1,785,915	\$ 550,000	\$ 2,335,915	\$ 114,058,508	\$ 14,571,978	\$ 1,020,038	\$ 16,142,017	14.15%
12	2030	\$ 1,839,493	\$ 550,000	\$ 2,389,493	\$ 117,480,263	\$ 16,142,017	\$ 1,129,941	\$ 17,821,958	15.17%
13	2031	\$ 1,894,677	\$ 550,000	\$ 2,444,677	\$ 121,004,671	\$ 17,821,958	\$ 1,247,537	\$ 19,619,495	16.21%
14	2032	\$ 1,951,518	\$ 550,000	\$ 2,501,518	\$ 124,634,811	\$ 19,619,495	\$ 1,373,365	\$ 21,542,860	17.28%
15	2033	\$ 2,010,063	\$ 550,000	\$ 2,560,063	\$ 128,373,856	\$ 21,542,860	\$ 1,508,000	\$ 23,600,860	18.38%
16	2034	\$ 2,070,365	\$ 600,000	\$ 2,670,365	\$ 132,225,071	\$ 23,600,860	\$ 1,652,060	\$ 25,852,920	19.55%
17	2035	\$ 2,132,476	\$ 600,000	\$ 2,732,476	\$ 136,191,823	\$ 25,852,920	\$ 1,809,704	\$ 28,262,625	20.75%
18	2036	\$ 2,196,450	\$ 600,000	\$ 2,796,450	\$ 140,277,578	\$ 28,262,625	\$ 1,978,384	\$ 30,841,008	21.99%
19	2037	\$ 2,262,344	\$ 600,000	\$ 2,862,344	\$ 144,485,906	\$ 30,841,008	\$ 2,158,871	\$ 33,599,879	23.25%
20	2038	\$ 2,330,214	\$ 600,000	\$ 2,930,214	\$ 148,820,483	\$ 33,599,879	\$ 2,351,992	\$ 36,551,870	24.56%
21	2039	\$ 2,400,121	\$ 650,000	\$ 3,050,121	\$ 153,285,097	\$ 36,551,870	\$ 2,558,631	\$ 39,760,501	25.94%
22	2040	\$ 2,472,124	\$ 650,000	\$ 3,122,124	\$ 157,883,650	\$ 39,760,501	\$ 2,783,235	\$ 43,193,736	27.36%
23	2041	\$ 2,546,288	\$ 650,000	\$ 3,196,288	\$ 162,620,160	\$ 43,193,736	\$ 3,023,562	\$ 46,867,298	28.82%
24	2042	\$ 2,622,677	\$ 650,000	\$ 3,272,677	\$ 167,498,764	\$ 46,867,298	\$ 3,280,711	\$ 50,798,009	30.33%
25	2043	\$ 2,701,357	\$ 650,000	\$ 3,351,357	\$ 172,523,727	\$ 50,798,009	\$ 3,555,861	\$ 55,003,869	31.88%
26	2044	\$ 2,782,398	\$ 700,000	\$ 3,482,398	\$ 177,699,439	\$ 55,003,869	\$ 3,850,271	\$ 59,554,140	33.51%
27	2045	\$ 2,865,870	\$ 700,000	\$ 3,565,870	\$ 183,030,422	\$ 59,554,140	\$ 4,168,790	\$ 64,422,930	35.20%
28	2046	\$ 2,951,846	\$ 700,000	\$ 3,651,846	\$ 188,521,335	\$ 64,422,930	\$ 4,509,605	\$ 69,632,535	36.94%
29	2047	\$ 3,040,401	\$ 700,000	\$ 3,740,401	\$ 194,176,975	\$ 69,632,535	\$ 4,874,277	\$ 75,206,813	38.73%
30	2048	\$ 3,131,613	\$ 700,000	\$ 3,831,613	\$ 200,002,284	\$ 75,206,813	\$ 5,264,477	\$ 81,171,290	40.59%

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

Instructions

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$43,442,790			
2021	\$8,512,750	\$0	\$2,470,374	\$2,707,105	\$44,311,646	\$563,500	30.5%	
2022	\$9,090,826	\$0	\$2,544,484	\$750,000	\$45,197,879	\$564,443	27.1%	-9.5%
2023	\$9,731,046	\$0	\$2,620,820	\$750,000	\$46,101,836	\$565,402	28.1%	5.8%
2024	\$10,438,885	\$0	\$2,699,444	\$850,000	\$47,023,873	\$566,363	29.4%	6.8%
2025	\$11,148,390	\$0	\$2,780,428	\$850,000	\$47,964,350	\$567,326	30.5%	5.7%

Projected Annual Revenue Growth (Please select)	2%
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The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
St Clair County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 740100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
St Clair County Retirement System	Pension	\$39,825,290	\$44,521,702	89.5%	\$686,516	\$37,208,786	1.8%	No
St Clair County OPEB system	OPEB	\$3,962,514	\$14,161,728	28.0 %	\$1,219,087		3.3%	Yes
Total		\$43,787,804	\$58,683,430		\$1,905,603	\$37,208,786	5.1%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the St. Clair County Road Commission OPEB corrective action plan monitoring certification of compliance submitted by St Clair County Road Commission. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, St Clair County Road Commission is addressing underfunded status by fiscal year 2027 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- Effective for 2018, the local unit committed to pay the Public Act 202 annual minimum contribution plus \$300,000 for the next ten years.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- Effective 2019, all retirees over the age of 65 who are on a Medicare Advantage Plan will see an increase in their co-pays and deductibles. These coverage changes will result in an improvement to the retirement system's funded ratio.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
St Clair County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 740100

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2023
- Percentage of Revenues: 5.9%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Treasury recreated the sustainability worksheet. The annual reatirement cost increase average over the next five years is 2%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 178

- Inactive employees or beneficiaries currently receiving benefits: **119**
- Inactive employees entitled to but not yet receiving benefits: **6**
- Active employees: **53**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - St Clair County Road Commission has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - St Clair County Road Commission has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - St Clair County Road Commission has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission appears to be following their corrective action plan and is making progress on their funded status. Between 2021 and 2033, the pay-go costs increase by \$619,273 or 70%.

Treasury Recommendation
St Clair County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 740100

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019								
2020	\$686,516	\$300,000	\$845,200	\$300,000	\$37,208,786		5.7%	
2021	\$748,677	\$300,000	\$884,451	\$300,000	\$37,952,962		5.9%	4.8%
2022	\$733,635	\$300,000	\$909,712	\$300,000	\$38,712,021		5.8%	0.5%
2023	\$733,635	\$300,000	\$978,813	\$300,000	\$39,486,261		5.9%	3.1%
2024	\$733,635	\$300,000	\$975,843	\$300,000	\$40,275,987		5.7%	-0.1%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	2.0%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Traverse City Light & Power Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 287516

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS Defined Benefit Pension Plan	Pension	\$21,324,482	\$32,383,476	65.8%	\$2,382,248	\$34,075,607	7.0 %	No
OPEB	OPEB	\$3,836,128	\$5,014,292	76.5%	\$164,442		0.5%	No
Total		\$25,160,610	\$37,397,768		\$2,546,690	\$34,075,607	7.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Traverse City Light and Power MERS Defined Benefit Plan Pension corrective action plan monitoring certification of compliance submitted by Traverse City Light & Power. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Traverse City Light & Power is addressing underfunded status by fiscal year 2018 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The system's multiplier for new hire union and non-union employees was lowered from 2.25% to 1.5% based on base wage only, as stated in the original CAP.
- On an annual basis during budget, staff reviews continuing on a ten year accelerated payment schedule (reduced each year) based on market value as stated in the original CAP. The accelerated funding was first adopted for the fiscal year ending June 30, 2017 and the board has committed the accelerated funding through June 30, 2022. The actuarial report no longer shows the minimum ADC and the ten year accelerated ADC. Only the ten year accelerated ADC is presented in the recent actuarial report. Each year the ten year accelerated ADC is evaluated during the budget process. The actuarial valuation shows that pension is 65% funded as of December 31, 2019.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

Treasury Recommendation
Traverse City Light & Power Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 287516

- In January 2019 the governing body approved a Letter of Agreement with the union to eliminate the defined benefit pension plan for all union line workers hired after 7/1/2012 and replace with a Defined Contribution Plan.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2022
- Percentage of Revenues: 9.3%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Treasury recreated the sustainability worksheet utilizing the actuarial reports provided and the FY 2020 audit. The OPEB numbers in the future are provided by the local government and not verified.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 97

- Inactive employees or beneficiaries currently receiving benefits: **61**
- Inactive employees entitled to but not yet receiving benefits: **7**
- Active employees: **29**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Traverse City Light & Power has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - Traverse City Light & Power has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - Traverse City Light & Power has met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
Traverse City Light & Power Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 287516

Supplemental Information:

The local government is 65.8% funded according to their FY 2020 Form 5572. The local government appears to have followed their CAP. From 2021-2026, the pension cost is increasing by about \$250,000 or 10%.

