



City Manager Report

June 23, 2025

Water Quality Report

- The Kalamazoo Lake Sewer & Water Authority has released the 2024 water quality report. The report can be viewed here: <https://www.klswa.com/2024WQR.pdf>

MERS Report

- The Michigan Employee's Retirement System of Michigan has provided our annual actuarial valuation report through the end of December 31, 2024.
- The City's pension plans remain well-funded at 113%.
- A copy of the report is attached.

Bike Racks

- The new bike racks at the Culver lot, outside the Rose Garden, and next to the east Chain Ferry landing have been installed.
- A big thank you to the CVB for the bike rack donation!

Temporary Signage at Holland/Blue Star

- Council recently provided direction to temporarily re-locate the Saugatuck sign along the river to Holland/Blue Star. Since the approval, I have been working with the Township Manager and Road Commission to apply for the necessary permits. The Township and Road Commission requested a formal agreement. The proposed agreement would allow the temporary sign to remain for up to three years, which will give us time to work together on a new sign for the intersection.
- The Township legal team is still finalizing their review of the agreement, so it was not ready for this meeting. I hope to bring the agreement forth at your next workshop. Assuming all the parties approve and permits are received, we can get the sign installed in July.

Administrative/Project Coordinator

- After your approval, we posted the new Administrative/Project Coordinator position to support the Public Works Department. We received 124 applicants! We are fortunate to have many highly qualified candidates.
- Staff will be interviewing several candidates the week of June 23.
- We are confident we will find a great fit. I greatly appreciate the Council's approval of more staffing resources.

Blue Star Trail

- The Township Manager, FOBST representative, C2AE, and I recently met again to discuss items that are needed to get to a point where the project goes out for bids. We are working to set up a meeting with MDOT to go over responses to the initial tribal feedback we received earlier this year.
- The tribe's on-site assessment remains scheduled for August.

Miscellaneous

- Held Department Head team meeting.
- Held one on one meeting with Treasurer/Finance Officer.
- Held one on one meeting with City Clerk.
- Attended meetings at CVB to discuss Art Coast® and shoulder seasons. Also attended CVB Board meeting.
- Attended meeting with Council Members Gardner and Clark and legal counsel to go over draft of water-sewer agreement.
- Attended meeting with Fennville City Manager and researchers for their grant to answer questions on materials management in the region.

Blast from the Past

- Below is a publication that was in the paper on June 24, 1972.
- How to address encroachment concerns goes back several years. Similar to the many license agreements for review in this meeting packet, City Council has long used license agreements to formally approve the use of the right of way.

Village to License Street Use

The Saugatuck Village Council has agreed to permit the Butler to use part of Butler Street for a porch and a roof overhang under a licensing agreement.

Village President Julius Van Oss said the licensing also will be applied to other property owners whose buildings encroach on streets.

The council met Saturday afternoon at the request of Verse White and Bob Sergeant of Butler Enterprises, Inc., after the council earlier had stopped renovation work at the Butler.

The village will issue a revocable license for the use of Butler Street where the east porch of the former hotel has been for many years, and where a porch roof was recently built. The license will provide that the Butler maintain liability insurance for its structure in the street and hold the village harmless if there is an accident.

In addition, the council approved continuation of work at the Butler upon submission of a new building permit showing work not listed on the original permit.

The top two floors of the building, originally a mill, were removed this spring and a new roof and siding installed. The southwest corner of the building will be extended and new toilet facilities installed.

During the meeting Sergeant observed "if you're going to make us get a license you've got a lot of licenses to get." The council agreed that there are many encroachments to be licensed.

Councilman Robert Taft said the village should exert more control over contractors to avoid encroachments and assure that work done is listed on the building permit.



Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report
December 31, 2024 - Saugatuck, City of (0307)





Spring 2025

Saugatuck, City of

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

This report presents the results of the Annual Actuarial Valuation, prepared for Saugatuck, City of (0307) as of December 31, 2024. The report includes the determination of liabilities and contribution rates resulting from the participation in the Municipal Employees' Retirement System of Michigan ("MERS"). This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Document, Actuarial Policy, the Michigan Constitution, and governing statutes. Saugatuck, City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees.

