

Municipal Stability Board

Wednesday, August 18, 2021 at 11:00 a.m.

Austin Building

State Treasurer's Boardroom

430 W. Allegan Street

Lansing, MI 48922

via Microsoft TEAMS

<https://bit.ly/2VPDiI0>

I. Call to Order

- A. Roll Call
- B. Approval of July 21, 2021 Minutes

II. Public Comment

- A. 2-minute limit

III. Correspondence

- A. Treasury Update

IV. New Business

- A. Board Schedule Update
- B. Corrective Action Plan Extension Request
 - i. City of North Muskegon
 - ii. City of Iron River
- C. Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-28)
 - i. Village of Bellevue
 - ii. Cheboygan County Road Commission
 - iii. City of Grosse Pointe Park
 - iv. Kingsford City Housing Commission
 - v. Schoolcraft County Public Transit System Authority

D. Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-29)

- i. Alger County Road Commission
- ii. Bay County Road Commission
- iii. Bay County Library System
- iv. Genesee Charter Township
- v. Genesee District Library
- vi. City of Gibraltar
- vii. Grand Blanc Charter Township
- viii. City of Ishpeming
- ix. Montmorency County Road Commission
- x. Montmorency-Oscoda-Alpena Solid Waste Management Authority
- xi. Muskegon Central Dispatch 9-1-1
- xii. Osceola County Road Commission
- xiii. State of Michigan 48th Judicial District Court
- xiv. Waterford Charter Township

E. Board Removal from Corrective Action (Resolution 2021-30)

- i. Bay County Library System
- ii. Genesee District Library
- iii. Grand Blanc Charter Township

F. Board Noncompliance (Resolution 2021-31)

- i. Thetford Township
- ii. City of Negaunee

V. Public Comment

A. 2-minute limit

VI. Board Comment

VII. Adjournment

MUNICIPAL STABILITY BOARD

Wednesday, July 21, 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 11:02 a.m.

ROLL CALL

Members Present: Two

Eric Scorsone – Present

John Lamerato – Not in Attendance

Bob Cinabro – Present

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

APPROVAL OF MINUTES

A motion was made to approve the June 16, 2021, board meeting minutes by Bob Cinabro and supported by Eric Scorsone. The Board unanimously approved the June 16, 2021, meeting minutes. 2 ayes and 0 nays.

PUBLIC COMMENT

No public comment.

CORRESPONDENCE

Chris Greathouse discussed the Treasury update which included upcoming corrective action plan reviews and corrective action plan monitoring reviews.

NEW BUSINESS

CORRECTIVE ACTION PLAN EXTENSION REQUESTS

Chris Greathouse was asked to review the Corrective action Plan Extension Requests.

- City of Iron Mountain
- Kingsford City Housing Commission
- City of Lincoln Park

A motion was made to approve the Corrective Action Plan Extension Requests by Bob Cinabro and was supported by Eric Scorsone.

**JULY 2021 MSB
DRAFT MEETING MINUTES**

The Board unanimously approved the Corrective Action Plan Extension Requests. 2 ayes and 0 nays. The motion passed.

RECEIPT OF CORRECTIVE ACTION PLANS

Chris Greathouse was asked to review the receipt of Corrective Action Plans from 5 local governments (5 systems).

- Village of Bellevue
- Schoolcraft County Public Transit System Authority
- Cheboygan County Road Commission
- City of Grosse Pointe Park
- Schoolcraft County Housing Commission

A motion was made to receive the Receipt of Corrective Action Plans by Bob Cinabro and supported by Eric Scorsone.

The Board unanimously approved to receive the Receipt of Corrective Action Plans. 2 ayes and 0 nays. The motion passed.

APPROVALS AND DISAPPROVALS OF CORRECTIVE ACTION PLANS (RESOLUTION 2021-25)

Kayla Rosen was asked to review the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-25) with the Board:

- Charter Township of Kalamazoo (Approved)

A motion was made to approve the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-25) by Bob Cinabro and supported by Eric Scorsone.

The Board unanimously approved the Approvals and Disapprovals of Corrective Action Plans (Resolution 2021-25). 2 ayes and 0 nays. Resolution 2021-25 passed.

CORRECTIVE ACTION PLAN MONITORING CERTIFICATIONS OF COMPLIANCE FROM 20 LOCAL GOVERNMENTS (27 PLANS) (RESOLUTION 2021-26)

Kayla Rosen and Veronica Miller were asked to review the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-26) with the Board:

- Benzie County Road Commission (Compliant)
- Cass County Road Commission (Compliant)
- City of Eastpointe (Compliant)
- Flint Charter Township (Compliant)
- Gladwin County Road Commission (Compliant)
- Gogebic County Road Commission (Compliant)
- City of Grosse Pointe Woods (Compliant)
- City of Hastings (Compliant)
- Lake County Road Commission (Compliant)
- Lenawee County Medical Care Facility (Compliant)
- City of Marshall (Compliant with Conditions)
- Mecosta County Road Commission (Compliant)
- City of Milan (Compliant)

**JULY 2021 MSB
DRAFT MEETING MINUTES**

- Monroe County Road Commission (Compliant)
- City of Oak Park (Compliant)
- Oceana County Road Commission (Compliant)
- Pathways (Compliant)
- Plymouth Charter Township (Compliant)
- City of Rockwood (Compliant)
- West Iron County Sewer Authority (Compliant)

A motion was made to approve the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-26) by Bob Cinabro and supported by Eric Scorsone.

The Board unanimously approved the Corrective Action Plan Monitoring Certifications of Compliance (Resolution 2021-26). 2 ayes and 0 nays. Resolution 2021-26 passed.

BOARD REMOVAL FROM CORRECTIVE ACTION (RESOLUTION 2021-27)

Veronica Miller was asked to review the Board Removal from Corrective Action (Resolution 2021-27) with the Board:

- Monroe County Road Commission
- Oceana County Road Commission

A motion was made to approve the Board Removal from Corrective Action (Resolution 2021-27) by Bob Cinabro and supported by Eric Scorsone.

The Board unanimously approved the Board Removal from Corrective Action (Resolution 2021-27). 2 ayes and 0 nays. Resolution 2021-27 passed.

PUBLIC COMMENT

No public comment.

BOARD COMMENT

Bob Cinabro said he is honored to be here and thanked Treasury staff for preparing him. Eric Scorsone thanked the Treasury team and noted it is good be back in person. Eric Scorsone also noted that the Board may consider American Rescue Plan Act (ARPA) money and inflation in the future.

NEXT MEETING

The next regular meeting will be on August 18, 2021, at 11:00 a.m.

ADJOURNMENT

A motion was made to adjourn by Bob Cinabro and supported by Eric Scorsone.

The Board unanimously approved the motion to adjourn. The motion passed with 2 ayes and 0 nays. There being no further business, the meeting adjourned at 11:28 a.m.

Treasury's Public Act 202 of 2017 Update

As of 8/12/2021

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			
	August	September	October	November
Non Primary	2	1	0	5
Primary	4	2	2	3
Total	6	3	2	8

CAP Monitoring Notifications and Reviews

- A total of 160 local governments have been sent monitoring certification requests to date
- 152 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					
	August	September	October	November	December	January
Monitoring Certification Sent	4	2	0	0	4	2
Monitoring Certification Due	6	6	5	4	0	9
Board to Review	19	9	4	6	3	6

Treasury Department Communication and Outreach Report

- 284 one-on-one 30-minute calls scheduled by local governments to discuss the Public Act 202 process
 - 2 individual call since the July Board meeting

Local Government COVID-19 Webpage

- <https://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
- <https://www.michigan.gov/ARPA> | Local Government | American Rescue Plan Act (ARPA):Coronavirus Local Fiscal Recovery Fund (CLFRF)
 - Information and updates regarding the CLFRF



STATE OF MICHIGAN
DEPARTMENT OF TREASURY

GRETCHEN WHITMER

RACHAEL EUBANKS

GOVERNOR

LANSING

STATE TREASURER

DATE: August, 18, 2021
TO: The Municipal Stability Board (the Board)
FROM: Department of Treasury, Community Engagement and Finance Division
SUBJECT: Cancellation of September 2021 Board Meeting

Suggested action: Cancel the regularly scheduled September 15, 2021 Board Meeting.

Background: Due to staffing changes, the Michigan Department of Treasury is recommending to the Board to cancel the September 15, 2021 Board Meeting. If approved, Treasury will update the Board's 2021 Notice of Regular Meetings to match Exhibit A.

MUNICIPAL STABILITY BOARD

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

2021 NOTICE OF REGULAR MEETINGS

The **Municipal Stability Board** will hold its regular meetings during the calendar year ending December 31, 2021, on the following times at the Richard S. Austin Building, 430 W. Allegan Street, Lansing, MI 48922.

Date	Location	Meeting Time	Meeting Type
Wednesday, January 20, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, February 17, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, March 17, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, April 21, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, May 19, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, June 16, 2021	Virtual Public Meeting via Microsoft Teams ¹	11:00am	Board Meeting
Wednesday, July 21, 2021	State Treasurer's Boardroom	11:00am	Board Meeting
Wednesday, August 18, 2021	State Treasurer's Boardroom	11:00am	Board Meeting
Wednesday, September 15, 2021	State Treasurer's Boardroom	11:00am	Board Meeting
Wednesday, October 20, 2021	State Treasurer's Boardroom	11:00am	Board Meeting
Wednesday, November 17, 2021	State Treasurer's Boardroom	11:00am	Board Meeting
Wednesday, December 15, 2021	State Treasurer's Boardroom	11:00am	Board Meeting

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

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the Municipal Stability Board should contact Kristin Brown at (517) 335-7469 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC 12131 to 12134.

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

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

¹ To mitigate the spread of COVID-19 and to protect the health, safety and welfare of the public, this meeting will be held virtually pursuant to the Open Meetings Act, 1976 PA 267 as amended



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: August 18, 2021
TO: The Municipal Stability Board (the Board)
FROM: Community Engagement and Finance Division, Department of Treasury
SUBJECT: Corrective Action Plan Extension Requests

Suggested Action: The Board motions to approve the following corrective action plan extension requests, extending the 180-day deadline by up to an additional 45 days.

Fiscal Year 2019

- I. City of North Muskegon
 - a. Pension - MERS

Fiscal Year 2020

2. City of Iron River
 - a. Pension - MERS

Per Section 10(1) of Public Act 202 of 2017: “The board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.”

From: [Sam Janson](#)
To: [LocalRetirementReporting](#)
Subject: Extension Request
Date: Tuesday, August 10, 2021 8:53:33 AM

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Please accept this email as the City's request for an extension for our Corrective Action Plan for Retirement Healthcare. We are in the midst of our audit and receiving new OPEB information that may change our requirements to file under PA 202 of 2017.

Thank you,

Sam Janson, City Manager
City of North Muskegon
1502 Ruddiman Dr.
North Muskegon, MI 49445
(231) 744-1621
www.northmuskegon.org

From: [Rachel Andreski](#)
To: [LocalRetirementReporting](#)
Subject: RE: 362040 2020 Retirement System Annual Report: Determination of Underfunded Status and Need for a Corrective Action Plan
Date: Monday, August 9, 2021 10:04:35 AM

CAUTION: This is an External email. Please send suspicious emails to abuse@michigan.gov

Good Morning:

The City of Iron River is humbly requesting an extension on our non-compliance. We are currently working with our auditor and our MERS representative to form a solution to become compliant. Our former City Manager abruptly tendered his resignation leaving a wake of items such as these. I took over as City Manager in January and have been diligently working towards correcting many issues. I thank you in advance for your consideration.

Rachel R. Andreski
City Manager
City of Iron River
106 W. Genesee Street
Iron River, Michigan 49935
Phone: (906) 265-4719 x100
fax: (906) 265-5776
Email: citymanager@ironriver.org



This message may contain confidential and/or proprietary information and is intended for the person/entity to whom it was originally addressed. Any use by others is strictly prohibited.



From: LocalRetirementReporting <LocalRetirementReporting@michigan.gov>
Sent: Friday, March 5, 2021 7:57 AM
To: Rachel Andreski <clerk@ironriver.org>
Subject: 362040 2020 Retirement System Annual Report: Determination of Underfunded Status and

Need for a Corrective Action Plan

Dear Administrative Officer or Designee,

Please review the attached letter regarding your local government's compliance with Public Act 202 of 2017.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team
www.michigan.gov/LocalRetirementReporting

-
[File and Search Reports](#) | [Treasury Covid-19 Information](#)
[Local Retirement Reporting](#) | [Sign up for Email Alerts](#)

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-28**

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

Wednesday, August 18, 2021

Municipal Stability Board Appendix A, August 18, 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	Village of Bellevue	233010	2019	OPEB	7/21/2021	Partial	Yes	Yes	Approve	Village of Bellevue OPEB CAP
2	Cheboygan County Road Commission	160100	2019	OPEB	7/21/2021	Yes	Yes	Yes	Approve	Cheboygan County Road Commission OPEB CAP
3	City of Grosse Pointe Park	822120	2020	Pension	7/21/2021	Yes	Yes	Partial	Approve	City of Grosse Pointe Park Pension CAP
4	Kingsford Housing Commission	227510	2020	Pension	6/16/2021	Yes	Yes	Yes	Approve	Kingsford Housing Commission Pension CAP
5	Schoolcraft County Transit Authority	777502	2019	Pension	7/21/2021	Partial	No	Yes	Disapprove	Schoolcraft County Transit Authority Pension CAP

**Treasury Recommendation
Village of Bellevue OPEB Corrective Action Plan (CAP)
Primary Unit 233010**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Retiree Healthcare Plan	OPEB	\$0	\$2,621,255	0.0%	\$148,727	\$668,122	20.8%	YES
Total		\$0	\$2,621,255		\$148,727	\$668,122	20.8%	

Source: Retirement Report 2020, Audited Financial Statements

Staff Recommendation: Approval of the OPEB corrective action plan submitted by Village of Bellevue, which was received by the Municipal Stability Board (the Board) on July 21, 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:
 - The Village closed the OPEB system to all new hires in 2013.
- Plan Funding:
 - None listed.
- Other Considerations:
 - None listed.