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019								
2020	\$2,620,000		\$138,418	\$349,982	\$34,075,607		9.1%	
2021	\$2,700,000		\$138,418	\$349,982	\$34,757,119		9.2%	2.6%
2022	\$2,810,000		\$138,418	\$349,982	\$35,452,262		9.3%	3.5%
2023	\$2,870,000		\$138,418	\$349,982	\$36,161,307		9.3%	1.8%
2024	\$422,000		\$138,418	\$349,982	\$36,884,533		2.5%	-72.9%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	-16.3%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Vicksburg District Library Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 398005

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$83,062	\$142,863	58.1%	\$9,470	\$462,133	2.0 %	Yes
Total		\$83,062	\$142,863		\$0,000	\$462,133	2.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS Pension corrective action plan monitoring certification of compliance submitted by Vicksburg District Library. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Vicksburg District Library is addressing underfunded status by fiscal year 2023 as projected in originally approved plan

Substantial Changes

CAP Changes Implemented:

- The library ceased offering a defined benefit plan in 2017 and have transitioned to a 457 plan for new hires. The library is adjusting its MERS payments with guidance from MERS to be funded in 2023.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2023
- Percentage of Revenues: 2.0%

Treasury Recommendation
Vicksburg District Library Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 398005

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Local government did not complete sustainability section; however, a sustainability worksheet was created using provided information in submission.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 4

- Inactive employees or beneficiaries currently receiving benefits: **3**
- Inactive employees entitled to but not yet receiving benefits: **1**
- Active employees: **0**

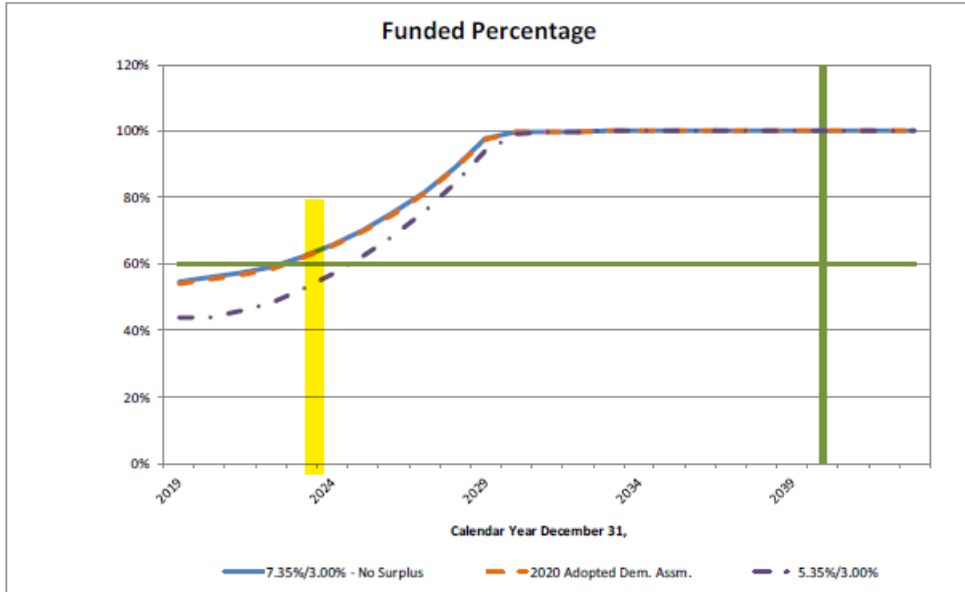
Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Vicksburg District Library has met the Board's published monitoring criteria for underfunded status
- Substantial Changes:
 - Vicksburg District Library has met the Board's published monitoring criteria for substantial changes
- Sustainability:
 - Vicksburg District Library has partially met the Board's published monitoring criteria for sustainability

Supplemental Information:

Provided MERS charts showing funded status to be reached in approximately 2023. Additionally, a sustainability worksheet was created by Treasury using provided information.

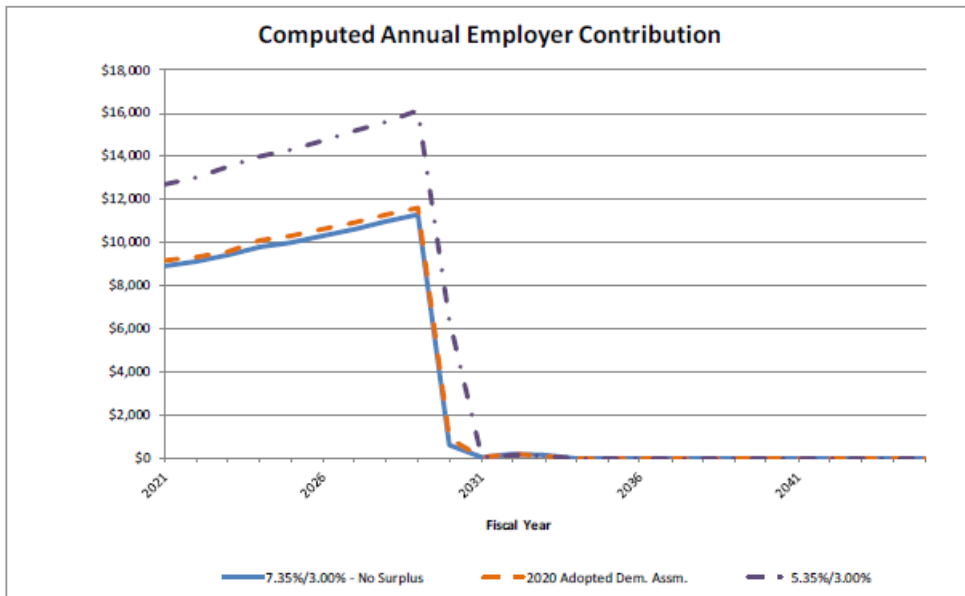
Treasury Recommendation
Vicksburg District Library Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 398005



Notes:

All projected funded percentages are shown with no phase-in.

The green indicator lines have been added at 60% funded and 21 years following the valuation date for PA 202 purposes.



Notes:

All projected contributions are shown with no phase-in.

Treasury Recommendation
Vicksburg District Library Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification Non-Primary Government 398005

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$462,133			
2021	\$9,156				\$471,376		1.9%	
2022	\$9,300				\$480,803		1.9%	1.6%
2023	\$9,600				\$490,419		2.0%	3.2%
2024	\$10,100				\$500,228		2.0%	5.2%
2025	\$10,300				\$510,232		2.0%	2.0%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	3.0%

The Community Engagement and Finance Division (CEFD) contact:

- None

Treasury Recommendation
Village of Union City OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 123030

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
OPEB	OPEB	-	\$1,273,922	0.0%	\$71,552	\$1,189,408	6.0 %	Yes
Total		-	\$1,273,922		\$71,552	\$1,189,408	6.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Village of Union City OPEB Plan OPEB corrective action plan monitoring certification of compliance submitted by Village of Union City. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Village of Union City is addressing underfunded status by fiscal year 2018 as projected in originally approved plan

While the Village notes, that they are addressing underfunded status in 2018; they continued to trigger as underfunded on their Retirement System Annual Report to Treasury until fiscal year 2020.