The purposes of this valuation are to:

- Measure funding progress as of December 31, 2024,
- Establish contribution requirements for the fiscal year beginning July 1, 2026,
- Provide information regarding the identification and assessment of risk,
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements, and
- Provide information to assist the local unit of government with State reporting requirements.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through December 31, 2024. The valuation was based upon information furnished by MERS concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by MERS.

The Municipal Employees' Retirement Act, PA 427 of 1984 and the MERS' Plan Document Article VI Sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. As the fiduciary of the plan, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed regularly through a comprehensive study, most recently in the Spring of 2025. The MERS Retirement Board adopted a Dedicated

Gains Policy at the February 17, 2022 Board meeting. The Dedicated Gains Policy automatically reduces the assumed rate of investment return in conjunction with recognizing excess investment gains to mitigate the impact on employer contributions the first year. The policy was effective with the December 31, 2021 annual actuarial valuation.

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202, of 2017, reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found at the end of this report for information for this filing.

For a full list of all the assumptions used, please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

<https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2024AnnualActuarialValuation-Appendix.pdf>

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to the Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The LDROM calculation is provided in aggregate, along with aggregate employer results, in a separate report titled “Summary Report of the 79th Annual Actuarial Valuations,” and will be available on the MERS website during the fall of 2025.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of Saugatuck, City of as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Rebecca L. Stouffer, Mark Buis, Kurt Dosson, and Shana M. Neeson are members of the American Academy of Actuaries. These actuaries meet the Academy’s Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor. GRS maintains independent consulting agreements with certain local units of government for services unrelated to the actuarial consulting services provided in this report.

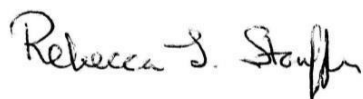
The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

This information is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, or investment advice.

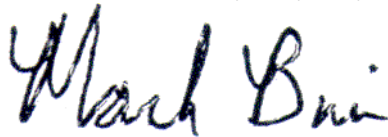
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible for the consequences of any unauthorized use. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

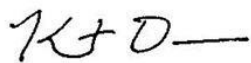
Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



Mark Buis, FSA, FCA, EA, MAAA



Kurt Dosson, ASA, FCA, MAAA



Shana M. Neeson, ASA, FCA, MAAA

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Executive Summary

Funded Ratio

The funded ratio of a plan is the percentage of the dollar value of the actuarial accrued liability that is covered by the actuarial value of assets. While the funded ratio may be a useful plan measurement, understanding a plan's funding trend may be more important than a particular point in time. Refer to Table 7 to find a history of this information.

	12/31/2024	12/31/2023
Funded Ratio*	113%	112%

* Reflects assets from Surplus divisions, if any.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS' technology service provider.

Required Employer Contributions

Your required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the employer contributions.

Effective with the December 31, 2021 valuation, the MERS Retirement Board adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return. Following the completion of an Experience Study and effective with the 2024 valuations, the MERS Retirement Board adopted updated demographic and economic assumptions. **The combined impact of the implementation of updated assumptions and application of the Dedicated Gains Policy is shown in the contribution requirements below.**

	Percentage of Payroll		Monthly \$ Based on Projected Payroll	
Valuation Date:	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Fiscal Year Beginning:	July 1, 2026	July 1, 2025	July 1, 2026	July 1, 2025
Division				
01 - General	-	-	\$ 0	\$ 0
HA - EEs hired after 5/1/04	7.93%	8.36%	4,837	5,307
Total Municipality - Estimated Monthly Contribution			\$ 4,837	\$ 5,307
Total Municipality - Estimated Annual Contribution			\$ 58,044	\$ 63,684

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2024	12/31/2023
Division		
01 - General	0.00%	0.00%
HA - EEs hired after 5/1/04	0.00%	0.00%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. Employers making contributions in excess of the minimum requirements may elect to apply the excess contribution immediately to a particular division, or segregate the excess into one or more "Surplus" divisions. An election in the first case would immediately reduce any unfunded accrued liability and lower the amortization payments throughout the remaining amortization period. Additional contribution into one or more Surplus divisions would not immediately lower future contributions, however the assets from the Surplus division(s) could be transferred to an unfunded division in the future to reduce the unfunded liability in future years, or to be used to pay all or a portion of the minimum required contribution in a future year. For purposes of this report, the assets in any Surplus division have been included in the municipality's total assets, unfunded accrued liability, and funded status; however, these assets are not used in calculating the minimum required contribution.