Prospective Changes:

- Modern Plan Design:
 - Effective July 1, 2021, The Village has canceled its Blue Cross Blue Shield of Michigan and partnered with MERS and MERCER.
 - The Village will now give each retiree and spouse \$150 each in a Health Care Savings Plan (HCSP) per month to purchase a health insurance policy through the MERCER Exchange or agent of their choice.
- Plan Funding:
 - The Village will now put in a total of \$87,394.44 per year into a MERS RFHV to fund the HCSP.
- Other Considerations:
 - The Village notes that with those changes to their OPEB system, their new OPEB liability is \$607,832.63 and they will be 40% funded in 2024.

System Status for All Divisions: CLOSED

Plan size: members 7

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

**Treasury Recommendation
Village of Bellevue OPEB Corrective Action Plan (CAP)
Primary Unit 233010**

- Active employees: 4

Corrective Action Plan Criteria:

The following corrective action plan approval criteria are met: 2024

- 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 retiree premium payment, as well as the normal cost payment for all new hires (if applicable) according to the long-term budget forecast.

The following corrective action plan approval criteria are partially met:

- Underfunded Status:
 - The local unit did not provide clear documentation that demonstrates the retirement system will reach 40% funded. Based on other information presented in the corrective action plan, we have determined the plan may be able to reach a funded ratio of 40% if the plan's assumptions remain accurate (2024).

Supplemental Information:

While the Village did not provide documentation showing them reaching 40% funded status, it is reasonable to assume that if they put in \$87,394.44 per year they will reach 40% of their current OPEB liability of \$607,832.63 Treasury emailed the Village on August 3, 2021 requesting governing body approval. The Village submitted the Council Minutes form the March 9, 2021 meeting.

The Community Engagement and Finance Division (CEFD) contact:

- Treasury emailed the Village on August 3, 2021 requesting governing body approval.

Treasury Recommendation
Cheboygan County Road Commission OPEB Corrective Action Plan (CAP)
Non-Primary Unit 160100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$11,846,505	\$22,724,715	52.1%	\$1,002,684	\$16,425,766	6.1%	YES
OPEB	OPEB	\$1,623,993	\$11,197,878	14.5%	\$1,798,319		10.9%	YES
Total		\$13,470,498	\$33,922,593		\$2,801,003	\$16,425,766	22.5%	

Source: Retirement Report 2019, Audited Financial Statements

Staff Recommendation: Approval of the OPEB corrective action plan submitted by Cheboygan County Road Commission, which was received by the Municipal Stability Board (the Board) on July 21, 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:**
 - The plan is closed to new hires effective 1/1/2019 for Supervisory and Union employees and 1/1/2017 for administrative employees. Benefit levels of the retired supervisory and non union employees mirror the current active employees.
 - Retiree health care for Union and Supervisory employees hired after 3/12/2003 are only covered until age 65 and premium paid by employer is based on years of service, after 1/1/2019 there is no health care for employees.
 - Retiree health care for non union employees hired after 8/1/2009 are covered based on years of service and hired after 1/1/2017 no retiree health care is offered.
 - Deductibles and co-pays for supervisory and non-union retirees are periodically reviewed and other carriers are compared for prices. For retirees that have health care in retirement, Medicare is primary payer for 65 and older group.

- **Plan Funding:**
 - The Road Commission Board promised to budget a minimum of \$200,000 to a 115 trust as well as additional refunds they receive throughout the year from their liability and workers compensation self insurance pools for additional contributions.
 - The 115 Trust was set up in 2009 and contributions have been made on a continuous basis. The trust has not been used for payment of benefits and is receiving contributions and accumulating gains/losses for retiree health care at a later date.

- **Other Considerations:**
 - The Road Commission submitted documentation showing that its funded ratio has been increasing: it was 5.17% on 12/31/2017; it was 6.84% on 12/31/2018; it was 11.41% on 12/31/2019; and it was 14.50% on 12/31/2020.
 - The Road Commission also noted that on their most recent Retirement System Annual Report (Form 5572), their ADC is below 12% of their governmental revenues. Treasury's review shows it at 10.9%.

Treasury Recommendation
Cheboygan County Road Commission OPEB Corrective Action Plan (CAP)
Non-Primary Unit 160100

Prospective Changes:

- **Modern Plan Design:**
 - Retiree health care costs are reviewed on a yearly basis when active employees are reviewed.
 - Supervisory and non-union retiree health care is mirrored and changed as actives change, as done on 1/1/2021 deductibles were increased from \$750 to a \$1,000 deductible and RX co pays added a third tier of \$80.
 - Medicare is primary payer for all retirees that are eligible over 65 and will continue to be.

- **Plan Funding:**
 - The Road Commission Board has committed to making minimum of \$200,000.00 contribution for future payment and will continue to add contributions when refunds are received from their workermans compensation and liability pools they belong to.

- **Other Considerations:**
 - The Road Commission noted that their valuation was performed by Watkins Ross for 12/31/2020 using dollar level amortization and an 8 year amortization period in 12/31/2020 and 7 year in 12/31/2021.
 - The Road Commission requested a valuation for 2020 due to change in retiree deaths and terminations. For 2021 there has been 1-retiree death and 1-termination of active that will not be covered to 65.
 - The OPEB system funding levels have increased consistently since 2017 from 5.17% to current 14.5%. Based on 2020 Form 5572 for retiree health care the ADC% of revenue is at 10.9% which is under the 12% trigger for primary government.

System Status for All Divisions: OPEN

Plan size: members 80

- Inactive employees or beneficiaries currently receiving benefits: 0
- Inactive employees entitled to but not yet receiving benefits: 45
- Active employees: 35

Corrective Action Plan Criteria:

The following corrective action plan approval criteria are met: 2034

- **Underfunded Status:**
 - The corrective action plan demonstrates it will reach the PA 202 established funding level of 40% funded as demonstrated by the internal analysis/actuarial projection/ actuarial valuation found in the corrective action plan within a reasonable timeframe. (2034)

Treasury Recommendation
Cheboygan County Road Commission OPEB Corrective Action Plan (CAP)
Non-Primary Unit 160100

- 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 retiree premium payment, as well as the normal cost payment for all new hires (if applicable) according to the long-term budget forecast.

Supplemental Information:

The Road Commission submitted an internal analysis for their funding level that shows them reaching 40% funded status in 2034.

page 2/

Analysis Funding Level for OPEB Cheboygan County Road Commission		Municiple Code: 160100							
Year	2009-2021 Actual Future Anticipated Contributions	Actual Balance in BOLD Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded (over) Accrued Liability (UAAL)	Funded Ratio	Revenues	ADC	ADC % Revenue	Valuation Completed
2010	\$ 15,000.00	\$ 16,604.57				\$ 6,107,933.00	\$ -	0.0%	
2011	\$ 35,000.00	\$ 51,667.00	\$ 7,968,733.00	\$ 7,917,066.00	0.65%	\$ 7,133,620.00	\$ 716,675.00	10.0%	Yes/Burnham Flower
2012	\$ 50,000.00	\$ 110,204.39				\$ 7,705,104.00	\$ 723,097.00	9.4%	
2013	\$ 50,000.00	\$ 174,717.93				\$ 10,006,947.00	\$ 724,100.00	7.2%	
2014	\$ 83,656.00	\$ 265,967.00	\$ 14,257,885.00	\$ 13,991,918.00	1.87%	\$ 7,835,796.00	\$ 1,067,607.00	13.6%	Yes/Stewart Beauvais
2015	\$ 50,000.00	\$ 307,461.56				\$ 9,510,919.00	\$ 1,069,829.00	11.2%	
2016	\$ 67,138.00	\$ 402,762.03				\$ 9,733,928.00	\$ 1,072,431.00	11.0%	
2017	\$ 184,452.00	\$ 640,135.00	\$ 12,380,885.00	\$ 11,740,750.00	5.17%	\$ 10,905,721.00	\$ 829,932.00	7.6%	Yes/Stewart Beauvais
2018	\$ 279,396.61	\$ 877,723.19	\$ 12,827,222.00	\$ 11,949,498.81	6.84%	\$ 11,766,961.00	\$ 817,661.00	6.9%	
2019	\$ 261,581.95	\$ 1,297,708.00	\$ 11,373,810.00	\$ 10,076,102.00	11.41%	\$ 12,819,905.00	\$ 1,947,523.00	15.2%	Yes/Watkins & Ross
2020	\$ 215,579.00	\$ 1,623,993.00	\$ 11,197,878.00	\$ 9,573,885.00	14.50%	\$ 16,425,766.00	\$ 1,798,319.00	10.9%	Yes/Watkins & Ross
2021	\$ 205,794.51	\$ 1,921,386.00	\$ 11,197,878.00	\$ 9,276,492.00	20.71%	\$ 12,339,493.00		0.0%	
2022	\$ 200,000.00	\$ 2,121,386.00	\$ 11,197,878.00	\$ 9,076,492.00	18.94%	\$ 12,339,493.00		0.0%	
2023	\$ 200,000.00	\$ 2,321,386.00	\$ 11,197,878.00	\$ 8,876,492.00	20.73%	\$ 12,339,493.00		0.0%	
2024	\$ 200,000.00	\$ 2,521,386.00	\$ 11,197,878.00	\$ 8,676,492.00	22.52%	\$ 12,339,493.00		0.0%	
2025	\$ 200,000.00	\$ 2,721,386.00	\$ 11,197,878.00	\$ 8,476,492.00	24.30%	\$ 12,339,493.00		0.0%	
2026	\$ 200,000.00	\$ 2,921,386.00	\$ 11,197,878.00	\$ 8,276,492.00	26.09%	\$ 12,339,493.00		0.0%	
2027	\$ 200,000.00	\$ 3,121,386.00	\$ 11,197,878.00	\$ 8,076,492.00	27.87%	\$ 12,339,493.00		0.0%	
2028	\$ 200,000.00	\$ 3,321,386.00	\$ 11,197,878.00	\$ 7,876,492.00	29.66%	\$ 12,339,493.00		0.0%	
2029	\$ 200,000.00	\$ 3,521,386.00	\$ 11,197,878.00	\$ 7,676,492.00	31.45%	\$ 12,339,493.00		0.0%	
2030	\$ 200,000.00	\$ 3,721,386.00	\$ 11,197,878.00	\$ 7,476,492.00	33.23%	\$ 12,339,493.00		0.0%	
2031	\$ 200,000.00	\$ 3,921,386.00	\$ 11,197,878.00	\$ 7,276,492.00	35.02%	\$ 12,339,493.00		0.0%	
2032	\$ 200,000.00	\$ 4,121,386.00	\$ 11,197,878.00	\$ 7,076,492.00	36.81%	\$ 12,339,493.00		0.0%	
2033	\$ 200,000.00	\$ 4,321,386.00	\$ 11,197,878.00	\$ 6,876,492.00	38.59%	\$ 12,339,493.00		0.0%	
2034	\$ 200,000.00	\$ 4,521,386.00	\$ 11,197,878.00	\$ 6,676,492.00	40.38%	\$ 12,339,493.00		0.0%	
2035	\$ 200,000.00	\$ 4,721,386.00	\$ 11,197,878.00	\$ 6,476,492.00	42.16%	\$ 12,339,493.00		0.0%	
2036	\$ 200,000.00	\$ 4,921,386.00	\$ 11,197,878.00	\$ 6,276,492.00	43.95%	\$ 12,339,493.00		0.0%	
2037	\$ 200,000.00	\$ 5,121,386.00	\$ 11,197,878.00	\$ 6,076,492.00	45.74%	\$ 12,339,493.00		0.0%	

The Community Engagement and Finance Division (CEFD) contact:

- None.

**Treasury Recommendation
City of Grosse Pointe Park Pension Corrective Action Plan (CAP)
Primary Unit 822120**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$26,376,401	\$50,054,359	52.7%	\$1,646,724	\$15,308,123	10.8%	YES
OPEB	OPEB	\$53,124	\$18,721,586	.3%	\$2,054,055		13.4%	YES
Total		\$26,429,525	\$68,775,945		\$3,700,779	\$15,308,123	24.2%	

Source: Retirement Report 2020, Audited Financial Statements

Staff Recommendation: Approval of the pension corrective action plan submitted by City of Grosse Pointe Park, which was received by the Municipal Stability Board (the Board) on July 31, 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:
 - The Command Officers Union all employees hired after March 1, 2014 pension benefits calculated at 2%; Effective January 1, 2018 employees hired prior to March 1, 2018 pension benefits calculated at 2.25%. Effective July 1, 2019 FAC to exclude COLA and limit vacation buy back at retirement to 240 hours.
 - The Public Safety Officers Union: Employees hired after March 1, 2014 pension benefits calculated at 2%. Effective January 1, 2018 employees hired prior to March 1, 2014 pension benefits calculated at 2.25%. Effective July 1, 2019 FAC to exclude COLA and limit vacation buy back at retirement to 240 hours.
 - Clerical/Department of Public Works Union: all employees hired after April 1, 2014 pension benefits calculated at 2%. Effective July 1, 2017 employees hired prior to April 1, 2014 pension benefits calculated at 2%. Effective July 1, 2017 FAC shall include only base wage and up to 260 hours of overtime and vacation buy back.
 - Dispatchers Union: Employees hired after April 1, 2014 pension benefits calculated at 2%. Effective June 1, 2019 employees hired prior to April 1, 2014 pension benefits calculated at 2%. Employees hired prior to January 1, 2018 FAC to exclude COLA and limit vacation buy back at retirement to 240 hours. Full-time employees hired after January 1, 2018 F AC to include only base pay only and up to 260 hours of overtime and vacation buy back.
 - Department Heads/Supervisors/Non-Union Benefit: Employees hired after March 1, 2014 pension benefits calculated at 2%. Effective July 1, 2017 employees hired prior to March 1, 2017 pension benefits calculated at 2% base wage and up to 260 hours of vacation hours.