Substantial Changes

CAP Changes Implemented:

- Per the Village's last actuarial in 2019, the Village's ADC is \$69,126 and the Village's contribution was \$50,902. The Village claimed that it was at 74% funded as of 2019 (Treasury's review of most recent audit and valuation shows the system as 0% funded).
- The Village indicated in subsequent email that all active employees were removed from the plan in 2019.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2020

Treasury Recommendation
Village of Union City OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 123030

- Percentage of Revenues: 13.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The Village estimated OPEB benefit payments for future years.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 6

- Inactive employees or beneficiaries currently receiving benefits: **5**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **1**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Village of Union City has Met the Board's published monitoring criteria for underfunded status
- Substantial Changes:
 - Village of Union City has Partially Met the Board's published monitoring criteria for substantial changes
- Sustainability:
 - Village of Union City has Met the Board's published monitoring criteria for sustainability

Supplemental Information:

The Village's originally submitted plan indicated that they would transfer existing funds to a qualified trust, achieving 40% funded in 2019. Additionally, design changes were documented that the Village indicated would reduce liabilities and the ADC. The village's ADC has lowered to a level in which it has not triggered as underfunded in the most recent Retirement System Annual Report (Form 5572) for fiscal year 2020. A sustainability worksheet was provided showing that their projected costs over the next 5-years.

**Treasury Recommendation
Village of Union City OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 123030**

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

[Instructions](#)

Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$688,769			
2020			\$94,819		\$702,544		13.5%	
2021			\$50,283		\$716,595		7.0%	-47.0%
2022			\$52,000		\$730,927		7.1%	3.4%
2023			\$53,500		\$745,546		7.2%	2.9%
2024			\$55,000		\$757,703		7.3%	2.8%

Projected Annual Revenue Growth (Please select)	2%
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Average Annual Retirement Cost Increase	-9.5%
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The Community Engagement and Finance Division (CEFD) contact:

- CEFD reached out to the local government on 5/26/2021 to request additional information on their calculation of sustainability and additional information on their creation and funding of an OPEB trust.

Treasury Recommendation
City of Warren General Employee OPEB Corrective Action Plan (CAP) Monitoring
Compliance Certification Primary Government 502120

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Employees' Retirement System	Pension	\$136,526,144	\$189,301,186	72.1%	\$8,384,920	\$162,277,839	11.8%	No
Police and Fire Retirement System	Pension	\$294,995,395	\$410,689,210	71.8%				No
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	OPEB	\$70,835,146	\$147,038,521	48.2%	\$8,500,000	\$162,277,839	11.7%	Yes
Police and Fire Retirement Health, Life and Disability Plan and Trust	OPEB	\$57,821,887	\$175,076,791	33.0 %				Yes
Total		\$560,178,572	\$922,105,708		\$16,884,920	\$162,277,839	23.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City Employee OPEB OPEB corrective action plan monitoring certification of compliance submitted by City of Warren. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, underfunded status will now be addressed by fiscal year 2024, which is within the Board's required timeframe.

The City stated that they were addressing funding status in the same year; however, the funded status year has changed from 2019 to 2024.

**Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120**

Substantial Changes

CAP Changes Implemented:

- The City states that they were successful in contributing additional payments to reach a funded ratio of 48.2%. The City states that they will continue to monitor the plan.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 23.4%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Over the next five years, the average annual increase is 1.3%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 578

- Inactive employees or beneficiaries currently receiving benefits: **488**
- Inactive employees entitled to but not yet receiving benefits: **20**
- Active employees: **70**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Warren has met the Board's published monitoring criteria for underfunded status
- Substantial Changes:

Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120

- City of Warren has met the Board’s published monitoring criteria for substantial changes
- **Sustainability:**
 - City of Warren has partially met the Board’s published monitoring criteria for sustainability

Supplemental Information:

- The local government appears to have implemented their corrective action plan. Over the next 10 years, the employer contribution is increasing by about \$4.06 million or 43.3%.

rial Information for GASB Statements 74/75

December 31, 2019

Table 1
Projection of Total Contributions*
Assuming 30 Year Open Amortization of UAAL

Year Beg. 1/1	Projected Entry Age AAL	Projected Funding Value of Assets	UAAL	30 Year Open Amortization	Projected Employer Normal Cost	Employer Contribution	Employee Contribution	Total Contributions
2020	\$145,791,081	\$70,835,146	\$74,955,935	\$5,978,633	\$1,494,387	\$8,674,649	\$0	\$8,674,649
2021	149,180,638	75,828,503	73,352,135	5,850,711	1,354,115	9,350,501	0	9,350,501
2022	151,999,860	81,172,800	70,827,060	5,649,306	1,300,670	9,660,982	0	9,660,982
2023	154,659,543	86,899,470	67,760,073	5,404,677	1,151,467	10,210,764	0	10,210,764
2024	156,813,065	93,032,311	63,780,754	5,087,279	1,062,911	10,594,069	0	10,594,069
2025	158,650,852	99,603,500	59,047,352	4,709,733	918,212	11,194,981	0	11,194,981
2026	159,876,265	106,641,250	53,235,015	4,246,130	830,791	11,614,741	0	11,614,741
2027	160,683,333	114,182,357	46,500,976	3,709,010	760,672	12,052,856	0	12,052,856
2028	161,040,701	122,263,013	38,777,688	3,092,985	671,054	12,523,252	0	12,523,252
2029	160,863,935	130,921,805	29,942,130	2,388,243	573,010	12,878,641	0	12,878,641
2030	160,220,932	140,202,535	20,018,397	1,596,707	497,767	13,076,119	0	13,076,119
2031	159,258,614	150,152,882	9,105,732	726,291	430,363	13,413,035	0	13,413,035
2032	157,822,190	160,819,104	(2,996,914)	(239,040)	352,353	6,695,480	0	6,695,480
2033	155,936,006	165,015,870	(9,079,864)	(724,228)	293,943	0	0	0
2034	153,799,819	162,520,964	(8,721,145)	(695,616)	215,705	0	0	0
2035	151,251,266	159,656,504	(8,405,238)	(670,418)	152,800	0	0	0
2036	148,356,001	156,480,113	(8,124,112)	(647,995)	117,029	0	0	0
2037	145,146,209	153,000,950	(7,854,741)	(626,510)	84,708	0	0	0
2038	141,688,910	149,287,993	(7,599,083)	(606,118)	58,633	0	0	0
2039	137,966,453	145,318,034	(7,351,581)	(586,377)	48,152	0	0	0
2040	134,155,952	141,262,693	(7,106,741)	(566,848)	31,179	0	0	0
2041	130,227,122	137,097,460	(6,870,338)	(547,992)	15,239	0	0	0
2042	126,150,893	132,791,698	(6,640,805)	(529,684)	0	0	0	0
2043	121,912,823	128,330,527	(6,417,704)	(511,889)	0	0	0	0
2044	117,575,348	123,764,717	(6,189,369)	(493,676)	0	0	0	0

A	B	C	D	E	F	G	H	I
Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$162,277,839			
2021	\$21,016,867	\$0	\$18,699,105	\$1,000,000	\$165,523,396	\$4,735,225	23.9%	
2022	\$21,265,203	\$0	\$18,690,856	\$500,000	\$168,833,864	\$4,546,772	23.3%	-0.6%
2023	\$19,925,665	\$0	\$20,538,229	\$500,000	\$172,210,541	\$4,546,772	23.2%	1.3%
2024	\$20,072,427	\$0	\$21,612,267	\$500,000	\$175,654,752	\$4,546,772	23.4%	3.0%
2025	\$20,220,288	\$0	\$22,560,518	\$0	\$179,167,847	\$4,546,772	23.3%	1.4%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	1.3%

Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120

The Community Engagement and Finance Division (CEFD) contact:

- 5/28-6/10 Spoke with the City several times to get sustainability information, updated valuations, and OPEB City Employees CAP Monitoring Form.