MERS strongly encourages employers to contribute more than the minimum contribution shown above. With the implemented dedicated gains policy, market gains and losses will continue to be smoothed over five years; however, excess returns are used to lower the investment assumption. Thus, there will be fewer gains to smooth in down markets. Having additional funds in Surplus divisions will assist plans with navigating potential short-term market volatility.

The required employer contribution rates, or dollars if the division is closed, determined in this report are reasonable under Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, based on:



- The use of reasonable actuarial assumptions and cost methods;
- The use of reasonable amortization and asset valuation methods; and
- Application of the MERS funding policy which will accumulate sufficient assets to make benefit payments when due, assuming all assumptions will be realized, and the required employer contributions are made when due.

How and Why Do These Numbers Change?

In a defined benefit plan, contributions vary from one annual actuarial valuation to the next as a result of the following:

- Changes in benefit provisions (see Table 2);
- Changes in actuarial assumptions and methods (see the Appendix); and
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions.

These impacts are reflected in various tables in the report. For more information, please contact your Regional Manager.

Comments on Investment Rate of Return Assumption

A defined benefit plan is funded by employer contributions, participant contributions, and investment earnings. Investment earnings have historically provided a significant portion of the funding. The larger the share of benefits being provided from investment returns, the smaller the required contributions, and vice versa. Determining the contributions required to prefund the promised retirement benefits requires an assumption of what investment earnings are expected to add to the fund over a long period of time. This is called the **Investment Return Assumption**.

The MERS Investment Return Assumption is **6.93%** per year. This, along with all other actuarial assumptions, is reviewed at least every five years in an Experience Study that compares the assumptions used against actual experience and recommends adjustments if necessary. If your municipality would like to explore contributions at lower assumed investment return assumptions, please review the “What If” projection scenarios later in this report.

Assumption and Method Changes in 2024

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically lowers the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. Full details of this dedicated gains policy are available in the Actuarial Policy found on the MERS [website](#). Some goals of the dedicated gains policy are to:

- Provide a systematic approach to lower the assumed rate of investment return between experience studies; and
- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first contribution year after application (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

The dedicated gains policy was implemented with the December 31, 2021 annual actuarial valuation and was reflected in the computed employer contribution amounts beginning in fiscal year 2023.



Investment performance measured for the one-year period ending December 31, 2024 resulted in no change to the assumed rate of investment return of 6.93%.

On February 12, 2025, the MERS Retirement Board adopted the results of an Experience Study covering the period, January 1, 2019 through December 31, 2023. The study examined recent experience and trends, with consideration for the COVID-19 pandemic. The study resulted in incremental assumption updates, with limited impact on employer contributions and funded status, for most employers when results are measured on the new assumption basis. The results of this study are reflected in the December 31, 2024 annual actuarial valuations.

MI Local Retirement Grant

Michigan lawmakers adopted Public Act 119 of 2023, which provided relief to local units of government with the most significant burden from qualified pension and retirement health benefit systems on their annual budget and revenues. As authorized under Public Act 119 of 2023, Section 990, the state pension and OPEB grants were awarded to eligible local governments in September 2024.

A smaller number of municipalities qualified for the **MI Local Retirement Grant** than the **Protecting MI Pension Grant Program** of the previous year. Pension funds received by municipalities were deposited into the MERS trust during September 2024 and are reflected in this valuation.

Comments on Asset Smoothing

To avoid dramatic spikes and dips in annual contribution requirements due to short-term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. After initial application of asset smoothing, remaining excess market gains are used to buy down the assumed rate of investment return and increase the level of valuation assets, to the extent allowed by the dedicated gains policy. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. **The (smoothed) actuarial rate of return for 2024 was 3.79%, while the actual market rate of return was 7.28%.** The actuarial rate of return is below the assumed rate of return, which will put upward pressure on the employer contribution requirements determined in this valuation. To see historical details of the market rate of return compared to the smoothed actuarial rate of return, refer to this report's Appendix or view the "[How Smoothing Works](#)" video on the [Defined Benefit resource page](#) of the MERS website.

As of December 31, 2024, the actuarial value of assets is 107% of market value due to asset smoothing. This means that there are deferred investment losses, which will put upward pressure on contributions in the short term.