- Plan Funding:
 - The City has contributed \$1,780,611 above the annual required contribution since 2015. In order to reduce the liability, a surplus fund was created.

Treasury Recommendation
City of Grosse Pointe Park Pension Corrective Action Plan (CAP)
Primary Unit 822120

- A minimum of \$200,000 is budgeted above the annual required payment in this years budget.

- Other Considerations:
 - None listed.

Prospective Changes:

- Modern Plan Design:
 - None listed.

- Plan Funding:
 - None listed.

- Other Considerations:
 - None listed.

System Status for All Divisions: OPEN

Plan size: members 171

- Inactive employees or beneficiaries currently receiving benefits: 10
- Inactive employees entitled to but not yet receiving benefits: 95
- Active employees: 66

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 (2027).

- 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.

The following corrective action plan approval criteria are partially met:

- 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. However,

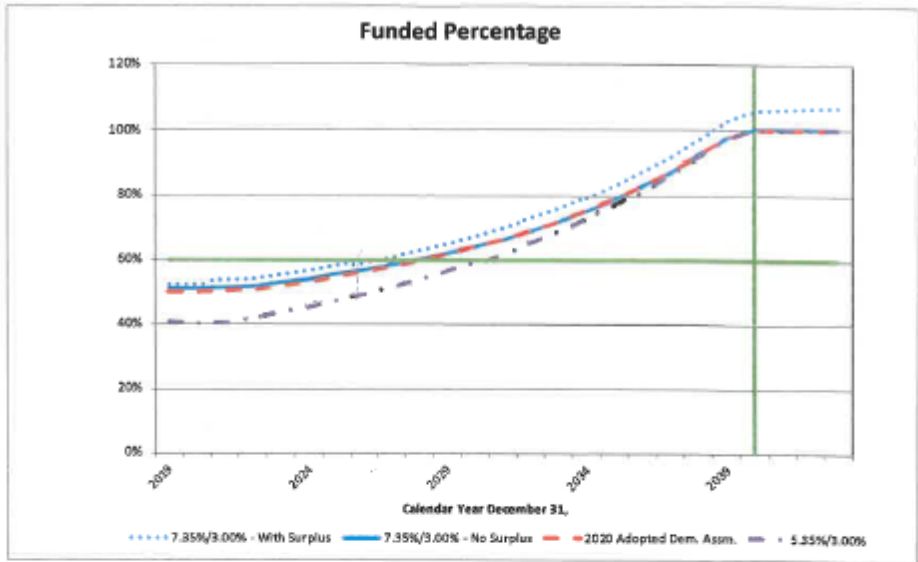
Treasury Recommendation
City of Grosse Pointe Park Pension Corrective Action Plan (CAP)
Primary Unit 822120

our review indicates the plan's annual required contribution as a percentage of general fund operating revenues is X%. This reflects a significant portion of the local government's budget.

Supplemental Information:

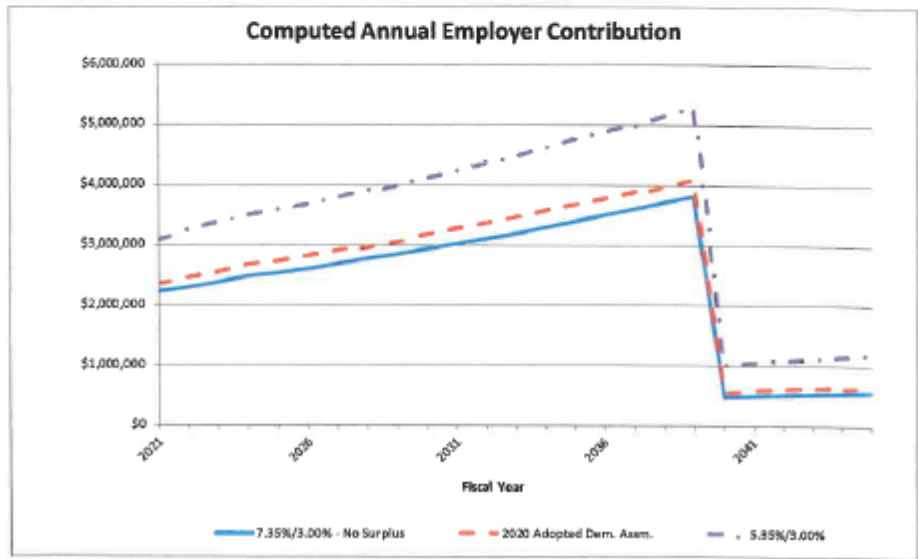
The City submitted their MERS pension valuation which shows them reaching 60% funded status between 2027 and 2032. Additionally, the valuation shows their annual employer costs increase approximately 160% between 2021 and 2040 which is about 8% per year.

Treasury Recommendation
City of Grosse Pointe Park Pension Corrective Action Plan (CAP)
Primary Unit 822120



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 purpose



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.

Treasury Recommendation
Kingsford City Housing Commission Pension Corrective Action Plan (CAP)
Non-Primary Unit 227510

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$325,744	\$581,633	56.0 %	\$28,092	\$520,876	5.4%	YES
Total		\$325,744	\$581,633		\$28,092	\$520,876	5.4%	

Source: Retirement Report 2020, Audited Financial Statements

Staff Recommendation: Approval of the pension corrective action plan submitted by Kingsford Housing Commission, which was received by the Municipal Stability Board (the Board) on June 16, 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:
 - The Housing Commission closed the system to new hires.
- Plan Funding:
 - None listed.
- Other Considerations:
 - None listed.

Prospective Changes:

- Modern Plan Design:
 - None listed.
- Plan Funding:
 - None listed.
- Other Considerations:
 - The Housing Commission states that they file an independent audit, but are still part of the City of Kingsford Plan. Their unfunded liability will be fully funded in 18 years.

System Status for All Divisions: CLOSED

Plan size: members 23

- Inactive employees or beneficiaries currently receiving benefits: 2
- Inactive employees entitled to but not yet receiving benefits: 1
- Active employees: 20

Treasury Recommendation
Kingsford City Housing Commission Pension Corrective Action Plan (CAP)
Non-Primary Unit 227510

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. (2038)

- 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.

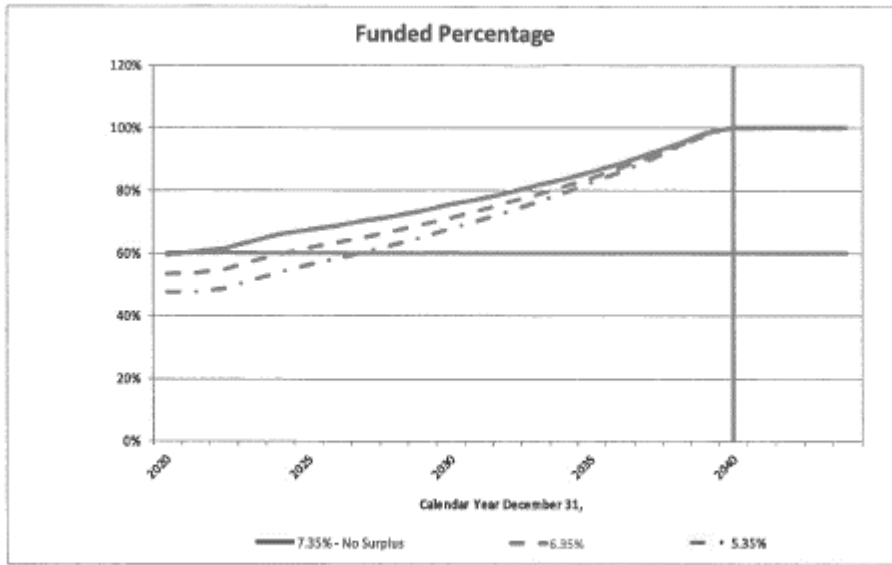
- Affordable:
 - The local unit confirms in section 5 of the corrective action plan template that the corrective actions listed will allow for the local unit to make, at a minimum, the annual required contribution payment according to the long-term budget forecast.

Supplemental Information:

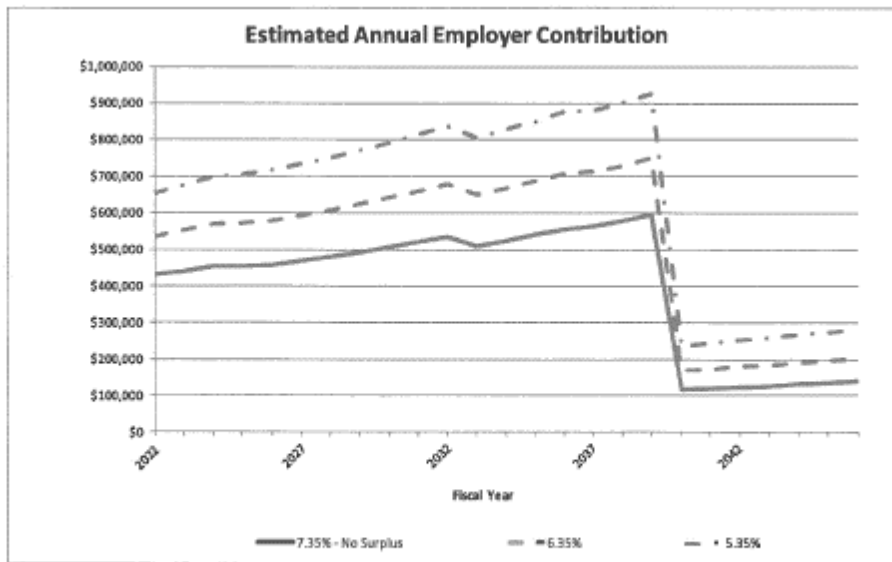
The Housing Commission submitted their corrective action plan which was received by the Board June 16, 2021. During Treasury's review, we noted that they were missing their pension projections. The Housing Commission requested a 45 day extension, which was approved by the Municipal Stability Board at their July 21, 2021 meeting.

The Housing Commission submitted their 2020 valuation showing that they will 60% funded status by 2027. Additionally, the Housing Commission's annual employer costs are increasing approximately 40% between 2022 and 2040, which is about 2% per year.

**Treasury Recommendation
Kingsford City Housing Commission Pension Corrective Action Plan (CAP)
Non-Primary Unit 227510**



Notes:
All projected funded percentages are shown with no phase-in.
The green indicator lines have been added at 60% funded and 20 years following the valuation date for PA 202 purposes.



Notes:
All projected contributions are shown with no phase-in.

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Schoolcraft County Transit Authority Pension Corrective Action Plan (CAP)
Non-Primary Unit 777502

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$872,632	\$1,652,670	52.8%	\$73,343	\$1,031,719	7.1%	YES
Total		\$872,632	\$1,652,670		\$73,343	\$1,031,719	7.1%	

Source: Retirement Report 2019, Audited Financial Statements

Staff Recommendation: Disapproval of the pension corrective action plan submitted by Schoolcraft County Transit Authority, which was received by the Municipal Stability Board (the Board) on 7/21/2021. If disapproved, Schoolcraft County Transit Authority, will receive a detailed letter from the Board listing the reasons for disapproval. Schoolcraft County Transit Authority will have 60 days from the date of the notification to address the reason for disapproval and resubmit a corrective action plan for approval.

Changes Made:

- Modern Plan Design:
 - SCTA closed the pension system to new hires effective 1/1/2016.
- Plan Funding:
 - The SCTA put in \$100,000 into a restricted CD for their MERS system on 3/13/2019. However, per GASB standards CD's are not included in defined benefit assets.
 - On 7/14/21, SCTA put \$200,000 in a surplus division with MERS.
- Other Considerations:
 - None listed.

Prospective Changes:

- Modern Plan Design:
 - None listed.
- Plan Funding:
 - None listed.
- Other Considerations:
 - None listed.

System Status for All Divisions: Plan size: members 12

- Inactive employees or beneficiaries currently receiving benefits: 4
- Inactive employees entitled to but not yet receiving benefits: 0
- Active employees: 8

Treasury Recommendation
Schoolcraft County Transit Authority Pension Corrective Action Plan (CAP)
Non-Primary Unit 777502

Corrective Action Plan Criteria:

The following corrective action plan approval criteria are met:

- 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.

The following corrective action plan approval criteria are partially met:

- Underfunded Status:
 - The local unit did not provide clear documentation that demonstrates the retirement system will reach 60% funded. Based on other information presented in the corrective action plan, we have determined the plan may be able to reach a funded ratio of 60% if the plan's assumptions remain accurate (2021).

The following corrective action plan approval criteria were not met:

- Legal and Feasible:
 - The local unit failed to attach supporting documentation indicating the corrective action plan was approved by the governing body.