Treasury Recommendation
City of Warren Police and Fire OPEB Corrective Action Plan (CAP) Monitoring
Compliance Certification Primary Government 502120

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Employees' Retirement System	Pension	\$136,526,144	\$189,301,186	72.1%	\$8,384,920	\$162,277,839	11.8%	No
Police and Fire Retirement System	Pension	\$294,995,395	\$410,689,210	71.8%				No
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	OPEB	\$70,835,146	\$147,038,521	48.2%	\$8,500,000		11.7%	Yes
Police and Fire Retirement Health, Life and Disability Plan and Trust	OPEB	\$57,821,887	\$175,076,791	33. %		Yes		
Total		\$560,178,572	\$922,105,708		\$16,884,920	\$162,277,839	23.5%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Police and Fire Retirement Health OPEB corrective action plan monitoring certification of compliance submitted by City of Warren. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Warren is addressing underfunded status by fiscal year 2024 as projected in originally approved plan

**Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120**

Substantial Changes

CAP Changes Implemented:

- The City began making additional payments of \$500,000 per year above its ADC to the Police and Fire Retirement Health Benefit System. The City anticipates the 12/2019 valuation will be completed by the end of May 2021.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 23.4%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- No
 - Over the next five years, the average annual increase is 1.3%.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- Yes

System Status for All Divisions: Closed

Plan size: members 704

- Inactive employees or beneficiaries currently receiving benefits: **562**
- Inactive employees entitled to but not yet receiving benefits: **5**
- Active employees: **137**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Warren has met the Board's published monitoring criteria for underfunded status

Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120

- Substantial Changes:
 - City of Warren has met the Board’s published monitoring criteria for substantial changes

- Sustainability:
 - City of Warren has partially met the Board’s published monitoring criteria for sustainability

Supplemental Information:

The City appears to be following their corrective action plan and is on track to reach funded status by 2024.

Table 1
Projection of Total Contributions*
Assuming 30 Year Open Amortization of UAAL

Year Beg. 1/1	Projected Entry Age AAL	Projected Funding Value of Assets	UAAL	30 Year Open Amortization	Projected Employer Normal Cost	Employer Contribution	Employee Contribution	Total Contributions
2020	\$175,076,795	\$57,774,735	\$117,302,060	\$9,444,478	\$1,374,647	\$10,027,047	\$0	\$10,027,047
2021	179,292,533	61,995,747	117,296,786	9,444,053	1,324,548	10,453,448	0	10,453,448
2022	183,341,628	66,525,922	116,815,706	9,405,319	1,268,132	10,877,247	0	10,877,247
2023	187,208,125	71,387,989	115,820,136	9,325,162	1,194,994	11,401,503	0	11,401,503
2024	190,761,421	76,606,089	114,155,332	9,191,121	1,112,331	11,966,449	0	11,966,449
2025	193,928,272	82,206,287	111,721,985	8,995,203	982,779	12,573,751	0	12,573,751
2026	196,591,023	88,216,558	108,374,465	8,725,680	832,360	13,219,567	0	13,219,567
2027	198,653,260	94,666,948	103,986,312	8,372,371	707,103	13,842,935	0	13,842,935
2028	200,118,446	101,589,859	98,528,587	7,932,947	627,389	14,277,912	0	14,277,912
2029	201,176,623	109,020,501	92,156,122	7,419,873	519,013	14,771,043	0	14,771,043
2030	201,711,077	116,996,044	84,715,033	6,820,760	376,271	15,319,287	0	15,319,287
2031	201,593,837	125,556,399	76,037,438	6,122,091	261,304	15,754,581	0	15,754,581
2032	200,917,717	134,744,836	66,172,881	5,327,854	175,482	16,148,023	0	16,148,023
2033	199,712,623	144,607,626	55,104,997	4,436,733	116,421	16,559,387	0	16,559,387
2034	197,948,522	155,194,287	42,754,235	3,442,322	79,508	16,798,107	0	16,798,107
2035	195,779,137	166,558,461	29,220,676	2,352,678	61,577	16,859,494	0	16,859,494
2036	193,370,992	178,757,747	14,613,245	1,176,573	42,536	16,917,214	0	16,917,214
2037	190,709,086	191,853,533	(1,144,447)	(92,144)	32,700	6,694,500	0	6,694,500
2038	187,814,191	195,284,878	(7,470,687)	(601,496)	33,371	0	0	0
2039	184,784,939	192,108,719	(7,323,780)	(589,668)	29,677	0	0	0
2040	181,505,322	188,674,135	(7,168,813)	(577,191)	22,713	0	0	0
2041	177,925,154	184,932,511	(7,007,357)	(564,192)	17,883	0	0	0
2042	174,108,613	180,948,712	(6,840,099)	(550,725)	0	0	0	0
2043	169,944,479	176,620,992	(6,676,513)	(537,554)	0	0	0	0
2044	165,445,598	171,945,368	(6,499,770)	(523,324)	0	0	0	0

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$162,277,839			
2021	\$21,016,867	\$0	\$18,699,105	\$1,000,000	\$165,523,396	\$4,735,225	23.9%	
2022	\$21,265,203	\$0	\$18,690,856	\$500,000	\$168,833,864	\$4,546,772	23.3%	-0.6%
2023	\$19,925,665	\$0	\$20,538,229	\$500,000	\$172,210,541	\$4,546,772	23.2%	1.3%
2024	\$20,072,427	\$0	\$21,612,267	\$500,000	\$175,654,752	\$4,546,772	23.4%	3.0%
2025	\$20,220,288	\$0	\$22,560,518	\$0	\$179,167,847	\$4,546,772	23.3%	1.4%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	1.3%

Treasury Recommendation
City of Warren OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 502120

The Community Engagement and Finance Division (CEFD) contact:

- 5/28/21 Treasury called to request the sustainability submission, and request a CAP monitoring for for the local government's general employee OPEB system or a request for removal as the system is funded in CAP. Treasury left a message.

**Treasury Recommendation
City of Wayne Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$67,738,923	\$119,333,375	56.8%	\$4,966,781	\$20,569,879	24.1%	Yes
Retiree Health Care Plan	OPEB	-	\$4,836,702	0.0%	\$304,373		1.5%	Yes
Total		\$67,738,923	\$124,170,077		\$5,271,154	\$20,569,879	25.6%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance with conditions for the MERS Pension corrective action plan monitoring certification of compliance submitted by City of Wayne. If voted as compliant with conditions by the Board, City of Wayne, will receive a detailed letter from the Board listing the reasons for compliance with conditions and required next steps. Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- No, underfunded status will now be addressed by fiscal year 2025, which is within the Board's required timeframe.

The City originally planned on addressing underfunded status in 2018; however, in the City's 2019 valuation, the funding ratio decreased.

Substantial Changes

CAP Changes Implemented:

- None listed.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- In July 2020, the City updated its amortization from an accelerated 5 year period to an accelerated 15 year period on four closed divisions. This lowered, the City's annual contributions by approximately \$1,000,000 annually.
- Additionally, the City has a one year judgment levy placed on the December 2020 tax roll of 13.1399 mills (approximately \$4.7M). The City collected this millage, remitted payment to MERS.

**Treasury Recommendation
City of Wayne Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300**

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 39.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The City's annual costs do not exceed an average increase of greater than 5% over the next five years due to a large decrease in fiscal year 2025; however, the annual increase is 17% over the next 4 years. The City has calculated a new pension ADC for fiscal year 2021 and 2022. However, they do not yet have an updated ADC for fiscal years 2023-2025. The current plan includes a 40.2% increase in annual payments from 2022 to 2023.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Open

Plan size: members 330

- Inactive employees or beneficiaries currently receiving benefits: **54**
- Inactive employees entitled to but not yet receiving benefits: **205**
- Active employees: **71**