If the December 31, 2024 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 106% (instead of 113%); and
- Your total employer contribution requirement for the fiscal year starting July 1, 2026 would be \$58,044 (instead of \$58,044).

Alternate Scenarios to Estimate the Potential Volatility of Results ("What If Scenarios")

The calculations in this report are based on assumptions about long-term economic and demographic



behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore, the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.
- Open divisions that have substantial accrued liability compared to their active employee payroll will have more volatile employer contribution rates due to demographic experience fluctuations.
- Small divisions will have more volatile contribution patterns than larger divisions because statistical fluctuations are relatively larger among small populations.
- Shorter amortization periods result in more volatile contribution patterns.

Many assumptions are important in determining the required employer contributions. In the following table, we show the impact of varying the Investment Return assumption. Lower investment returns would generally result in higher required employer contributions, and vice versa. The three economic scenarios below provide a quantitative risk assessment for the impact of investment returns on the plan's projected financial condition for funding purposes.

The relative impact of the economic scenarios below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2024 valuation and are for the municipality in total, not by division.

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size. Projections are not predictions. Future valuations will be based on actual future experience.

12/31/2024 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	4.93%	5.93%	6.93%
Accrued Liability	\$ 2,891,096	\$ 2,578,673	\$ 2,319,342
Valuation Assets ¹	\$ 2,623,877	\$ 2,623,877	\$ 2,623,877
Unfunded Accrued Liability	\$ 267,219	\$ (45,204)	\$ (304,535)
Funded Ratio	91%	102%	113%
Monthly Normal Cost	\$ 7,796	\$ 6,118	\$ 4,837
Monthly Amortization Payment	\$ 1,855	\$ 582	\$ -
Total Employer Contribution²	\$ 9,651	\$ 6,700	\$ 4,837

¹ The Valuation Assets include assets from Surplus divisions, if any.

² If assets exceed accrued liabilities for a division, the division may have an overfunding credit to reduce the division's employer contribution requirement. If the overfunding credit is larger than the normal cost, the division's full credit is included in the municipality's amortization payment above but the division's total contribution requirement is zero. This can cause the displayed normal cost and amortization payment to not add up to the displayed total employer contribution.

Projection Scenarios

The next two pages show projections of the plan's funded ratio and computed employer contributions under



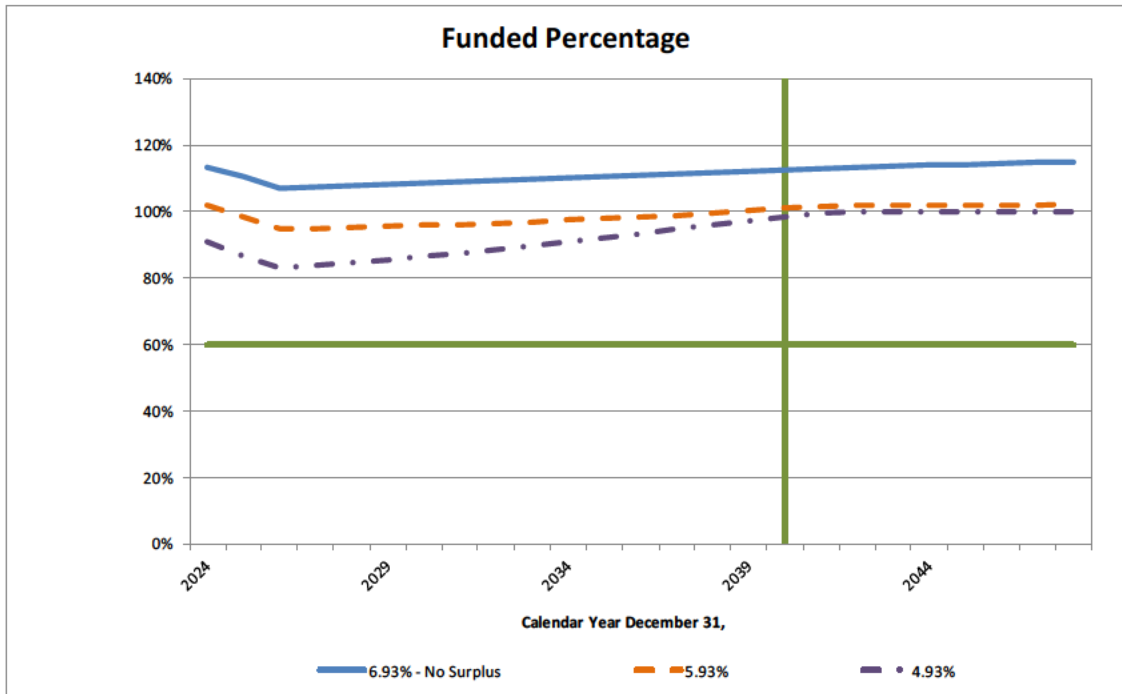
the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections account for the past investment experience that will continue to affect the actuarial rate of return in the short term.