Supplemental Information:

SCTA submitted documentation showing that they made a \$200,000 deposit to MERS. They did not provide any documentation projecting when they will reach 60% funded status. However, when adding \$200,000 to their current assets they are 63% funded, with a stagnate liability. Additionally, they did not provide documentation showing that the plan was approved by the governing body.

The Community Engagement and Finance Division (CEFD) contact:

- On 8/3/2021, Treasury emailed SCTA requesting governing body approval and documentation projecting when they will reach 60% funded status.

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-29**

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

August 18, 2021

Municipal Stability Board Appendix B, August 18, 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

#	Local Government	Municode	Fiscal Year	System Type	Date Received	Underfunded Status	Substantial Changes	Sustainability	Treasury Recommendation	CAP Monitoring Certification Form Link
1	Alger County Road Commission	020100	2017	OPEB	7/21/2021	Partially Met	Met	Partially Met	Compliant	Alger County Road Commission - OPEB
2	Bay County Library System	098010	2017	OPEB	7/21/2021	Met	Met	Partially Met	Compliant	Bay County Library System - OPEB
3	Bay County Road Commission	090100	2017	OPEB	7/21/2021	Met	Met	Met	Compliant	Bay County Road Commission - OPEB
4	Genesee Charter Township	251110	2017	PENSION	7/21/2021	Met	Met	Partially Met	Compliant	Genesee Charter Township - PENSION
5	Genesee District Library	258001	2017	OPEB	7/21/2021	Met	Met	Met	Compliant	Genesee District Library - OPEB
6	City of Gibraltar	822090	2017	OPEB	7/21/2021	Partially Met	Met	Partially Met	Compliant	City of Gibraltar - OPEB
7	Grand Blanc Charter Township	251120	2017	OPEB	7/21/2021	Met	Met	Partially Met	Compliant	Grand Blanc Charter Township - OPEB
8	City of Ishpeming	522010	2017	PENSION	7/21/2021	Met	Met	Met	Compliant	City of Ishpeming - PENSION
9	Montmorency County Road Commission	600100	2017	OPEB	7/21/2021	Met	Met	Met	Compliant	Montmorency County Road Commission - OPEB
10	Montmorency-Oscoda-Alpena Solid Waste Man	607502	2017	OPEB	7/21/2021	Met	Met	Met	Compliant	Montmorency-Oscoda-Alpena Solid Waste Management Authority - OPEB
11	Muskegon Central Dispatch 9-1-1	617517	2017	OPEB	7/21/2021	Partially Met	Met	Partially Met	Compliant	Muskegon Central Dispatch 9-1-1 - OPEB
12	Osceola County Road Commission	670100	2019	PENSION	7/21/2021	Met	Met	Met	Compliant	Osceola County Road Commission - PENSION
13	Osceola County Road Commission	670100	2019	OPEB	7/21/2021	Met	Met	Met	Compliant	Osceola County Road Commission - OPEB
14	State of Michigan 48th Judicial District Court	637629	2018	OPEB	7/21/2021	Met	Met	Met	Compliant	State of Michigan 48th Judicial District Court - OPEB
15	Waterford Charter Township	631220	2017	OPEB	7/21/2021	Met	Met	Partially Met	Compliant	Waterford Charter Township - OPEB

Treasury Recommendation
Alger County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 020100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$7,371,185	\$10,752,528	68.6%	\$421,735	\$8,235,333	5.1%	NO
OPEB	OPEB	\$103,692	\$806,357	12.9%	\$140,342		1.7%	YES
Total		\$7,474,877	\$11,558,885		\$562,077	\$8,235,333	6.8%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Alger County Road Commission Other Post-Employment Benefits Plan OPEB corrective action plan monitoring certification of compliance submitted by Alger 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, Alger County Road Commission is addressing underfunded status by fiscal year 2047 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- In 2017, the Road Commission began funding its OPEB and at the end of 2020 they put \$103,692 into the MERS OPEB Trust OPEB. At the end of 2020, the Road Commission was are 13% funded.
- The Road Commission will continue to put \$25,000 into its trust until at least 40% funded. The Watkins Ross valuation April 2021 shows OPEB Plan Fiduciary Net Position as of Dec 31, 2020 is \$103,692.

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

Treasury Recommendation
Alger County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 020100

- Percentage of Revenues: 8.2%

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

- **No**
 - While the Road Commission did not provide supporting documentation, their total ADC for both pension and OPEB was 6.1% in their fiscal year 2020 Retirement System Annual Report, so the information submitted appears reasonable.

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 58

- Inactive employees or beneficiaries currently receiving benefits: **29**
- Inactive employees entitled to but not yet receiving benefits: **3**
- Active employees: **26**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Alger County Road Commission has partially met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Alger County Road Commission has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Alger County Road Commission has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission did not provide clear documentation showing that they will reach 40% funded status. However, based on their plan, it is reasonable to assume that they will reach 40% funded status within the Board's timeframe.

The Community Engagement and Finance Division (CEFD) contact:

- Treasury emailed the Road Commission on 8/4/2021 for its sustainability worksheet.

Treasury Recommendation
Bay County Library System OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 098010

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Pension	Pension	\$12,593,017	\$11,473,205	109.8%	\$0	\$6,723,786	0.0%	NO
OPEB	OPEB	\$2,054,062	\$2,290,941	89.7%	\$95,350		1.4%	YES
Total		\$14,647,079	\$13,764,146		\$95,350	\$6,723,786	1.4%	

Source: Retirement Report Fiscal Year 2019, Audited Financial Statements

Staff Recommendation:

Compliance for the Bay County Voluntary Employees' Beneficiary Association OPEB corrective action plan monitoring certification of compliance submitted by Bay County Library System. 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, Bay County Library System is addressing underfunded status by fiscal year 2017 as projected in originally approved plan.

While the Library certified that they would be funded in fiscal year 2017, they became over 40% funded in fiscal year 2018.

Substantial Changes

CAP Changes Implemented:

- The Library changed health insurance plans and increased contributions. As of 12/31/2018 the Library is 89.7% funded and plans on being 100% by the end of 2020.

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: 01.2%

Treasury Recommendation
Bay County Library System OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 098010

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

- **No**
 - While the Library did not provide the sustainability worksheet or supporting documentation, the Library's total ADC/Revenue for both pension and OPEB were 1.4% in its fiscal year 2019 the Retirement System Annual Report.

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: **16**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **39**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Bay County Library System has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Bay County Library System has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Bay County Library System has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Library did not provided sustainability information; however, the system is 89% funded according to the 2019 form 5572.

Treasury Recommendation
Bay County Library System OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 098010

Actuarially Determined Contributions (ADC)
Fiscal Years Ending December 31, 2020 and December 31, 2021

ADC for the Year Ending	General County	DWS	Library	BMCF	Sheriff's Dept.	Road Comm.	Total	BABH
December 31, 2020								
Normal Cost \$	\$ 604,845	\$250,660	\$73,202	\$ 260,731	\$ 165,434	\$ 449,364	\$ 1,804,236	\$ 248,508
UAL Contribution \$	2,346,203	471,853	22,148	2,671,394	613,431	3,349,526	9,474,555	(582,856)
Total ADC \$	2,951,048	722,513	95,350	2,932,215	778,865	3,798,890	11,278,791	0
December 31, 2021								
Total ADC \$	2,903,985	745,995	90,172	2,913,771	770,997	3,797,730	11,222,650	0

Funded Status	General County	DWS	Library	BMCF	Sheriff's Dept.	Road Comm.	Total	BABH
AAI#*	\$37.61	\$12.20	\$2.29	\$38.30	\$10.58	\$27.04	\$128.01	\$ 9.58
Applied Assets * (Market Value)	12.51	5.58	2.05	10.94	4.01	1.31	36.42	16.70
% Funded	33.3%	45.8%	89.7%	28.6%	38.0%	4.9%	28.4%	174.3%
# Actuarial Accrued Liabilities								
* \$ Millions								

Actuary's Opinion

It is the actuary's opinion that the contribution amounts recommended in the most recent actuarial report are sufficient to meet the System's financial objective, assuming the employer contributes those amounts to the VEBA. Gabriel, Roeder, Smith & Company is not responsible for any contributions not made to the VEBA. The funding of the VEBA is the responsibility of the employers.

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Bay County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 090100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
BCERS - Bay County Employees' Retirement System	Pension	\$41,493,797	\$34,105,289	121.7%	\$598,845	\$20,973,709	2.9%	NO
BCRHCP - Bay County Retiree Health Care Plan	OPEB	\$10,048,222	\$28,794,541	34.9%	\$3,798,890		18.1%	YES
Total		\$51,542,019	\$62,899,830		\$4,397,735	\$20,973,709	21.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Bay County VEBA OPEB corrective action plan monitoring certification of compliance submitted by Bay 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, Bay County Road Commission is addressing underfunded status by fiscal year 2031 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The Road Commission is making the additional monthly payments as stated in their CAP.

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

Bay County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Non-Primary Government 090100

- Fiscal Year: 2024
- Percentage of Revenues: 13.7%

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 did not include valuations for their pension system; however, the numbers entered appear reasonable compared to their audit. Additionally, Treasury updated the governmental fund revenues to match their audit. The average annual retirement cost increases by 3.6% over the next five 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: Open

Plan size: members 139

- Inactive employees or beneficiaries currently receiving benefits: **90**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **49**

[Corrective Action Plan Monitoring Criteria:](#)

Underfunded Status:

- Bay County Road Commission has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Bay County Road Commission has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Bay County Road Commission has met the Board's published monitoring criteria for sustainability.

[Supplemental Information:](#)

The Road Commission provided documentation showing that they will reach 40% funded in 2031. Additionally, over the next 10 years, the Road Commission's OPEB costs are increasing by about \$1,060,000 or 75%.

Treasury Recommendation
Bay County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 090100

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 End of Year (EOY)	Pay-Go Contribution	Additional Contribution ⁽¹⁾	Benefit Payments	7.00% Interest			Asset Value EOY ⁽²⁾
	(a)				(b)				(c) = (a) - (b)	(d) = (b) / (a)	
1/1/2017 - 12/31/2017				\$26,572,901					\$ 1,101,505	\$25,471,396	4.15%
1/1/2018 - 12/31/2018	\$404,443	\$1,405,941	\$1,825,643	27,397,046	\$1,405,941	\$480,000	\$1,405,941	\$ 93,621	1,675,126	25,721,920	6.11%
1/1/2019 - 12/31/2019	408,455	1,436,746	1,882,412	28,251,167	1,436,746	480,000	1,436,746	133,775	2,288,901	25,962,266	8.10%
1/1/2020 - 12/31/2020	408,767	1,539,773	1,938,666	29,058,827	1,539,773	480,000	1,539,773	176,739	2,945,640	26,113,187	10.14%
1/1/2021 - 12/31/2021	401,085	1,658,261	1,990,861	29,792,512	1,658,261	480,000	1,658,261	222,711	3,648,351	26,144,161	12.25%
1/1/2022 - 12/31/2022	387,713	1,794,270	2,037,079	30,423,034	1,794,270	480,000	1,794,270	271,900	4,400,251	26,022,783	14.46%
1/1/2023 - 12/31/2023	368,001	1,928,998	2,075,902	30,937,939	1,928,998	480,000	1,928,998	324,533	5,204,784	25,733,155	16.82%
1/1/2024 - 12/31/2024	344,053	2,063,309	2,106,499	31,325,182	2,063,309	480,000	2,063,309	380,851	6,065,635	25,259,547	19.36%
1/1/2025 - 12/31/2025	323,066	2,157,443	2,129,645	31,620,450	2,157,443	480,000	2,157,443	441,110	6,986,745	24,633,705	22.10%
1/1/2026 - 12/31/2026	303,368	2,232,915	2,147,040	31,837,943	2,232,915	480,000	2,232,915	505,588	7,972,333	23,865,610	25.04%
1/1/2027 - 12/31/2027	283,923	2,320,578	2,158,579	31,959,867	2,320,578	480,000	2,320,578	574,579	9,026,912	22,932,955	28.24%
1/1/2028 - 12/31/2028	266,820	2,396,984	2,163,896	31,993,599	2,396,984	480,000	2,396,984	648,400	10,155,312	21,838,287	31.74%
1/1/2029 - 12/31/2029	251,688	2,393,901	2,165,843	32,017,229	2,393,901	480,000	2,393,901	727,388	11,362,700	20,654,529	35.49%
1/1/2030 - 12/31/2030	234,414	2,385,385	2,167,195	32,033,453	2,385,385	480,000	2,385,385	811,905	12,654,605	19,378,848	39.50%
1/1/2031 - 12/31/2031	217,972	2,469,638	2,164,866	31,946,653	2,469,638	480,000	2,469,638	902,338	14,036,943	17,909,710	43.94%

⁽¹⁾ The Additional Contribution amount is set equal to \$40,000 a month for 2018. This amount was assumed to carry forward for future years, as reported by the Road Commission.
⁽²⁾ Projected values with the exception of the December 31, 2017 value. There may be cases where the schedule does not add due to rounding.

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					\$19,876,099			
2020	\$598,845		\$1,539,773	\$480,000	\$20,273,621		12.9%	
2021	\$488,592		\$1,658,261	\$480,000	\$20,679,093		12.7%	0.3%
2022	\$480,000		\$1,794,270	\$480,000	\$21,092,675		13.1%	4.9%
2023	\$475,000		\$1,928,998	\$480,000	\$21,514,529		13.4%	4.7%
2024	\$470,000		\$2,063,309	\$480,000	\$21,944,819		13.7%	4.5%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	3.6%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Genesee Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 251110

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$9,644,607	\$20,115,340	47.9%	\$909,411	\$6,616,050	13.7%	YES
Genesee Charter Township OPEB Benefits	OPEB	\$0	\$11,017,532	0.0%	\$824,697		12.5%	NO
Total		\$9,644,607	\$31,132,872		\$1,734,108	\$6,616,050	26.2%	

Source: Retirement Report Fiscal Year, Audited Financial Statements

Staff Recommendation:

Compliance for the MERS Pension corrective action plan monitoring certification of compliance submitted by Genesee 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 2031, which is within the Board's required timeframe.