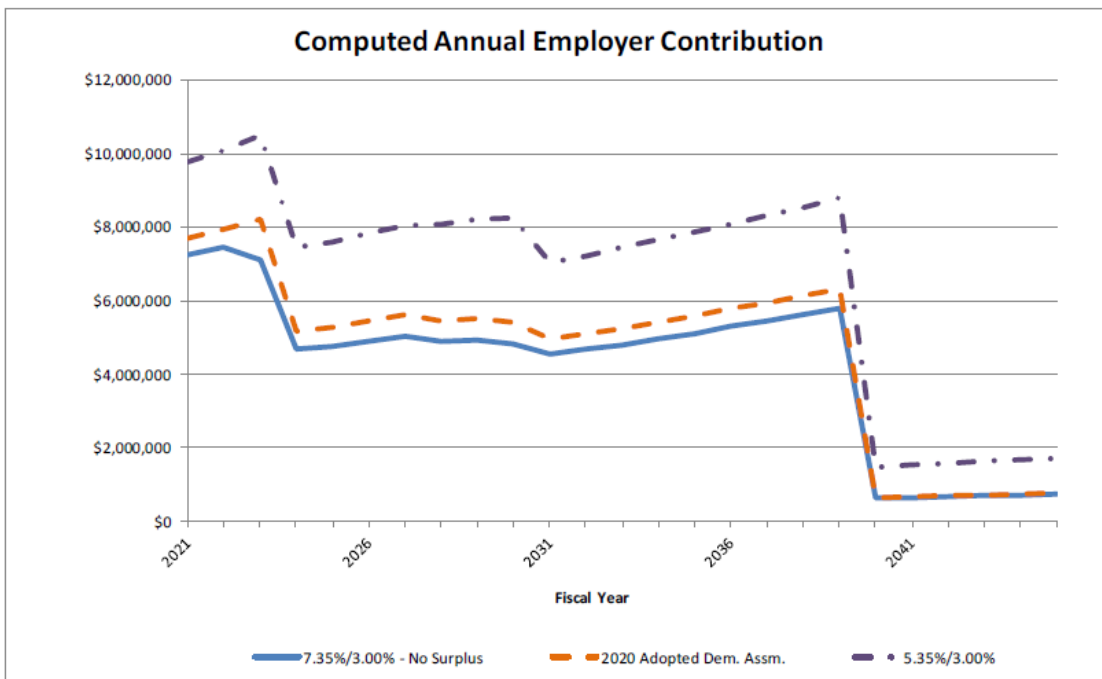
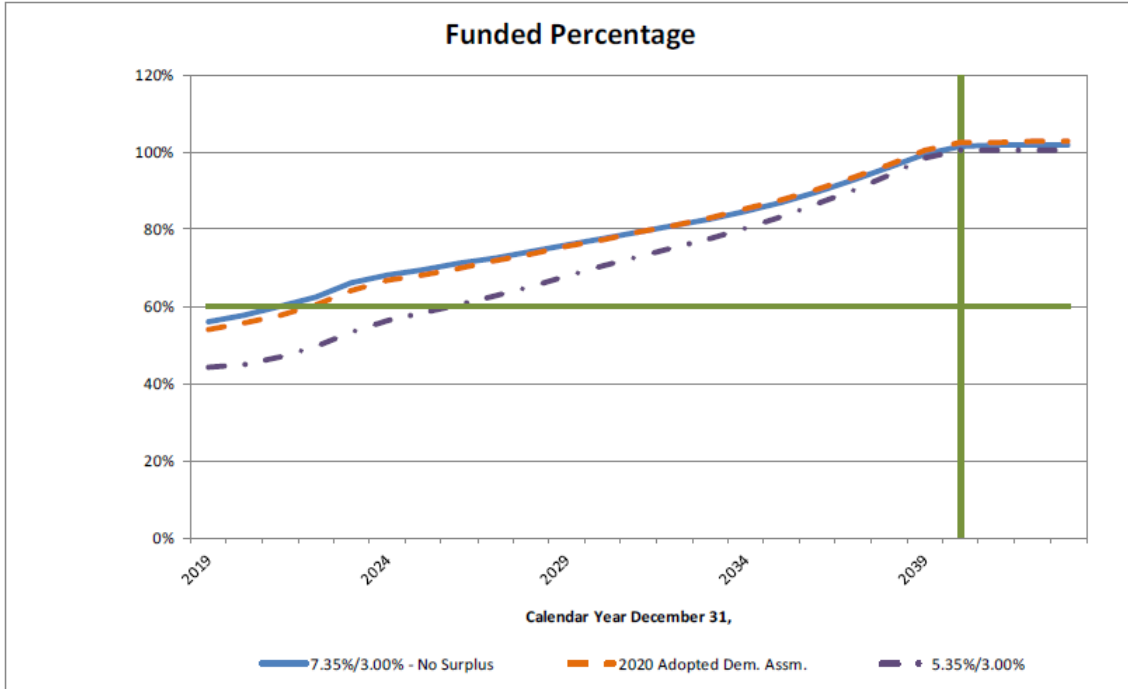
Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Wayne has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Wayne has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Wayne has not met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The City submitted a valuation showing that they will reach 60% funded status by 2025. Additionally, it appears that the City's annual employer contribution for pension will reach its highest point in 2022. However, in their sustainability worksheet, these costs continue to grow until 2024.

**Treasury Recommendation
City of Wayne Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300**



The Community Engagement and Finance Division (CEFD) contact:

- None

**Treasury Recommendation
City of Wayne OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$67,738,923	\$119,333,375	56.8%	\$4,966,781	\$20,569,879	24.1%	Yes
Retiree Health Care Plan	OPEB	-	\$4,836,702	0.0%	\$304,373		1.5%	Yes
Total		\$67,738,923	\$124,170,077		\$5,271,154	\$20,569,879	25.6%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance with conditions for the OPEB corrective action plan monitoring certification of compliance submitted by City of Wayne. If voted as compliant with conditions by the Board, City of Wayne, will receive a detailed letter from the Board listing the reasons for compliance with conditions and required next steps. Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Wayne is addressing underfunded status by fiscal year 2019 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The City moved retirees to a monthly stipend on 01/01/2019. The stipend amounts for those under 65 are: HRA of \$120.75/single/month; \$254/two person/month; and \$347.75/family/month. The stipend amounts for those over 65 are 64.25/single/month. This lowered the City's OPEB ADC below the 12% of revenue threshold.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
City of Wayne OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 39.5%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - The City's annual costs do not exceed an average increase of greater than 5% over the next five years due to a large decrease in fiscal year 2025; however, the annual increase is 17% over the next 4 years. The City has calculated a new pension ADC for fiscal year 2021 and 2022. However, they do not yet have an updated ADC for fiscal years 2023-2025. The current plan includes a 40.2% increase in annual payments from 2022 to 2023.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: CLOSED

Plan size: members 231

- Inactive employees or beneficiaries currently receiving benefits: **179**
- Inactive employees entitled to but not yet receiving benefits: **9**
- Active employees: **43**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Wayne has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Wayne has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Wayne has not met the Board's published monitoring criteria for sustainability.

Supplemental Information:

While the City's most recently submitted Retirement System Annual Report shows that their OPEB plan only uses 1.5% of their governmental revenue, it is important to note that in their sustainability worksheet, their total retirement costs continue to grow until reaching 39.5% of their revenue in 2024.

**Treasury Recommendation
City of Wayne OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822300**

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$20,569,879			
2021	\$5,161,143	\$0	\$250,000	\$0	\$20,775,578	\$0	26.0%	
2022	\$5,592,516	\$0	\$252,500	\$0	\$20,983,334	\$0	27.9%	8.0%
2023	\$7,940,000	\$0	\$255,025	\$0	\$21,193,167	\$0	38.7%	40.2%
2024	\$8,200,000	\$0	\$257,575	\$0	\$21,405,099	\$0	39.5%	3.2%
2025	\$5,190,000	\$0	\$260,151	\$0	\$21,619,150	\$0	25.2%	-35.6%
Projected Annual Revenue Growth (Please select)	1%						Average Annual Retirement Cost Increase	4.0%

The Community Engagement and Finance Division (CEFD) contact:

- None.

**Treasury Recommendation
City of Woodhaven OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822320**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Retirement Plan for the Employees and Policemen of the City of Woodhaven	Pension	\$23,726,396	\$31,588,919	75.1%	\$997,305	\$17,536,249	5.7%	No
City of Woodhaven Retiree Health Care Trust	OPEB	\$1,876,225	\$24,041,112	7.8%	\$2,450,459		14.0 %	Yes
Total		\$25,602,621	\$55,630,031		\$3,447,764	\$17,536,249	19.7%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of Woodhaven Retire Healthcare OPEB corrective action plan monitoring certification of compliance submitted by City of Woodhaven. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Woodhaven is addressing underfunded status by fiscal year 2044 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- In FY20, the City opened a qualified trust. The City put in \$1,684,770 into the trust, which was above the original amount in their corrective action plan (\$1,213,062). The City notes that they have paid all retiree health care premiums as well.
- The City notes that since the initial contribution was about \$500,000 above their initial projection, they were able to reduce future additional OPEB payments.

CAP Changes Not Implemented:

- None listed.