The 6.93% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 6.93% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively and make contributions in addition to the minimum requirements. The 5.93% and 4.93% projection scenarios provide an indication of the potential required employer contribution if these assumptions were met over the long term.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets ²	Funded Percentage	Estimated Annual Employer Contribution
6.93%¹					
2024	2026	\$ 2,319,342	\$ 2,623,877	113%	\$ 58,044
2025	2027	\$ 2,360,000	\$ 2,610,000	110%	\$ 59,600
2026	2028	\$ 2,410,000	\$ 2,580,000	107%	\$ 61,300
2027	2029	\$ 2,460,000	\$ 2,640,000	108%	\$ 63,000
2028	2030	\$ 2,520,000	\$ 2,720,000	108%	\$ 64,900
2029	2031	\$ 2,570,000	\$ 2,780,000	108%	\$ 66,900
5.93%¹					
2024	2026	\$ 2,578,673	\$ 2,623,877	102%	\$ 80,400
2025	2027	\$ 2,630,000	\$ 2,580,000	98%	\$ 85,800
2026	2028	\$ 2,690,000	\$ 2,540,000	95%	\$ 91,700
2027	2029	\$ 2,740,000	\$ 2,600,000	95%	\$ 94,400
2028	2030	\$ 2,810,000	\$ 2,670,000	95%	\$ 97,100
2029	2031	\$ 2,870,000	\$ 2,740,000	95%	\$ 100,000
4.93%¹					
2024	2026	\$ 2,891,096	\$ 2,623,877	91%	\$ 115,812
2025	2027	\$ 2,950,000	\$ 2,560,000	87%	\$ 129,000
2026	2028	\$ 3,020,000	\$ 2,510,000	83%	\$ 141,000
2027	2029	\$ 3,090,000	\$ 2,590,000	84%	\$ 145,000
2028	2030	\$ 3,170,000	\$ 2,680,000	85%	\$ 150,000
2029	2031	\$ 3,240,000	\$ 2,770,000	86%	\$ 154,000

¹ Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

² Valuation Assets do not include assets from Surplus divisions, if any.



Notes:

The green indicator lines have been added at 60% funded and 16 years following the valuation date for PA 202 purposes.