Originally, the Township was going to reach funded status in 2027. The Township noted the change was due to the change in MERS assumptions.

Substantial Changes

CAP Changes Implemented:

- None listed.

CAP Changes Not Implemented:

- Negotiations with the unions for 2020 did not produce the bridged multiplier the Township requested. Attempts will be made again in 2022 for January 2023. The Township stated that personal property funds have not yet been received.

Additional Changes Implemented

- An additional lump sum of \$187,000 was approved by the Township board and contributed in March 2021.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
Genesee Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 251110

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 22.8%

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 Township's annual costs increase about 4.2% over the next five years. The Township did not have an OPEB benefit projection, so Treasury utilized the OPEB benefit payment from fiscal year 2020 for all 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: Open

Plan size: members 93

- Inactive employees or beneficiaries currently receiving benefits: **51**
- Inactive employees entitled to but not yet receiving benefits: **8**
- Active employees: **34**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Genesee Charter Township has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Genesee Charter Township has met the Board's published monitoring criteria for substantial changes.

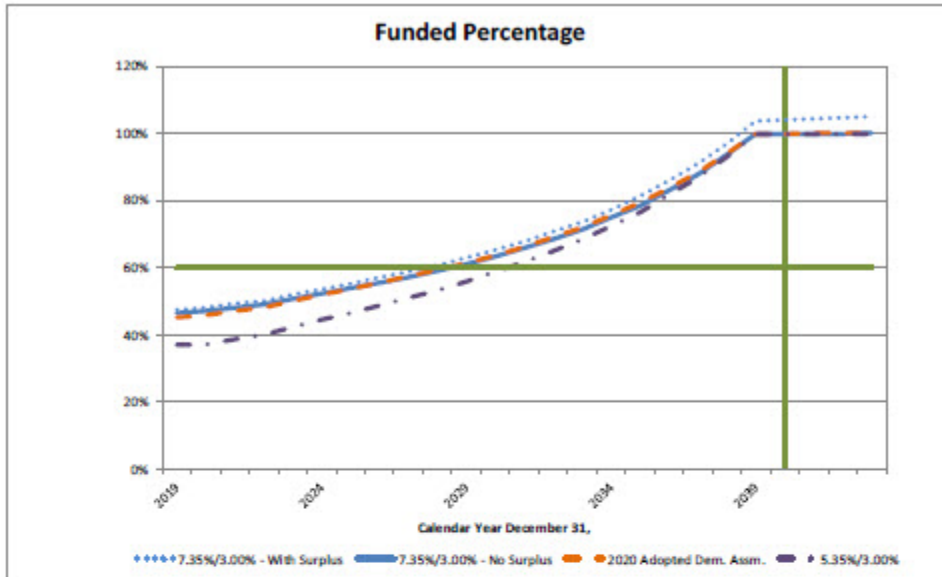
Sustainability:

- Genesee Charter Township has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

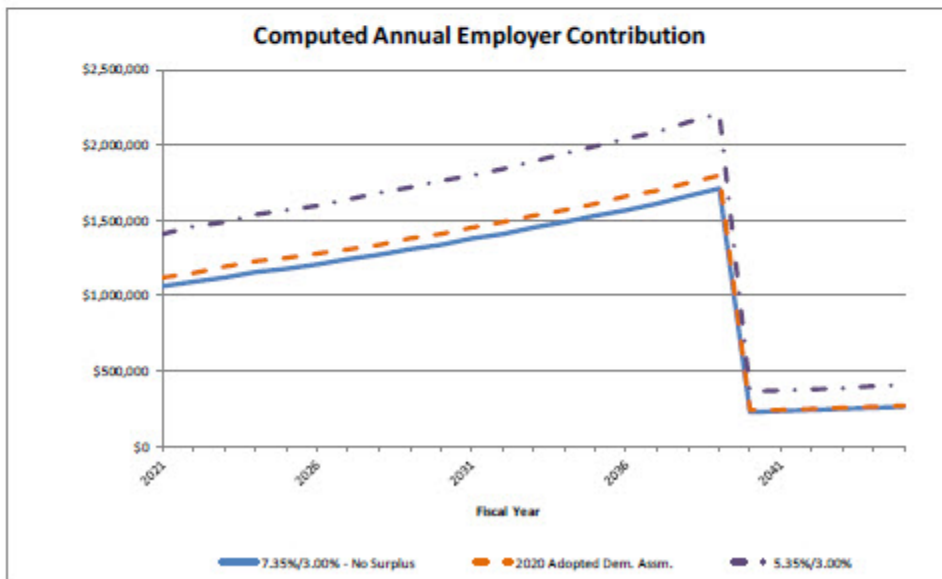
Genesee Charter Township's submitted their pension valuation that shows them reaching 60% funded between 2028 and 2031. Additionally, the Township's annual employer costs increase approximately 60% between 2021 and 2040, which is about 3% per year.

Treasury Recommendation
Genesee Charter Township Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 251110



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:

- On 7/19 the CEFD emailed the Township requesting OPEB information for sustainability.

Treasury Recommendation
Genesee District Library OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 258001

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Genesee County Employees' Retirement System	Pension	\$15,428,972	\$18,937,106	81.5%	\$469,039	\$10,469,834	4.5%	NO
Genesee District Library Retiree Medical Plan	OPEB	\$3,041,072	\$5,181,181	58.7%	\$595,624		5.7%	YES
Total		\$18,470,044	\$24,118,287		\$1,064,663	\$10,469,834	10.2%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Genesee District Library Retiree Medical Plan OPEB corrective action plan monitoring certification of compliance submitted by Genesee 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, Genesee District Library is addressing underfunded status by fiscal year 2024 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- GDL board of trustees approved opening a MERS RHFV at its March 18, 2019 meeting.
- On April 23, 2019 two million dollars were deposited into the trust.
- An additional deposit of \$250,000 was sent to MERS on May 6, 2019 and another \$300,000 was sent to MERS on April 1, 2020.
- Beginning with the January 1, 2020 through December 31, 2022 collective bargaining agreement with AFSCME Local 496, Chapter 6, Council 25, full-time employees hired on or after January 1, 2020 are not eligible for employer-paid retiree insurance. Instead they will be covered by a Health Care Savings Program (HCSP).
- Starting with the 2019 operating budget, a new line item was added to the operating budget to ensure funds are committed and added to the trust account annually to reduce the OPEB liability.
- The 2020 and 2021 operating budgets both had \$300,000 included to add to the MERS RHFV trust.

Treasury Recommendation

Genesee District Library OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Non-Primary Government 258001

- A new actuarial study was performed by Watkins Ross for fiscal year ending December 31, 2020. Based upon the changes outlined above, their study showed there was a decrease of \$1,447,055 in GDL's OPEB liability. The decrease is from census data changes (decreases in covered lives and Medicare premiums lower than expected). The combination of actuarial assumption changes generated an additional decrease in liability of \$949,244.

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: 14.8%

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

- **No**
 - While the Library did not include projections for their systems, the numbers seem fair when compared to the most recent audit.

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 84

- Inactive employees or beneficiaries currently receiving benefits: **37**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **47**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Genesee District Library has met the Board's published monitoring criteria for underfunded status.

Treasury Recommendation
Genesee District Library OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 258001

Substantial Changes:

- Genesee District Library has met the Board’s published monitoring criteria for substantial changes.

Sustainability:

- Genesee District Library has met the Board’s published monitoring criteria for sustainability.

Supplemental Information:

The Library appears to be implementing their corrective action plan. Additionally, retirement costs appear to be declining. In the fiscal year 2020 Retirement System Annual Report (Form 5572), the Library was 58.7% funded.

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					\$8,427,444			
2020	\$469,039	\$783,037	\$300,000	\$0	\$8,808,157	\$0	17.6%	
2021	\$408,609	\$715,808	\$300,000	\$0	\$9,072,402	\$0	15.7%	-8.2%
2022	\$405,000	\$700,000	\$250,000	\$0	\$9,344,574	\$0	14.5%	-4.9%
2023	\$400,000	\$710,000	\$250,000	\$0	\$9,624,911	\$0	14.1%	0.4%
2024	\$390,000	\$720,000	\$250,000	\$0	\$9,913,658	\$0	13.7%	0.0%

Projected Annual Revenue Growth (Please select)	3%
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[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					\$10,300,919			
2020	\$469,039	\$783,037		\$300,000	\$10,506,937		14.8%	
2021	\$408,609	\$715,808		\$300,000	\$10,717,076		13.3%	-8.2%
2022	\$405,000	\$700,000		\$250,000	\$10,931,418		12.4%	-4.9%
2023	\$400,000	\$710,000		\$250,000	\$11,150,046		12.2%	0.4%
2024	\$390,000	\$720,000		\$250,000	\$11,373,047		12.0%	0.0%
Projected Annual Revenue Growth (Please select)	2%						Average Annual Retirement Cost Increase	-3.2%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
City of Gibraltar OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822090

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
General Employees Retirement System	Pension	\$1,946,318	\$1,660,530	117.2%	\$9,311	\$4,149,738	2.2%	NO
Public Safety Officers' Retirement System	Pension	\$9,177,723	\$8,804,760	104.2%	\$80,137			NO
City of Gibraltar Retiree Medical Plan	OPEB	\$565,605	\$6,786,112	8.3%	\$806,281		19.4%	YES
Total		\$11,689,646	\$17,251,402		\$895,729	\$4,149,738	21.6%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the City of Gibraltar Retiree Medical Plan/Trust OPEB corrective action plan monitoring certification of compliance submitted by City of Gibraltar. 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 2039, which is within the Board's required timeframe.

The City stated that they were addressing underfunded status in the same timeframe; however, it has changed. In the approved CAP, the local government stated by 2018, their ADC/Rev would no longer trigger as underfunded. This did not occur. In 2018, the Form 5572 shows the Retiree Medical Plan/Trust ADC/Rev was 25.36%. The new plan is to reach 40% funding by 2039.

Substantial Changes

CAP Changes Implemented:

- The City appears to be making its \$30,000 per year payments as planned.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

Treasury Recommendation
City of Gibraltar OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822090

- None listed.

Revised Corrective Action Plan Submitted? Yes

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2022
- Percentage of Revenues: 26.2%

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

- **Yes**
 - Treasury recreated the sustainability worksheet utilizing the projections provided by the City. While not all data was provided, the worksheet was created using the information provided as well as historical plan data. Due to some of the projections being missing, Treasury is marking them partially met for sustainability. Additionally, due to the large jumps and declines in the MERS pension costs, the average annual retirement cost increase is 51.5% over the next five 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: Open

Plan size: members 30

- Inactive employees or beneficiaries currently receiving benefits: **22**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **8**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- City of Gibraltar has partially met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- City of Gibraltar has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- City of Gibraltar has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation
City of Gibraltar OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 822090

Supplemental Information:

The City appears to be implementing their corrective action plan, but did not provide documentation showing when they will reach 40% funded. Over the next 18 years, the City's OPEB costs are expected to increase by about \$180,000 or about 50%.

City of Gibraltar						
2020 funding projection (based on June 30, 2019 actuarial valuation)						
			Discount 6.34%	Return 6.34%		
Year ending	liability	Assets at end of year	Contribution during the year	Benefit payments during the year	total contribution	funded percent
09/30/2020	6,786,112	565,605	30,000	232,816	262,816	8.3%
09/30/2021	6,907,929	632,401	30,000	353,502	383,502	9.2%
09/30/2022	7,019,591	703,431	30,000	369,491	399,491	10.0%
09/30/2023	7,128,767	778,965	30,000	376,100	406,100	10.9%
09/30/2024	7,218,319	859,288	30,000	400,235	430,235	11.9%
09/30/2025	7,290,381	944,703	30,000	421,586	451,586	13.0%
09/30/2026	7,343,183	1,035,534	30,000	442,527	472,527	14.1%
09/30/2027	7,379,520	1,132,123	30,000	461,562	491,562	15.3%
09/30/2028	7,398,626	1,234,836	30,000	477,300	507,300	16.7%
09/30/2029	7,422,113	1,344,061	30,000	472,208	502,208	18.1%
09/30/2030	7,443,614	1,460,211	30,000	473,810	503,810	19.6%
09/30/2031	7,464,107	1,583,725	30,000	474,922	504,922	21.2%
09/30/2032	7,480,224	1,715,069	30,000	477,052	507,052	22.9%
09/30/2033	7,470,681	1,854,741	30,000	500,381	530,381	24.8%
09/30/2034	7,439,830	2,003,268	30,000	519,183	549,183	26.9%
09/30/2035	7,399,166	2,161,212	30,000	525,423	555,423	29.2%
09/30/2036	7,348,542	2,329,169	30,000	530,954	560,954	31.7%
09/30/2037	7,311,994	2,507,774	30,000	512,396	542,396	34.3%
09/30/2038	7,263,325	2,697,704	30,000	519,252	549,252	37.1%
09/30/2039	7,190,286	2,899,675	30,000	535,886	565,886	40.3%

The Community Engagement and Finance Division (CEFD) contact:

- On 7/2 The CEFD called and asked for governing body approved for 2039 and for pension cost projection for both plans.