Treasury Recommendation
City of Woodhaven OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822320

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 19.8%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- Yes
 - The City's annual costs increase by 7.9% over the next 5 years.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- Yes

System Status for All Divisions: Closed

Plan size: members 98

- Inactive employees or beneficiaries currently receiving benefits: **56**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **42**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Woodhaven has partially met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Woodhaven has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Woodhaven has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

While the City did not include an updated projection on reaching 40% funded, it is reasonable to assume that their larger than originally planned initial investment will allow the City to reach 40% funded status.

Treasury Recommendation
City of Woodhaven OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822320

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$10,251,354			
2020	\$946,206	\$0	\$799,846	\$0	\$10,594,315	\$0	16.5%	
2021	\$997,305	\$0	\$821,544	\$0	\$10,912,144	\$0	16.7%	4.2%
2022	\$1,295,127	\$0	\$812,403	\$0	\$11,239,509	\$0	18.8%	15.9%
2023	\$1,393,575	\$0	\$834,338	\$0	\$11,576,694	\$0	19.2%	5.7%
2024	\$1,499,486	\$0	\$856,865	\$0	\$11,923,995	\$0	19.8%	5.8%
Projected Annual Revenue Growth (Please select)	3%							

The Community Engagement and Finance Division (CEFD) contact:

- On 5/27, Treasury reached out to verify the pension ADC numbers.

**Treasury Recommendation
City of Wyandotte OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822330**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
City of Wyandotte Employees' Retirement System	Pension	\$71,008,988	\$95,792,929	74.1%	\$5,206,138	\$28,339,657	18.4%	No
OPEB	OPEB	\$2,201,423	\$115,620,736	1.9%	\$6,146,931		21.0 %	Yes
Total		\$73,210,411	\$211,413,665		\$11,353,069	\$28,339,657	39.4%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of Wyandotte OPEB System OPEB corrective action plan monitoring certification of compliance submitted by City of Wyandotte. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, City of Wyandotte is addressing underfunded status by fiscal year 2048 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- Per the actuarial study dated November 9, 2018, City has made the recommended additional annual contribution of \$38,020 along with the annual cost (pay-as-you-go) contributions to the Retire Health Care Trust.

CAP Changes Not Implemented:

- Additional cost-sharing or reduction in premium costs were not achieved in the recent collective bargaining sessions.
- No prospective cost-saving or employer cost reductions were included in the actuarial analysis that was submitted in the CAP that eliminates the underfunded status by 2048.
- New hires are still not eligible for retiree healthcare.

Additional Changes Implemented

- No

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
City of Wyandotte OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822330

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2021
- Percentage of Revenues: 30.2%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- **No**
 - Sustainability Worksheet edited to reflect governmental revenues rather than general fund revenues and excluding employee contributions.

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- **Yes**

System Status for All Divisions: Closed

Plan size: members 391

- Inactive employees or beneficiaries currently receiving benefits: **277**
- Inactive employees entitled to but not yet receiving benefits: **9**
- Active employees: **105**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - City of Wyandotte has met the Board's published monitoring criteria for underfunded status.
- Substantial Changes:
 - City of Wyandotte has met the Board's published monitoring criteria for substantial changes.
- Sustainability:
 - City of Wyandotte has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

Treasury Recommendation
City of Wyandotte OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822330

The City referenced the projection approved in the original CAP and indicated that they were following the additional funding policy of \$38,020 annually to the OPEB trust. Over the next 17 years, the OPEB benefit payment amount increases by 40% (2.3% per year). This projection shows the system reaching 40% in 2048. Additionally, a sustainability worksheet was developed using submitted data. After FY 2021, total retirement costs are projected to decline.

City of Wyandotte Retiree Health Care Plan Projection Schedule
Scenario 2 – Additional Employer Contributions Sufficient
to Attain 40% Funded Status by September 30, 2048

Fiscal Year	Actuarial Accrued Liability (AAL) Projection				Market Value of Asset Projection							Unfunded Liability (EOY)	Funded Percentage
	Normal Cost	Benefit Payments	7.00% Interest	AAL EOY	Employee Contribution	Pay-Go		Benefit Payments	Administrative Expenses	7.00% Interest	Asset Value EOY ⁽¹⁾		
						Employer Contribution	Additional Employer Contribution						
10/1/2017 - 9/30/2018				(a)							(b)	(c) = (a) - (b)	(d) = (b) / (a)
10/1/2017 - 9/30/2018				\$95,056,167							\$2,607,130	\$92,449,037	2.74%
10/1/2018 - 9/30/2019	\$928,751	\$5,671,950	\$6,490,726	\$6,803,654	0	\$5,671,990	\$38,020	\$5,671,990	\$0	\$183,807	2,828,957	\$93,974,697	2.92%
10/1/2019 - 9/30/2020	912,416	5,911,703	6,604,240	98,408,607	0	5,911,703	38,020	5,911,703	0	199,335	3,066,311	95,342,296	3.12%
10/1/2020 - 9/30/2021	861,226	6,176,803	6,705,704	99,798,734	0	6,176,803	38,020	6,176,803	0	215,950	3,320,281	96,478,453	3.33%
10/1/2021 - 9/30/2022	822,802	6,506,258	6,790,355	100,905,633	0	6,506,258	38,020	6,506,258	0	233,728	3,592,028	97,313,604	3.56%
10/1/2022 - 9/30/2023	790,612	6,781,706	6,857,252	101,771,791	0	6,781,706	38,020	6,781,706	0	252,750	3,882,798	97,888,993	3.82%
10/1/2023 - 9/30/2024	741,317	7,025,748	6,907,790	102,395,150	0	7,025,748	38,020	7,025,748	0	273,104	4,193,922	98,201,228	4.07%
10/1/2024 - 9/30/2025	706,560	7,212,729	6,943,796	102,832,777	0	7,212,729	38,020	7,212,729	0	294,883	4,526,824	98,305,953	4.40%
10/1/2025 - 9/30/2026	663,224	7,303,369	6,969,820	103,162,452	0	7,303,369	38,020	7,303,369	0	318,186	4,883,030	98,279,422	4.73%
10/1/2026 - 9/30/2027	615,640	7,457,370	6,985,961	103,306,683	0	7,457,370	38,020	7,457,370	0	343,120	5,264,169	98,042,513	5.10%
10/1/2027 - 9/30/2028	564,622	7,644,787	6,987,853	103,214,371	0	7,644,787	38,020	7,644,787	0	369,800	5,671,989	97,542,382	5.50%
10/1/2028 - 9/30/2029	507,919	7,776,827	6,974,897	102,920,360	0	7,776,827	38,020	7,776,827	0	398,347	6,108,366	96,812,004	5.94%
10/1/2029 - 9/30/2030	464,307	7,952,211	6,946,781	102,379,237	0	7,952,211	38,020	7,952,211	0	428,893	6,575,268	95,803,969	6.42%
10/1/2030 - 9/30/2031	416,201	8,121,211	6,901,432	101,575,659	0	8,121,211	38,020	8,121,211	0	461,577	7,074,865	94,500,794	6.97%
10/1/2031 - 9/30/2032	364,906	8,278,518	6,838,004	100,500,051	0	8,278,518	38,020	8,278,518	0	496,549	7,609,433	92,890,617	7.57%
10/1/2032 - 9/30/2033	311,998	8,494,417	6,753,463	99,071,095	0	8,494,417	38,020	8,494,417	0	533,969	8,181,422	90,889,673	8.26%
10/1/2033 - 9/30/2034	263,461	8,586,748	6,648,589	97,396,397	0	8,586,748	38,020	8,586,748	0	574,008	8,793,450	88,602,947	9.03%
10/1/2034 - 9/30/2035	225,359	8,633,838	6,528,428	95,516,346	0	8,633,838	38,020	8,633,838	0	616,850	9,448,319	86,068,027	9.89%
10/1/2035 - 9/30/2036	184,366	8,664,393	6,394,363	93,430,682	0	8,664,393	38,020	8,664,393	0	662,691	10,149,030	83,281,652	10.86%
10/1/2036 - 9/30/2037	145,234	8,654,957	6,247,345	91,168,304	0	8,654,957	38,020	8,654,957	0	711,740	10,898,789	80,269,514	11.95%
10/1/2037 - 9/30/2038	119,337	8,656,971	6,088,018	88,718,688	0	8,656,971	38,020	8,656,971	0	764,223	11,701,032	77,017,656	13.19%
10/1/2038 - 9/30/2039	94,107	8,601,314	5,917,592	86,129,073	0	8,601,314	38,020	8,601,314	0	820,380	12,559,432	73,569,641	14.58%
10/1/2039 - 9/30/2040	78,043	8,548,971	5,737,567	83,395,712	0	8,548,971	38,020	8,548,971	0	880,468	13,477,919	69,917,793	16.16%
10/1/2040 - 9/30/2041	59,657	8,480,892	5,547,942	80,522,419	0	8,480,892	38,020	8,480,892	0	944,763	14,460,702	66,061,717	17.96%
10/1/2041 - 9/30/2042	39,935	8,350,822	5,350,608	77,562,140	0	8,350,822	38,020	8,350,822	0	1,013,557	15,512,278	62,049,861	20.00%
10/1/2042 - 9/30/2043	28,287	8,223,842	5,147,288	74,511,873	0	8,223,842	38,020	8,223,842	0	1,087,168	16,637,466	57,874,407	22.33%
10/1/2043 - 9/30/2044	17,593	8,058,818	4,939,148	71,409,796	0	8,058,818	38,020	8,058,818	0	1,165,931	17,841,417	53,568,379	24.98%
10/1/2044 - 9/30/2045	12,156	7,889,903	4,727,638	68,259,987	0	7,889,903	38,020	7,889,903	0	1,250,207	19,129,643	49,130,344	28.02%
10/1/2045 - 9/30/2046	8,760	7,658,300	4,514,993	65,125,440	0	7,658,300	38,020	7,658,300	0	1,340,383	20,508,046	44,617,394	31.49%
10/1/2046 - 9/30/2047	6,701	7,416,881	4,303,811	62,019,071	0	7,416,881	38,020	7,416,881	0	1,436,871	21,982,936	40,036,135	35.45%
10/1/2047 - 9/30/2048	4,879	7,214,580	4,093,263	58,902,633	0	7,214,580	38,020	7,214,580	0	1,540,114	23,561,070	35,341,563	40.00%
10/1/2048 - 9/30/2049	3,795	6,980,594	3,883,126	55,808,960	0	6,980,594	0	6,980,594	0	1,649,275	25,210,345	30,598,615	45.17%
10/1/2049 - 9/30/2050	2,179	6,721,795	3,675,418	52,764,762	0	6,721,795	0	6,721,795	0	1,764,724	26,975,069	25,789,693	51.12%