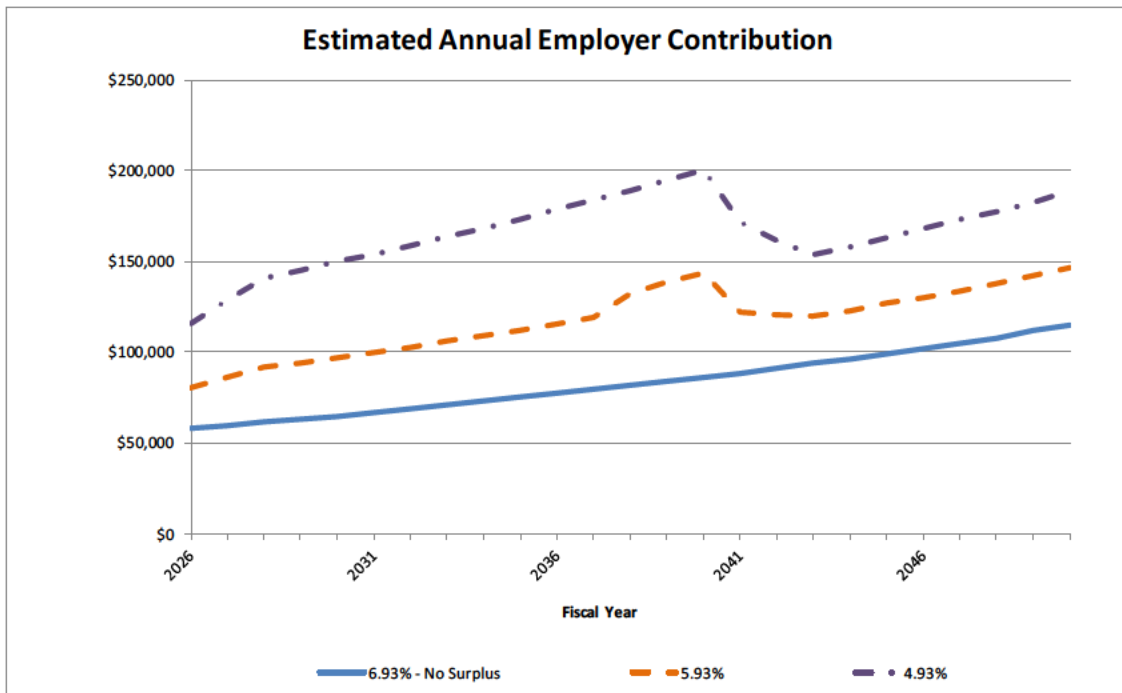


Table 1: Employer Contribution Details for the Fiscal Year Beginning July 1, 2026

Division	Total Normal Cost	Employee Contribution Rate	Employer Contributions ¹			Blended ER Rate ⁵	Employee Contribution Conversion Factor ²
			Employer Normal Cost ⁶	Payment of the Unfunded Accrued Liability ⁴	Computed Employer Contribution		
Percentage of Payroll							
01 - General	0.00%	0.00%	-	-	-	7.93%	
HA - EEs hired after 5/1/04	7.93%	0.00%	7.93%	0.00%	7.93%	7.93%	
Estimated Monthly Contribution³							
01 - General			\$ 0	\$ 0	\$ 0		
HA - EEs hired after 5/1/04			4,837	0	4,837		
Total Municipality			\$ 4,837	\$ 0	\$ 4,837		
Estimated Annual Contribution³			\$ 58,044	\$ 0	\$ 58,044		

¹ The above employer contribution requirements are in addition to the employee contributions, if any.

² If employee contributions are increased/decreased by 1.00% of pay, the employer contribution requirement will decrease/increase by the Employee Contribution Conversion Factor. The conversion factor is usually under 1% because employee contributions may be refunded at termination of employment and not used to fund retirement pensions. Employer contributions will all be used to fund pensions.

³ For divisions that are open to new hires, estimated contributions are based on projected fiscal year payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts. For divisions that will have no new hires (i.e., closed divisions), invoices will be based on the above dollar amounts which are based on projected fiscal year payroll. See description of Open Divisions and Closed Divisions in the Appendix.

⁴ Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions not to add across.

⁵ For linked divisions, the employer will be invoiced the Computed Employer Contribution rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-MERS (6377).

⁶ For divisions with a negative employer normal cost, employee contributions cover the normal cost and a portion of the payment of any unfunded accrued liability.

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

Table 2: Benefit Provisions

01 - General: Closed to new hires, linked to Division HA

	2024 Valuation	2023 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	0.00%	0.00%
Act 88:	No	No

HA - EEs hired after 5/1/04: Open Division, linked to Division 01

	2024 Valuation	2023 Valuation
Benefit Multiplier:	1.50% Multiplier (no max)	1.50% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	0.00%	0.00%
Act 88:	No	No

Table 3: Participant Summary

Division	2024 Valuation		2023 Valuation		2024 Valuation		
	Number	Annual Payroll ¹	Number	Annual Payroll ¹	Average Age	Average Benefit Service ²	Average Eligibility Service ²
01 - General							
Active Employees	0	\$ 0	0	\$ 0	0.0	0.0	0.0
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	12	161,605	12	161,605	70.9		
Pending Refunds	0		0				
HA - EEs hired after 5/1/04							
Active Employees	11	\$ 679,801	11	\$ 707,462	41.5	2.9	3.8
Vested Former Employees	5	56,005	4	38,302	52.1	10.4	16.1
Retirees and Beneficiaries	2	9,917	2	9,917	69.4		
Pending Refunds	0		0				
Total Municipality							
Active Employees	11	\$ 679,801	11	\$ 707,462	41.5	2.9	3.8
Vested Former Employees	5	56,005	4	38,302	52.1	10.4	16.1
Retirees and Beneficiaries	14	171,522	14	171,522	70.7		
Pending Refunds	0		0				
Total Participants	30		29				

¹ Annual payroll for active employees; annual deferred benefits payable for vested former employees; annual benefits being paid for retirees and beneficiaries.

² Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

Table 4: Reported Assets (Market Value)

Division	2024 Valuation		2023 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - General	\$ 1,656,701	\$ 0	\$ 1,646,548	\$ 0
HA - EEs hired after 5/1/04	806,184	0	709,449	0
Municipality Total³	\$ 2,462,885	\$ 0	\$ 2,355,997	\$ 0
Combined Assets³	\$2,462,885		\$2,355,997	

¹ Reserve for Employer Contributions and Benefit Payments.

² Reserve for Employee Contributions.

³ Totals may not add due to rounding.

The December 31, 2024 valuation assets (actuarial value of assets) are equal to 1.065367 times the reported market value of assets (compared to 1.099555 as of December 31, 2023). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Table 5: Flow of Valuation Assets

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2014	\$ 36,722	\$ 12,000	\$ 0	\$ 85,015	\$ (55,359)	\$ 0	\$ 0	\$ 1,520,414
2015	42,418	12,000	0	77,361	(70,168)	0	0	1,582,025
2016	44,767	15,000	0	82,113	(100,096)	0	0	1,623,809
2017	49,281	39,587	0	95,815	(155,248)	0	0	1,653,244
2018	52,643	90,341	0	61,569	(154,928)	0	0	1,702,869
2019	61,278	123,552	0	84,539	(166,722)	0	0	1,805,516
2020	60,328	221,016	0	163,504	(172,565)	0	0	2,077,799
2021	60,099	93,157	0	352,816	(172,423)	0	0	2,411,448
2022	62,421	99,659	0	89,771	(171,216)	0	0	2,492,083
2023	58,545	83,500	0	128,888	(172,468)	0	0	2,590,548
2024	54,315	54,000	0	96,536	(171,522)	0	0	2,623,877

Notes:

Transfers in and out are usually related to the transfer of participants between municipalities, and to employer and employee payments for service credit purchases (if any) that the governing body has approved.

The investment income column reflects the recognized investment income based on Valuation Assets. It does not reflect the market value investment return in any given year.

The Valuation Asset balance includes assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.

**Table 6: Actuarial Accrued Liabilities and Valuation Assets
as of December 31, 2024**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - General	\$ 0	\$ 0	\$ 1,526,321	\$ 0	\$ 1,526,321	\$ 1,764,995	115.6%	\$ (238,674)
HA - EEs hired after 5/1/04	247,179	434,374	111,468	0	793,021	858,882	108.3%	(65,861)
Total	\$ 247,179	\$ 434,374	\$ 1,637,789	\$ 0	\$ 2,319,342	\$ 2,623,877	113.1%	\$ (304,535)

The following results show the combined accrued liabilities and assets for each set of linked divisions. These results are already shown in the table on the prior page(s).

Table 6 (continued)

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
Linked Divisions HA, 01	\$ 247,179	\$ 434,374	\$ 1,637,789	\$ 0	\$ 2,319,342	\$ 2,623,877	113.1%	\$ (304,535)

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

The December 31, 2024 valuation assets (actuarial value of assets) are equal to 1.065367 times the reported market value of assets. Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 1,359,695	\$ 1,268,387	93%	\$ 91,308
2011	1,436,659	1,322,607	92%	114,052
2012	1,542,985	1,371,026	89%	171,959
2013	1,616,722	1,442,036	89%	174,686
2014	1,684,154	1,520,414	90%	163,740
2015	1,852,089	1,582,025	85%	270,064
2016	1,889,541	1,623,809	86%	265,732
2017	1,944,566	1,653,244	85%	291,322
2018	1,943,861	1,702,869	88%	240,992
2019	2,064,053	1,805,516	87%	258,537
2020	2,086,583	2,077,799	100%	8,784
2021	2,177,286	2,411,448	111%	(234,162)
2022	2,235,157	2,492,083	111%	(256,926)
2023	2,305,006	2,590,548	112%	(285,542)
2024	2,319,342	2,623,877	113%	(304,535)

Notes: Actuarial assumptions were revised for the 2010, 2011, 2012, 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The Valuation Assets include assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS's technology service provider.