Treasury Recommendation
Grand Blanc Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Primary Government 251110

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Grand Blanc Township Police-MERS DB	Pension	\$17,648,794	\$26,472,343	66.7%	\$1,104,480	\$21,088,233	5.2%	NO
Grand Blanc Township Post Employment Health Benefits	OPEB	\$20,709,397	\$36,580,992	56.6%	\$2,268,863		10.8%	YES
Total		\$38,358,191	\$63,053,335		\$3,373,343	\$21,088,233	16.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Grand Blanc Township Post Employment Health Benefits OPEB corrective action plan monitoring certification of compliance submitted by Grand Blanc 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 2020, which is within the Board's required timeframe.

A newer actuarial valuation report showed the Township reaching funded status several years earlier than the initial estimate.

Substantial Changes

CAP Changes Implemented:

- The Township put funds into the trust. Additionally, the Township removed 4 employees from the retiree healthcare liability in the past 4 months.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- None listed.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
Grand Blanc Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification Primary Government 251110

Sustainability

While the Township did not fill out the sustainability section and did not provide supporting documentation, their total ADC for both pension and OPEB was 16% in their fiscal year 2020 Retirement System Annual Report.

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 107

- Inactive employees or beneficiaries currently receiving benefits: **36**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **71**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Grand Blanc Charter Township has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Grand Blanc Charter Township has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Grand Blanc Charter Township has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The provided no sustainability documentation; however, the plan is funded at 56% in 2020.

Treasury Recommendation

Grand Blanc Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Primary Government 251110

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary unit? (County, Township, City, Village)?	Calculated	YES				
2	Provide the name of your retirement health care system	Calculated from above	Grand Blanc Township Post	YES	YES	YES	YES
Financial Information							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	16,290,746				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	32,989,609				
6	Funded ratio	Calculated	49.4%				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	2,018,032				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	19,158,392				
9	All systems combined ADC/Governmental fund revenues	Calculated	10.5%				
Members							
11	Indicate number of active members	Most Recent Actuarial Funding Valuation	71				
12	Indicate number of inactive members	Most Recent Actuarial Funding Valuation	-				
13	Indicate number of retirees and beneficiaries	Most Recent Actuarial Funding Valuation	86				
14	Provide the amount of premiums paid on behalf of the retirees	Most Recent Audit Report or Accounting Records	418,642				
Investment Performance							
16	Enter actual rate of return - prior 1-year period	Most Recent Actuarial Funding Valuation or System Investment Provider	16.65%				
17	Enter actual rate of return - prior 3-year period	Most Recent Actuarial Funding Valuation or System Investment Provider	6.65%				
18	Enter actual rate of return - prior 10-year period	Most Recent Actuarial Funding Valuation or System Investment Provider	8.14%				
Actuarial Assumptions							
20	Assumed Rate of Investment Return	Most Recent Actuarial Funding Valuation	6.00%				
21	Enter discount rate	Most Recent Actuarial Funding Valuation	6.00%				
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Most Recent Actuarial Funding Valuation	Level Percent				
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Most Recent Actuarial Funding Valuation	25				
24	Is each division within the system closed to new employees?	Most Recent Actuarial Funding Valuation	Yes				
25	Health care inflation assumption for the next year	Most Recent Actuarial Funding Valuation	8.50%				
26	Health care inflation assumption - Long-Term Trend Rate	Most Recent Actuarial Funding Valuation	4.50%				
Uniform Assumptions							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Most Recent Actuarial Funding Valuation	16,290,746				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Most Recent Actuarial Funding Valuation	32,989,609				
30	Funded ratio using uniform assumptions	Calculated	49.4%				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Most Recent Actuarial Funding Valuation	2,018,032				
32	All systems combined ADC/Governmental fund revenues	Calculated	10.5%				
Summary and Questions							
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	YES				
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	N/A				
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary unit triggers: Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. Non-Primary unit triggers: Less than 40% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)

Local units must post the current year report on their website or in a public place.

The local unit of government must electronically submit the form to its governing body.

Local units must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.

Local units must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

The Community Engagement and Finance Division (CEFD) contact:

- None.

**Treasury Recommendation
City of Ishpeming Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 522010**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$9,266,607	\$18,404,398	50.3%	\$808,559	\$6,658,339	15.8%	YES
Police and Fire Retirement System	Pension	\$4,483,501	\$6,628,402	67.6%	\$243,719			NO
Total		\$13,750,108	\$25,032,800		\$1,052,278	\$6,658,339	15.8%	

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 City of Ishpeming. 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 2029, which is within the Board's required timeframe.

The City is now addressing underfunded status in 2029, instead of 2027. This is still within the Board's criteria.

Substantial Changes

CAP Changes Implemented:

- The City created a surplus division in 2019. They made a payment of \$51,156.68.
- The City closed all three MERS divisions in January 1, 2020.
- On 4/14/2020, City Council approved a motion to move forward with issuing pension obligation bonds to fund up to 95% of the UIA.

CAP Changes Not Implemented:

- During the December 2019 contract negotiations, the City tried to lower the system's multiplier from 2.5x to 2X and to freeze the FAC. Instead, the agreement was to leave the existing employee benefits untouched and close the system to new hires effective 1/1/2020.

Additional Changes Implemented

- Now that the MERS pension plan is closed, the City is considering issuing pension bonds to fund up to 95%.

Treasury Recommendation
City of Ishpeming Pension Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 522010

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2021
- Percentage of Revenues: 18.4%

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

- **No**
 - The City submitted their sustainability worksheet, while they did not include the police and fire pension valuation, the costs appear reasonable based on their actuarially determined contribution from their fiscal year 2020 Retirement System Annual Report (Form 5572).

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 74

- Inactive employees or beneficiaries currently receiving benefits: **42**
- Inactive employees entitled to but not yet receiving benefits: **4**
- Active employees: **28**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- City of Ishpeming has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- City of Ishpeming has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- City of Ishpeming has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The City provided their MERS valuation showing them reaching 60% funded status in 2028-2030. The valuation also projects their MERS annual employer contributions, between 2021 and 2040 the costs increase by approximately 80%, which is about 4% per year.

Treasury Recommendation City of Ishpeming Pension Corrective Action Plan (CAP) Monitoring Compliance Certification Primary Government 522010

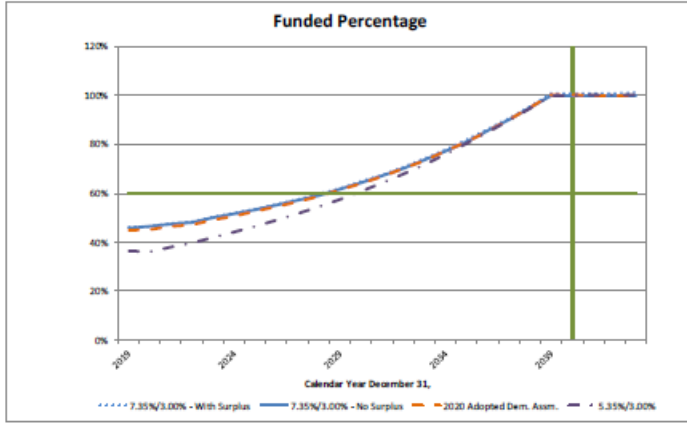
Corrective Action Plan Monitoring Certification of Compliance: Section 4 Sustainability Certification Worksheet

[Instructions](#)

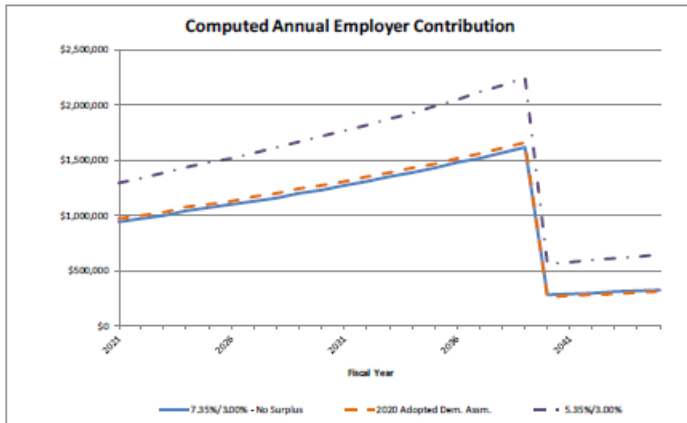
Fiscal Year	Pension Payments		OPEB Payments		Projected (Actual) Governmental Revenues	Projected Enterprise Funds used for Retirement Costs	Projected Retirement Contributions as a Percent of Revenues	Annual Retirement Cost Increase
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)				
2019					\$6,017,516			
2020	\$1,052,278	\$0	\$0	\$0	\$6,137,866	\$347,680	16.2%	
2021	\$1,227,557	\$0	\$0	\$0	\$6,260,624	\$416,639	18.4%	16.7%
2022	\$1,147,721	\$0	\$0	\$0	\$6,385,836	\$430,000	16.8%	-6.5%
2023	\$1,182,891	\$0	\$0	\$0	\$6,513,553	\$442,900	17.0%	3.1%
2024	\$1,238,242	\$0	\$0	\$0	\$6,643,824	\$464,400	17.4%	4.7%

Projected Annual Revenue Growth (Please select)	2%
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Average Annual Retirement Cost Increase	4.5%
-----------------------------------------	------



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 purpos



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.

Treasury Recommendation
Montmorency County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 600100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Montmorency County Road Commission	OPEB	\$281,181	\$827,115	34.0 %	\$68,991	\$4,995,174	1.4%	YES
Total		\$281,181	\$827,115		\$68,991	\$4,995,174	1.4%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the OPEB corrective action plan monitoring certification of compliance submitted by Montmorency 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, Montmorency County Road Commission is addressing underfunded status by fiscal year 2024 as projected in originally approved plan

The Road Commission extended their time one year, which is within the Board's criteria.

Substantial Changes

CAP Changes Implemented:

- In 2019, the Road Commission made an initial payment of \$130,000 followed by annual payments of \$67,000 through 2023, as stated in their CAP.

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: 2021
- Percentage of Revenues: 02.5%

Treasury Recommendation
Montmorency County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Non-Primary Government 600100

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

- **No**
 - While the Road Commission did not provide projected numbers for fiscal year 2020 or fiscal year 2024, the numbers entered seem reasonable.

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 31

- Inactive employees or beneficiaries currently receiving benefits: **13**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **18**

[Corrective Action Plan Monitoring Criteria:](#)

Underfunded Status:

- Montmorency County Road Commission has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Montmorency County Road Commission has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Montmorency County Road Commission has met the Board's published monitoring criteria for sustainability.

[Supplemental Information:](#)

The Road Commission appears to be implementing their CAP and on track to reach funded status.

Treasury Recommendation
Montmorency County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 600100

Projection and Funding Plan

Montmorency CRC						
2020 funding projection (based on December 31, 2019 actuarial valuation)						
Discount Return						
6.30% 6.30%						
Year ending	liability	Assets at end of year	Contribution during the year	Expected Benefit payments during the year	total contribution	funded percent
12/31/2020	827,115	281,181	67,000			
12/31/2021	826,144	367,974	67,000	62,563	129,563	45%
12/31/2022	833,495	460,234	67,000	54,923	121,923	55%
12/31/2023	840,470	558,307	67,000	55,914	122,914	66%

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					\$5,040,019			
2020			50,400	\$67,000	\$5,140,819		2.3%	
2021			62,563	\$67,000	\$5,243,636		2.5%	-10.4%
2022			54,923	\$67,000	\$5,348,508		2.3%	-5.9%
2023			55,914	\$67,000	\$5,455,479		2.3%	0.8%
2024			58,420	\$0	\$5,564,588		1.0%	-52.5%

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

- None.

Treasury Recommendation
Montmorency-Oscoda-Alpena Solid Waste Management Authority OPEB Corrective Action Plan (CAP)
Monitoring Compliance Certification
Non-Primary Government 607502

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$1,041,236	\$1,257,640	82.8%	\$43,467	\$2,617,489	1.7%	NO
Municipal Employees' Retirement System of Michigan	OPEB	\$58,041	\$381,596	15.2%	\$60,917		2.3%	YES
Total		\$1,099,277	\$1,639,236		\$104,384	\$2,617,489	4.0%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Municipal Employees Retirement System of Michigan OPEB corrective action plan monitoring certification of compliance submitted by Montmorency-Oscoda-Alpena Solid Waste Management 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, Montmorency-Oscoda-Alpena Solid Waste Management Authority is addressing underfunded status by fiscal year 2028 as projected in originally approved plan.

Substantial Changes

CAP Changes Implemented:

- The Authority opened a trust (MERS) in October 2018.
- In March 2019, the Authority deposited \$40,034 into the Trust. Following the approved CAP, the board has been following through with their commitment of \$10,000 annual contributions.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- In 2019, the Board eliminated long term liability of Retiree Health Care once retiree reaches 65 and/or Medicare eligible. Retiree Health Care GAP insurance (\$268 a month) was discontinued with the exception of grandfathered-in retiree.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
Montmorency-Oscoda-Alpena Solid Waste Management Authority OPEB Corrective Action Plan (CAP)
Monitoring Compliance Certification
Non-Primary Government 607502

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2022
- Percentage of Revenues: 03.0%

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

- No

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 7

- Inactive employees or beneficiaries currently receiving benefits: **2**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **5**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Montmorency-Oscoda-Alpena Solid Waste Management Authority has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Montmorency-Oscoda-Alpena Solid Waste Management Authority has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Montmorency-Oscoda-Alpena Solid Waste Management Authority has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Authority submitted an internal projection showing their future deposits and funding level of their RHFV.