(2) Projected values with the exception of the September 30, 2018 value.

Assuming all assumptions are met (including but not limited to the following), the Plan is projected to obtain a 40% funded level on a market value basis by the fiscal year ending September 30, 2048.

Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet								
Instructions								
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2020					\$28,339,657			
2021	\$5,118,401		\$3,946,469	\$38,020	\$28,906,450	\$1,198,947	30.2%	
2022	\$4,866,640		\$4,250,731	\$38,020	\$29,484,579	\$1,141,034	29.9%	0.6%
2023	\$4,354,675		\$4,539,782	\$38,020	\$30,074,271	\$1,023,288	28.7%	-2.4%
2024	\$3,872,930		\$4,539,782	\$38,020	\$30,675,756	\$912,675	26.8%	-5.4%
2025	\$3,843,569		\$5,007,579	\$38,020	\$31,289,271	\$895,594	27.6%	5.2%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	-0.5%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Ypsilanti Community Utilities Authority Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 817514

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Ypsilanti Community Utilities Authority Employees Retirement	Pension	\$35,355,139	\$59,134,362	59.8%	\$3,313,984	\$41,031,679	8.1%	Yes
OPEB	OPEB	\$27,314,728	\$26,240,285	104.1%	\$1,433,865		3.5%	No
Total		\$62,669,867	\$85,374,647		\$4,747,849	\$41,031,679	11.6%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS-Employees Retirement System (8106) Pension corrective action plan monitoring certification of compliance submitted by Ypsilanti Community Utilities Authority. If voted as compliant by the Board, Treasury and the Board will continue to monitor them for compliance per Public Act 202 of 2017 and continued implementation of their corrective action plan.

Underfunded Status

Is the local government addressing underfunded status according to originally approved plan?

- Yes, Ypsilanti Community Utilities Authority is addressing underfunded status by fiscal year 2021 as projected in originally approved plan

Substantial Changes

CAP Changes Implemented:

- The Authority will continue to contribute additional money to the pension plan. Originally, the corrective action plan proposed an additional \$1 million contribution per year to the plan, but for the last two years, an additional \$100k/month or \$1.2 million has been contributed.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Sustainability

Treasury Recommendation
Ypsilanti Community Utilities Authority Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 817514

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2020
- Percentage of Revenues: 12.3%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- No

Do the approved corrective actions listed in this plan allow for the local government to continue to make all required retirement payments?

- Yes

System Status for All Divisions: Open

Plan size: members 277

- Inactive employees or beneficiaries currently receiving benefits: **132**
- Inactive employees entitled to but not yet receiving benefits: **33**
- Active employees: **112**

Corrective Action Plan Monitoring Criteria:

- Underfunded Status:
 - Ypsilanti Community Utilities Authority has met the Board's published monitoring criteria for underfunded status
- Substantial Changes:
 - Ypsilanti Community Utilities Authority has met the Board's published monitoring criteria for substantial changes
- Sustainability:
 - Ypsilanti Community Utilities Authority has met the Board's published monitoring criteria for sustainability

Supplemental Information:

The Authority included a funding projection showing that they are expecting to reach 60% funded in 2021. Additionally, they included a retirement cost projection showing that FY 2020 is projected to be the highest year of payments, and then a gradual decline. Authority was 59.8% funded in 2020.

Treasury Recommendation
Ypsilanti Community Utilities Authority Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 817514

Attachment 2A

	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability
2017	\$ 52,883,046	\$ 29,139,150	\$ 23,743,896	55.10%
2018	\$ 53,912,136	\$ 32,216,841	\$ 21,695,295	59.76%
2019	\$ 55,390,375	\$ 30,861,306	\$ 24,529,069	55.72%
2020	\$ 59,134,362	\$ 35,355,139	\$ 23,779,223	59.79%
2021	\$ 63,000,000 *	\$ 39,681,715	\$ 23,318,285	62.99%
2022	\$ 64,100,000 *	\$ 41,665,800 *	\$ 22,434,200	65.00%
2023	\$ 65,100,000 *	\$ 43,749,090 *	\$ 21,350,910	67.20%
2024	\$ 66,000,000 *	\$ 45,936,545 *	\$ 20,063,455	69.60%
2025	\$ 67,000,000 *	\$ 48,233,372 *	\$ 18,766,628	71.99%

*= Projected

Attachment 2B

	Total Pension Liability	Plan Net Position	ADC Pension	Additional Payments Pension	ADC OPEB	Additional Payments OPEB	Total Payments Pension/OPEB	Total Revenue	Percent of Revenue
2017	\$ 52,883,046	\$ 29,139,150	\$ 1,929,047	\$ -	\$ 1,889,255	\$ -	\$ 3,818,302	\$ 42,045,384	9.08%
2018	\$ 53,912,136	\$ 32,216,841	\$ 2,003,711	\$ 1,000,000	\$ 1,773,549	\$ -	\$ 4,777,260	\$ 43,734,205	10.92%
2019	\$ 55,390,375	\$ 30,861,306	\$ 2,008,577	\$ 1,200,000	\$ 1,475,147	\$ -	\$ 4,683,724	\$ 40,647,178	11.52%
2020	\$ 59,134,362	\$ 35,355,139	\$ 2,463,516	\$ 1,200,000	\$ 1,433,865	\$ -	\$ 5,097,381	\$ 41,460,122	12.29%
2021	\$ 63,000,000 *	\$ 39,681,715	\$ 2,537,421	\$ 1,200,000	\$ -	\$ 150,000	\$ 3,887,421	\$ 42,289,324	9.19%
2022	\$ 64,100,000 *	\$ 41,665,800 *	\$ 2,613,544	\$ 1,200,000	\$ -	\$ -	\$ 3,813,544	\$ 43,135,110	8.84%
2023	\$ 65,100,000 *	\$ 43,749,090 *	\$ 2,691,950	\$ 1,200,000	\$ -	\$ -	\$ 3,891,950	\$ 43,997,813	8.85%
2024	\$ 66,000,000 *	\$ 45,936,545 *	\$ 2,772,709	\$ 1,200,000	\$ -	\$ -	\$ 3,972,709	\$ 44,877,769	8.85%
2025	\$ 67,000,000 *	\$ 48,233,372 *	\$ 2,828,163	\$ 1,200,000	\$ -	\$ -	\$ 4,028,163	\$ 44,877,769	8.98%