Treasury Recommendation
Montmorency-Oscoda-Alpena Solid Waste Management Authority OPEB Corrective Action Plan (CAP)
Monitoring Compliance Certification
Non-Primary Government 607502

4) Retiree Health Fund Vehicle-future retirees
EXAMPLE B:

Corrective Action Plan			
(RHFV deposits to address underfunded status)			
	Budget Yearly Deposit		RHFV
2019	Actual Initial deposit	\$	40,034.00
2020	\$ 10,000.00	deposited	\$ 50,034.00
2021	\$ 10,000.00	deposited Jan 2021	\$ 60,034.00
2022	\$ 10,000.00	\$	\$ 70,034.00
2023	\$ 10,000.00	\$	\$ 80,034.00
2024	\$ 10,000.00	\$	\$ 90,034.00
2025	\$ 10,000.00	\$	\$ 100,034.00
2026	\$ 10,000.00	\$	\$ 110,034.00
2027	\$ 10,000.00	\$	\$ 120,034.00
2028	\$ 10,000.00	\$	\$ 130,034.00
over 70% funded	10 year principle total	\$	130,034.00

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					\$2,501,114			
2020	\$51,400		14,995	\$10,000	\$2,601,159		2.9%	
2021	\$53,300		16,177	\$10,000	\$2,705,205		2.9%	4.0%
2022	\$56,000		17,291	\$10,000	\$2,813,413		3.0%	4.8%
2023	\$56,700		16,283	\$10,000	\$2,925,950		2.8%	-0.4%
2024	\$58,200		15,275	\$10,000	\$3,042,988		2.7%	0.6%

Projected Annual Revenue Growth (Please select)	4%
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The Community Engagement and Finance Division (CEFD) contact:

- None.

**Treasury Recommendation
Muskegon Central Dispatch 9-1-1 OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 617517**

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
MERS	Pension	\$5,803,726	\$7,596,209	76.4%	\$166,817	\$7,693,779	2.2%	NO
MERS OPEB	OPEB	\$287,281	\$726,646	39.5%	\$9,395		.1%	YES
Total		\$6,091,007	\$8,322,855		\$176,212	\$7,693,779	2.3%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Muskegon Central Dispatch 911 Retiree Health Plan OPEB corrective action plan monitoring certification of compliance submitted by Muskegon Central Dispatch 9-1-1. 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 2021, which is within the Board's required timeframe.

The central dispatch will reach 40% in 2021 instead of 2020 as indicated in the original CAP due to changes in actuarial assumptions.

Substantial Changes

CAP Changes Implemented:

- For fiscal year 2019, the Authority had recommended employer contribution of \$18,395. They paid \$15,000 for current retiree benefits and placed \$75,000 in their trust.
- For fiscal year 2020, the recommend employer contribution was \$9,395, they paid \$23,066 for current retiree benefits and placed \$85,000 in their trust.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- The Authority placed an additional deposit of \$20,000 in the trust. The Authority estimates that they will be 43.81% funded as of 9/30/2021.

Revised Corrective Action Plan Submitted? No

Treasury Recommendation
Muskegon Central Dispatch 9-1-1 OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 617517

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2021
- Percentage of Revenues: 4.1%

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 Authority's annual payments increase by an average of 6% over the next five years. Additionally, they did not include any supporting documentation for their pension ADC or OPEB benefit costs projections. The OPEB benefit costs are projected to decrease \$66 dollars and then remain stagnate. Additionally, the Authority assumes a 3% increase in revenue.

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 35

- Inactive employees or beneficiaries currently receiving benefits: **4**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **31**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Muskegon Central Dispatch 9-1-1 has partially met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Muskegon Central Dispatch 9-1-1 has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Muskegon Central Dispatch 9-1-1 has partially met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Authority included project payments for the next 5 years; however, they did not include supporting documentation and assume a static benefit payment. The Authority did not include any supporting

Treasury Recommendation
Muskegon Central Dispatch 9-1-1 OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 617517

documentation about when they will reach 40% funded, but based on the plan is it reasonable to assume they will reach 40% funded status soon.

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Osceola County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Municipal Employees Retirement System	Pension	\$4,615,365	\$8,510,724	54.2%	\$328,067	\$7,992,508	4.1%	YES
OCRC	OPEB	\$116,813	\$1,258,307	9.3%	\$48,396		0.6%	YES
Total		\$4,732,178	\$9,769,031		\$376,463	\$7,992,508	4.7%	

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 Osceola 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, underfunded status will now be addressed by fiscal year 2025, which is within the Board's required timeframe.

New estimates from MERS, the 60% funding status estimated in the year 2025 instead of 2024.

Substantial Changes

CAP Changes Implemented:

- The Road Commission made its additional \$150,000 per year payment. The additional payments have reduced the amount of time until the system is fully funded (now 16 years away instead of 18)

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- The Road Commission closed the administrative division's defined benefit option to all new hires.

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

Treasury Recommendation
Osceola County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

- Fiscal Year: 2022
- Percentage of Revenues: 11.4%

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

- **No**

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 69

- Inactive employees or beneficiaries currently receiving benefits: **42**
- Inactive employees entitled to but not yet receiving benefits: **1**
- Active employees: **26**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Osceola County Road Commission has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Osceola County Road Commission has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Osceola County Road Commission has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission provide their projections of when they will reach 60% funded status. Additionally, the Road Commission's annual contribution cost over 16 years (from 2021-2037) increases on average 2.8% per year. In 2037, the Road Commission's pension system should be 100% funded.

Treasury Recommendation
Osceola County Road Commission Pension Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

- The funded ratio was projected to reach at least 60% funded year ending 2027 in the modified baseline, and ending 2025 in Scenario 1
- The increase in the annual employer contribution between 16-year (Scenario 1) and 19-year amortization (mod. Baseline) was about \$50k. We understand this is less than the \$10k/month additional the Road Commission is currently contributing. We're not sure if the Road Commission would be able to "keep up" with the \$10k additional/month in the longer term, or something less if a 16-year amortization to 100% funding is your main objective. In any event, we don't believe the AAV will be subject to a shorter amortization so the Road Commission can continue contributing whichever additional amounts you see fit to align with your funding goals. If the Road Commission can continue an additional \$120k/year they may be able to reach 100% funding a couple years earlier (end of 2023).

Projections of Funded Ratios and Employer Contributions – Total of All Divisions



*All projected funded percentages and all projected contributions are shown with no phase-in.
 *The employer contribution graph above reflects contributions to the DB plans only (DC plan excluded).
 *The green (dotted) indicator line is added at a 60% funded threshold for illustrative purposes.

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

Instructions

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)				
				\$5,803,786			
\$418,632	\$150,000	\$62,894	\$50,000	\$5,977,900		11.4%	
\$432,000	\$150,000	\$69,737	\$50,000	\$6,157,237		11.4%	3.0%
\$447,000	\$150,000	\$67,122	\$50,000	\$6,341,954		11.3%	1.8%
\$466,000	\$150,000	\$52,182	\$50,000	\$6,532,212		11.0%	0.6%
\$475,000	\$150,000	\$53,820	\$50,000	\$6,728,179		10.8%	1.5%

3%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Osceola County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Municipal Employees Retirement System	Pension	\$4,615,365	\$8,510,724	54.2%	\$328,067	\$7,992,508	4.1%	YES
OCRC	OPEB	\$116,813	\$1,258,307	9.3%	\$48,396		.6%	YES
Total		\$4,732,178	\$9,769,031		\$376,463	\$7,992,508	4.7%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Osceola County Road Commission OPEB corrective action plan monitoring certification of compliance submitted by Osceola 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, underfunded status will now be addressed by fiscal year 2026, which is within the Board's required timeframe.

Changes were made to the internal developed analysis. An increase in future premiums and a decrease in the discount rate of return. These changes moved back the 40% funded ratio from 2024 to 2026.

Substantial Changes

CAP Changes Implemented:

- The Road Commission created a qualified trust and then deposited a minimum \$50,000 annually. The OPEB system is on track to be 48% funded by year end 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: 2022

Treasury Recommendation
Osceola County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

- Percentage of Revenues: 11.4%

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

- No

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 32

- Inactive employees or beneficiaries currently receiving benefits: **16**
- Inactive employees entitled to but not yet receiving benefits: **4**
- Active employees: **12**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Osceola County Road Commission has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Osceola County Road Commission has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Osceola County Road Commission has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Road Commission provided an internal valuation showing that they will reach 48% funded status 12/31/2026.

Treasury Recommendation
Osceola County Road Commission OPEB Corrective Action Plan (CAP) Monitoring Compliance
Certification
Non-Primary Government 670100

Employee	Estimated Costs	Discounted Estimated Costs
C015	101,066	78,353
D013	138,467	88,711
F023	100,377	78,133
H026	48,230	46,103
H028	101,516	78,491
K032	93,840	76,095
K033	110,391	81,122
K029	208,726	104,275
N056	79,671	71,337
N049	217,168	105,919
P052	112,376	81,695
S061	62,240	58,924
S057	189,276	100,326
S063	203,277	103,193
W071	34,433	33,113
L038	-	-
Q060	83,046	72,517
N055	-	-
	26 year amort	1,258,307 48,396

	Actuarial Accrued Liability	Actuarial Value of Assets	Under-funded AAL	Funded Ratio
12/31/2018				
12/31/2019				
12/31/2020	1,258,307	116,813	1,141,494	9%
12/31/2021	1,209,911	170,317	1,039,594	14%
12/31/2022	1,161,515	225,427	936,088	19%
12/31/2023	1,113,119	282,190	830,929	25%
12/31/2024	1,064,723	340,655	724,068	32%
12/31/2025	1,016,327	400,875	615,452	39%
12/31/2026	967,931	462,901	505,030	48%
12/31/2027	919,535	526,788	392,747	57%
12/31/2028	871,139	592,592	278,547	68%
12/31/2029	822,743	660,370	162,373	80%
12/31/2030	774,347	730,181	44,166	94%
1/1/2031	725,951	802,086	(76,135)	110%

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

Instructions

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)				
				\$5,803,786			
\$418,632	\$150,000	\$62,894	\$50,000	\$5,977,900		11.4%	
\$432,000	\$150,000	\$69,737	\$50,000	\$6,157,237		11.4%	3.0%
\$447,000	\$150,000	\$67,122	\$50,000	\$6,341,954		11.3%	1.8%
\$466,000	\$150,000	\$52,182	\$50,000	\$6,532,212		11.0%	0.6%
\$475,000	\$150,000	\$53,820	\$50,000	\$6,728,179		10.8%	1.5%

3%

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation

State of Michigan 48th Judicial District Court OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Non-Primary Government 670100

Systems	Type of System		Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
Other Postemployment Benefits Health Plan	OPEB	\$664,283	\$5,242,120	12.7%	\$596,536	\$4,480,382	13.3%	YES
Total		\$664,283	\$5,242,120		\$596,536	\$4,480,382	13.3%	

Source: Retirement Report Fiscal Year 2019, Audited Financial Statements

Staff Recommendation:

Compliance for the 48th District Court Retiree Health Benefit Trust OPEB corrective action plan monitoring certification of compliance submitted by State of Michigan 48th Judicial District Court. 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 2037, which is within the Board's required timeframe.

The documentation provided by the Court shows they will reach 40% in 2035 which is two year early than the time frame in the approved CAP.

Substantial Changes

CAP Changes Implemented:

- The Court is contributing an additional \$110,00 per year until 2035. The Court also switched insurance providers.

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: 2025
- Percentage of Revenues: 08.9%

Treasury Recommendation

State of Michigan 48th Judicial District Court OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Non-Primary Government 670100

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 sustainability shows the average retirement costs increasing by 2.9% per year.

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 41

- Inactive employees or beneficiaries currently receiving benefits: **18**
- Inactive employees entitled to but not yet receiving benefits: **0**
- Active employees: **23**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- State of Michigan 48th Judicial District Court has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- State of Michigan 48th Judicial District Court has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- State of Michigan 48th Judicial District Court has met the Board's published monitoring criteria for sustainability.

Supplemental Information:

The Court provided documentation shows the plan reaching 54.15% funded in 2035.

Treasury Recommendation
State of Michigan 48th Judicial District Court OPEB Corrective Action Plan (CAP) Monitoring
Compliance Certification Non-Primary Government 670100

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					\$4,381,030			
2021	\$0	\$0	\$274,108	\$110,000	\$4,468,651	\$0	8.6%	
2022	\$0	\$0	\$283,517	\$110,000	\$4,558,024	\$0	8.6%	2.4%
2023	\$0	\$0	\$295,769	\$110,000	\$4,649,184	\$0	8.7%	3.1%
2024	\$0	\$0	\$305,470	\$110,000	\$4,742,168	\$0	8.8%	2.4%
2025	\$0	\$0	\$320,061	\$110,000	\$4,837,011	\$0	8.9%	3.5%

Projected Annual Revenue Growth (Please select)	2%		Average Annual Retirement Cost Increase	2.9%
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2a.

48th District Court

Estimated Net Position Restricted for OPEB Benefits by Contributing \$110,000 per year and earning 3.5% Interest and the Estimated OPEB Liability 5, 10, and 15 years from the Plan Date.