The Community Engagement and Finance Division (CEFD) contact:

- None

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-22**

APPROVAL OF BOARD REMOVAL FROM CORRECTIVE ACTION

WHEREAS, the Michigan legislature passed the Protecting Local Government Retirement and Benefits Act, MCL 38.2801 et. seq. (the “Act”), creating the Municipal Stability Board (the “Board”) for the purpose of reviewing and approving corrective action plans submitted by local units of government addressing the underfunded status of their municipal retirement systems (the “Corrective Action Plan”) as well as for monitoring compliance with those plans;

WHEREAS, the Michigan Department of Treasury (“Treasury”) provides administrative services to the Board;

WHEREAS, the Board passed Resolution 2020-11 adopting the Corrective Action Plan Monitoring Policy and Procedures (the “Monitoring Procedures”);

WHEREAS, the Board passed “Requirements for Removal from Underfunded Status and Corrective Action Plan Monitoring” adopting the Requirements for Removal from Underfunded Status and Corrective Action Plan Monitoring (the “Removal Requirements”);

WHEREAS, the Board has previously approved Corrective Action Plans for the local units of government outlined on the attached Exhibit A (the “Local Governments”), all of which are now subject to the Monitoring Procedures;

WHEREAS, Treasury has verified the Local Governments are no longer underfunded local units of government for purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, the Local Governments have sufficiently met the Removal Requirements;

BE IT FURTHER RESOLVED, the Local Governments are released from the Monitoring Procedures and their approved Corrective Action Plans.

Ayes:

Nays:

Recused:

Lansing, Michigan

June 16, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 16, 2021 **Resolution 2021-22 Exhibit A**

TO: The Municipal Stability Board (the Board)

FROM: Community Engagement and Finance Division, Department of Treasury

SUBJECT: Board Removal from the Corrective Action Process and the Purview of Board

Suggested Action: The Board motions to remove the local governments listed below from the corrective action process and the purview of the Board following the local government submission of the Corrective Action Plan Monitoring: Application for Certification of Compliance (Form 5720), showing that each local government now meets the Board's established criteria for removal from underfunded status and purview of the Board.

- I. Jackson District Library
 - a. OPEB – As of fiscal year 2019 Form 5572 and CAP monitoring review, the Library OPEB is 97% funded.
- II. City of New Baltimore
 - a. OPEB – In fiscal year 2019 and 2020 Form 5572 submissions, the City has not triggered as underfunded for any retirement systems.
- III. Traverse City Light and Power Authority
 - a. Pension – As of fiscal year 2020 Form 5572 and CAP monitoring review, the Authority is 65.7% funded.

Requirements for Removal from Underfunded Status and Corrective Action Plan

Monitoring: The local government may be removed during the CAP monitoring process if the underfunded system has failed to trigger as underfunded during the last two annual Form 5572 submissions. Alternatively, the local government may be removed during the CAP monitoring process if the underfunded system(s) funded ratio is at least 5% greater than the Act's designated minimum funded ratio in the most recent Form 5572 submission (e.g. an OPEB system is 45% funded when underfunded status is below 40%).

The Board may vote to release these local governments from the CAP process and purview of the Board, thereby removing underfunded status.

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-23**

APPROVAL OF REQUEST FOR REMOVAL FROM CORRECTIVE ACTION

WHEREAS, the Michigan legislature passed the Protecting Local Government Retirement and Benefits Act, MCL 38.2801 et. seq. (the “Act”), creating the Municipal Stability Board (the “Board”) for the purpose of reviewing and approving corrective action plans submitted by local units of government addressing the underfunded status of their municipal retirement systems (the “Corrective Action Plan”) as well as for monitoring compliance with those plans;

WHEREAS, the Michigan Department of Treasury (“Treasury”) provides administrative services to the Board;

WHEREAS, the Board passed “Requirements for Removal from Underfunded Status and Corrective Action Plan Monitoring” adopting the Corrective Action Plan Monitoring Policy and Procedures (the “Monitoring Procedures”);

WHEREAS, The Board has previously approved Corrective Action Plans for the local units of government outlined on the attached Exhibit B (the “Local Governments”), all of which are now subject to the Monitoring Procedures;

WHEREAS, the Local Governments have submitted requests to be released from the Board’s Monitoring Procedures;

WHEREAS, Treasury has verified the Local Governments are no longer underfunded local units of government for purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, the Local Governments are released from the Monitoring Procedures and their approved Corrective Action Plans.

Ayes:

Nays:

Recused:

Lansing, Michigan

June 16, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 16, 2020 **Resolution 2021-23 Exhibit B**

TO: The Municipal Stability Board (the Board)

FROM: Community Engagement and Finance Division, Department of Treasury

SUBJECT: Request for Release from the Corrective Action Process and the Purview of Board

Suggested Action: The Board motions to remove the local government listed below from the corrective action process and the purview of the Board for subsequently filing the Retirement System Annual Report (Form 5572), showing that the local government now meets the funding requirements established under PA 202 of 2017 (the Act). Furthermore, the local government has requested removal from underfunded status per the Board's approved procedures.

I. Monroe County Road Commission

- a. OPEB – Funding Ratio is calculated as 45.2% in FY 2020 Form 5572 submission.

Requirements for Removal from Underfunded Status and Corrective Action Plan

Monitoring: A local government in corrective action for failure to meet the Act's funding requirements may request to be released by the Board from the corrective action plan process and purview of the Board if a subsequent year's Form 5572 shows that they now meet the Act's funding requirements. The Board may vote to release these local governments from the CAP process and purview of the Board, thereby removing underfunded status.

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-24**

CORRECTIVE ACTION PLAN NONCOMPLIANCE

WHEREAS, the Michigan legislature passed the Protecting Local Government Retirement and Benefits Act, MCL 38.2801 et. seq. (the “Act”), creating the Municipal Stability Board (the “Board”) for the purpose of reviewing and approving corrective action plans submitted by municipalities addressing the underfunded status of their municipal retirement systems (the “Corrective Action Plan”);

WHEREAS, the Michigan Department of Treasury (“Treasury”) provides administrative services to the Board;

WHEREAS, the local units of government listed on Exhibit C were notified by Treasury of their underfunded status pursuant to MCL 38.2805 (the “Municipalities”);

WHEREAS, MCL 38.2810 requires the Municipalities to submit a Corrective Action Plan within 180 days from the date underfunded status was determined; and

WHEREAS, the Municipalities failed to submit their Corrective Action Plans to the Board by the 180-day deadline.

NOW THEREFORE, BE IT RESOLVED, the Board finds the Municipalities to be in noncompliance with the Act; and

BE IT FURTHER RESOLVED, the Board directs the Municipalities to immediately submit their respective Corrective Action Plans to the Board.

Ayes:

Nays:

Recused:

Lansing, Michigan

June 16, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: June 16, 2021
TO: The Municipal Stability Board (the Board)
FROM: Community Engagement and Finance Division, Department of Treasury
SUBJECT: Delinquent Corrective Action Plan(s)

Resolution 2021-8 Exhibit C

Suggested Action: The Board motions to notify the following local government(s) that they are in noncompliance with Public Act 202 of 2017 (the Act) for failure to submit a corrective action plan(s) to the Board within 180 days after the determination of underfunded status:

- I. Schoolcraft County Housing Commission
 - a. No Retirement Submission

- II. Thetford Township
 - a. No Retirement Submission

Corrective Action Plan Noncompliance: Per Section 10(6) of 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."