	Additional Contribution	Interest	Balance @ End of Year	Estimated OPEB Liability	Percentage Funded	ADC
2020			\$ 815,952			
2021	\$ 110,000	\$ 28,558	\$ 954,510			\$ 274,108
2022	110,000	33,408	1,097,918			268,968
2023	110,000	38,427	1,246,345			265,716
2024	110,000	43,622	1,399,967			259,285
2025	110,000	48,999	1,558,966	\$ 6,036,681	25.82%	320,061
2026	110,000	54,564	1,723,530			
2027	110,000	60,324	1,893,854			
2028	110,000	66,285	2,070,139			
2029	110,000	72,455	2,252,593			
2030	110,000	78,841	2,441,434	6,592,781	37.03%	355,526
2031	110,000	85,450	2,636,884			
2032	110,000	92,291	2,839,175			
2033	110,000	99,371	3,048,546			
2034	110,000	106,699	3,265,246			
2035	110,000	114,284	3,489,529	6,444,307	54.15%	333,771

The estimated liability was determined utilizing the alternative measurement method with the assistance of the Court's Certified Public Accounting firm

The Community Engagement and Finance Division (CEFD) contact:

- None.

Treasury Recommendation
Waterford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification
Primary Government 631220

Name of Systems	Type of System	Assets	Liabilities	Funded Ratio	ADC	Revenues	ADC/Revenue	CAP required?
General Employees	Pension	\$74,609,520	\$67,435,518	110.6%	\$984,672	\$57,667,126	7.5%	NO
Police and Fire	Pension	\$109,095,825	\$115,771,080	94.2%	\$3,328,794			NO
Waterford Retiree Health Trust	OPEB	\$30,597,183	\$160,692,316	19.0%	\$12,775,978		22.2%	YES
Total		\$214,302,528	\$343,898,914		\$17,089,444	\$57,667,126	29.7%	

Source: Retirement Report Fiscal Year 2020, Audited Financial Statements

Staff Recommendation:

Compliance for the Post Retirement Health Fund OPEB corrective action plan monitoring certification of compliance submitted by Waterford 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, Waterford Charter Township is addressing underfunded status by fiscal year 2048 as projected in originally approved plan

Substantial Changes

CAP Changes Implemented:

- The Township has made additional contributions in 2019 through 2021.
 - 2019: CAP: \$2,006,400 Actual: \$4,456,400.
 - 2020: CAP: \$1,031,250 Actual: \$4,871,818.
 - 2021: CAP: \$850,000 Budgeted: \$2,501,000. Actual to Date: \$1,274,461.

CAP Changes Not Implemented:

- None listed.

Additional Changes Implemented

- The Township conducted a dependent Audit in 2019.
- The Township also instituted 'Health Care Mirroring' for new retirees; same health plan in retirement as when working.

Treasury Recommendation

Waterford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification Primary Government 631220

- The Township continues to work with Board and Health Care Consultants on sustainability and cost containment. The Post Retirement Health Care Committee has converted to an active investment mgt. model vs. the previous passive approach in an effort to maximize investment returns. Current active HMO contracts that have 2 or more dependents moved to HMO Medicare Adv. Plan until 65. Est. \$259K

Revised Corrective Action Plan Submitted? No

Sustainability

Highest combined annual employer contribution over the next 5 years?

- Fiscal Year: 2024
- Percentage of Revenues: 20.6%

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

- No
 - The Township will continue to monitor the costs of Retiree Health Care Benefits and look for ways to trim costs and increase contributions to the Health Care Trust.

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 525

- Inactive employees or beneficiaries currently receiving benefits: **291**
- Inactive employees entitled to but not yet receiving benefits: **33**
- Active employees: **201**

Corrective Action Plan Monitoring Criteria:

Underfunded Status:

- Waterford Charter Township has met the Board's published monitoring criteria for underfunded status.

Substantial Changes:

- Waterford Charter Township has met the Board's published monitoring criteria for substantial changes.

Sustainability:

- Waterford Charter Township has partially met the Board's published monitoring criteria for sustainability.

Treasury Recommendation

Waterford Charter Township OPEB Corrective Action Plan (CAP) Monitoring Compliance Certification

Primary Government 631220

Supplemental Information:

They included a projection showing when they would reach funded status. Additionally, using scenario 2, the benefit payments will increase by approximately 120% between 2020 and 2044, which is about 5% a year.

Waterford Township Retiree Health Trust Projections Based on the December 31, 2016 Actuarial Valuation

Scenario 2: Alternate

	Actuarial Accrued Liability	Present Value of Future Normal Cost	Present Value of Future Benefits
From Report	153,892,087	23,588,021	177,480,108
Life Insurance	741,696	44,738	786,434
Net as of 12/31/2016	153,150,391	23,543,283	176,693,674
		Loaded	167,858,990

Assumed Earnings	6.50%	Projected Earnings	6.50%
Normal Cost Load	-5.0000%	Price Inflation	2.50%
AAL Load	-5.0000%	167,837,013.22	PVFB Test
Benefit Load	-5.00%	22	PVFB Test

Calendar Year	Year	Projected Actuarial Accrued Liability BOY	Estimated Normal Cost	Estimated Benefit Payments	Calendar Year	Assets BOY	Contributions Above PayGo	Funded Status	Percent of Benefits Paid from	
									Trust	Future Dollars
2018	\$	152,029,631	\$ 2,592,339	\$ 5,543,407	2018	\$ 13,729,495	\$ 1,258,200	9.03%	0.0%	\$ 7,201,607
1	2019	\$ 158,453,295	\$ 2,537,159	\$ 6,475,197	2019	\$ 15,902,360	\$ 2,006,400	10.05%	0.0%	\$ 8,481,597
2	2020	\$ 164,688,749	\$ 2,475,212	\$ 7,051,252	2020	\$ 18,025,765	\$ 1,031,250	11.55%	0.0%	\$ 8,082,502
3	2021	\$ 170,671,098	\$ 2,396,229	\$ 7,658,584	2021	\$ 21,326,678	\$ 850,000	12.50%	0.0%	\$ 8,508,584
4	2022	\$ 176,333,618	\$ 2,311,046	\$ 8,292,268	2022	\$ 23,550,102	\$ 750,000	13.38%	0.0%	\$ 9,042,268
5	2023	\$ 181,622,752	\$ 2,214,750	\$ 9,026,326	2023	\$ 25,897,490	\$ 500,000	14.26%	0.0%	\$ 9,526,326
6	2024	\$ 186,398,764	\$ 2,084,510	\$ 9,821,350	2024	\$ 28,096,778	\$ 100,000	15.07%	0.0%	\$ 9,921,350
7	2025	\$ 190,530,355	\$ 1,922,750	\$ 10,536,035	2025	\$ 29,356,511	\$ -	15.41%	6.6%	\$ 9,839,813
8	2026	\$ 194,026,019	\$ 1,747,797	\$ 11,124,123	2026	\$ 30,556,904	\$ -	15.75%	6.5%	\$ 10,400,000
9	2027	\$ 196,961,450	\$ 1,593,118	\$ 11,710,787	2027	\$ 31,513,027	\$ -	16.00%	9.0%	\$ 10,660,000
10	2028	\$ 199,322,627	\$ 1,438,573	\$ 12,271,839	2028	\$ 32,236,473	\$ -	16.17%	11.0%	\$ 10,925,500
11	2029	\$ 201,098,793	\$ 1,286,074	\$ 12,773,919	2029	\$ 32,771,086	\$ -	16.30%	12.3%	\$ 11,199,683
12	2030	\$ 202,314,892	\$ 1,133,201	\$ 13,221,232	2030	\$ 32,994,159	\$ -	16.31%	14.5%	\$ 11,479,654
13	2031	\$ 202,804,895	\$ 1,042,657	\$ 13,938,987	2031	\$ 32,980,220	\$ -	16.26%	15.6%	\$ 11,766,645
14	2032	\$ 202,678,350	\$ 945,665	\$ 14,432,000	2032	\$ 32,760,489	\$ -	16.16%	16.4%	\$ 12,060,812
15	2033	\$ 201,934,701	\$ 840,748	\$ 14,930,532	2033	\$ 32,328,063	\$ -	16.01%	17.2%	\$ 12,362,332
16	2034	\$ 200,519,994	\$ 745,052	\$ 15,278,226	2034	\$ 31,800,385	\$ -	15.86%	17.1%	\$ 12,671,390
17	2035	\$ 198,555,695	\$ 671,674	\$ 15,444,815	2035	\$ 31,359,531	\$ -	15.79%	15.9%	\$ 12,988,175
18	2036	\$ 196,216,105	\$ 604,179	\$ 15,623,452	2036	\$ 31,040,680	\$ -	15.82%	14.8%	\$ 13,312,879
19	2037	\$ 193,470,436	\$ 546,066	\$ 15,476,865	2037	\$ 31,150,686	\$ -	16.10%	11.8%	\$ 13,645,701
20	2038	\$ 190,637,603	\$ 496,818	\$ 15,423,942	2038	\$ 31,687,323	\$ -	16.62%	9.3%	\$ 13,986,844
21	2039	\$ 187,624,428	\$ 448,527	\$ 15,258,941	2039	\$ 32,784,772	\$ -	17.47%	6.0%	\$ 14,336,515
22	2040	\$ 184,535,842	\$ 376,815	\$ 15,278,047	2040	\$ 34,314,763	\$ -	18.60%	3.8%	\$ 14,694,328
23	2041	\$ 181,152,773	\$ 300,680	\$ 15,448,090	2041	\$ 36,151,476	\$ -	19.96%	2.5%	\$ 15,062,301
24	2042	\$ 177,295,134	\$ 240,540	\$ 15,317,860	2042	\$ 38,501,321	\$ 20,099	21.72%	0.0%	\$ 15,438,858
25	2043	\$ 173,259,699	\$ 175,609	\$ 15,356,426	2043	\$ 41,138,777	\$ 468,404	23.74%	0.0%	\$ 15,824,830
26	2044	\$ 168,855,153	\$ 113,692	\$ 15,478,985	2044	\$ 44,285,535	\$ 741,466	26.23%	0.0%	\$ 16,220,451
27	2045	\$ 163,092,510	\$ 110,026	\$ 15,488,841	2045	\$ 47,929,279	\$ 1,139,421	29.28%	0.0%	\$ 16,625,962
28	2046	\$ 158,783,639	\$ 88,569	\$ 15,358,179	2046	\$ 52,220,552	\$ 1,682,432	32.89%	0.0%	\$ 17,041,611
29	2047	\$ 153,345,483	\$ 71,176	\$ 15,226,969	2047	\$ 57,351,138	\$ 2,240,682	37.40%	0.0%	\$ 17,467,651
30	2048	\$ 147,672,337	\$ 57,301	\$ 15,106,250	2048	\$ 63,351,320	\$ 2,798,092	42.93%	0.0%	\$ 17,904,343

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

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 Payments Pension + Ret. Health	Annual % Change
	Total Pension ADC (All Systems)	Additional Pension Contributions (All Systems)	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)						
2019					\$57,842,450					
2020	\$4,315,466	\$0	\$5,078,497	\$0	\$58,099,309	\$813,707	#VALUE!		\$12,418,114	
2021	\$3,910,130	\$0	\$7,658,864	\$500,000	\$60,179,295	\$973,755	20.3%	#VALUE!	\$12,779,285	2.50%
2022	\$3,727,017	\$0	\$8,292,268	\$750,000	\$61,352,811	\$979,552	20.3%	2.9%	\$13,118,153	2.65%
2023	\$3,591,827	\$0	\$9,026,326	\$500,000	\$62,630,539	\$1,003,633	20.6%	2.7%	\$13,390,903	2.08%
2024	\$3,469,553	\$0	\$9,821,350	\$100,000	\$63,862,750	\$1,040,758	20.6%	2.1%		

Gen. & P&F Actuarial Rpt. For 2020 Pg. A-1

Waterford 1 System that Refer to Waterford CAP is closed. Scenario 2: Pg. 18 - Financial Strmts

Projected Annual Revenue Growth (Please select)	Actual	Actual
2%	-18.00%	-6.61%

Note 1: Last 4 yrs. Gen. Pen. <18%>

Note 2: Last 4 yrs. P&F <6.1%>

	(Gen. Emp. Pension System)	(P&F Pension System)		(Water-Sewer Pension)	(Water-Sewer OPEB) (Rpt. of Tot. OPEB)	Total Water-Sewer
2020	\$984,672	\$3,328,794	2020	\$346,889	\$466,818	\$813,707
2021	\$858,317	\$3,051,813	2021	\$284,449	\$689,309	\$973,755
2022	\$709,820	\$3,038,197	2022	\$238,248	\$746,304	\$979,552
2023	\$577,132	\$3,014,094	2023	\$191,263	\$812,369	\$1,003,633
2024	\$474,249	\$2,996,305	2024	\$156,836	\$883,922	\$1,040,758

The Community Engagement and Finance Division (CEFD) contact:

- None.

**MUNICIPAL STABILITY BOARD
RESOLUTION 2021-30**

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 B (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

August 18, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: August 18, 2021 **Resolution 2021-30 Exhibit B**

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. Bay County Library
 - a. OPEB - In the Library's fiscal year 2019 reporting, the OPEB system is 89% funded.
- II. Genesee District Library
 - a. OPEB -The Township's fiscal year 2020 reporting, the OPEB system is 58.7% funded.
- III. Grand Blanc Charter Township
 - a. OPEB -The Township's fiscal year 2020 reporting, the OPEB system is 56.6% 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 2021-31**

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

August 18, 2021



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

DATE: August 18, 2021

Resolution 2021-31 Exhibit C

TO: The Municipal Stability Board (the Board)

FROM: Community Engagement and Finance Division, Department of Treasury

SUBJECT: Delinquent Corrective Action Plan(s)

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. Thetford Township
 - a. No Retirement Submission

- II. City of Negaunee
 - a. Failure to File Corrective Action Plan

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."