Tables 8 and 9: Division-Based Comparative Schedules

Division 01 - General

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 1,555,673	\$ 1,391,457	89%	\$ 164,216
2015	1,673,172	1,417,389	85%	255,783
2016	1,675,270	1,417,273	85%	257,997
2017	1,674,120	1,398,942	84%	275,178
2018	1,614,214	1,403,932	87%	210,282
2019	1,651,329	1,449,563	88%	201,766
2020	1,653,550	1,649,300	100%	4,250
2021	1,657,269	1,867,127	113%	(209,858)
2022	1,600,593	1,836,884	115%	(236,291)
2023	1,571,659	1,810,470	115%	(238,811)
2024	1,526,321	1,764,995	116%	(238,674)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2014	3	\$ 145,258	\$ 1,265	0.00%
2015	2	104,375	\$ 1,728	0.00%
2016	1	36,492	\$ 1,727	0.00%
2017	1	40,209	\$ 1,890	0.00%
2018	1	40,848	\$ 1,493	0.00%
2019	0	0	\$ 1,274	0.00%
2020	0	0	\$ 0	0.00%
2021	0	0	\$ 0	0.00%
2022	0	0	\$ 0	0.00%
2023	0	0	\$ 0	0.00%
2024	0	0	\$ 0	0.00%

¹ For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

² For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.



Division HA - EEs hired after 5/1/04

Table 8-HA: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 128,481	\$ 128,957	100%	\$ (476)
2015	178,917	164,636	92%	14,281
2016	214,271	206,536	96%	7,735
2017	270,446	254,302	94%	16,144
2018	329,647	298,937	91%	30,710
2019	412,724	355,953	86%	56,771
2020	433,033	428,499	99%	4,534
2021	520,017	544,321	105%	(24,304)
2022	634,564	655,199	103%	(20,635)
2023	733,347	780,078	106%	(46,731)
2024	793,021	858,882	108%	(65,861)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-HA: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2014	6	\$ 303,562	7.87%	0.00%
2015	6	327,330	8.19%	0.00%
2016	7	379,053	8.74%	0.00%
2017	7	389,541	8.54%	0.00%
2018	8	445,343	8.43%	0.00%
2019	9	514,779	8.80%	0.00%
2020	7	370,077	8.48%	0.00%
2021	10	547,229	8.69%	0.00%
2022	11	645,687	8.15%	0.00%
2023	11	707,462	8.36%	0.00%
2024	11	679,801	7.93%	0.00%

¹ For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

² For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Table 10: Division-Based Layered Amortization Schedule

Division 01 - General

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2026		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2020	\$ (17,301)	15	\$ (17,051)	11	\$ (1,920)
Experience	12/31/2021	(200,350)	15	(204,209)	12	(21,444)
Experience	12/31/2022	(23,756)	15	(25,014)	13	(2,472)
Experience	12/31/2023	(8,592)	15	(9,290)	14	(864)
Experience	12/31/2024	(7,548)	15	(8,346)	15	(744)
Total				\$ (263,910)		\$ (27,444)

¹ For each type of UAL (layer), this is the original balance as of the date the layer was established.

² According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

³ This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

Division HA - EEs hired after 5/1/04

Table 10-HA: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2026		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2020	\$ (954)	15	\$ (940)	11	\$ (108)
Experience	12/31/2021	(25,553)	15	(26,045)	12	(2,736)
Experience	12/31/2022	5,323	15	5,599	13	552
Experience	12/31/2023	(26,701)	15	(28,864)	14	(2,688)
Experience	12/31/2024	(20,416)	15	(22,575)	15	(1,992)
Total				\$ (72,825)		\$ (6,972)

¹ For each type of UAL (layer), this is the original balance as of the date the layer was established.

² According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see Appendix on MERS website).

³ This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

GASB Statement No. 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. GASB Statement No. 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at <http://www.mersofmich.com/>.

Actuarial Valuation Date:	12/31/2024
Measurement Date of the Total Pension Liability (TPL):	12/31/2024

At 12/31/2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	14
Inactive employees entitled to but not yet receiving benefits (including refunds):	5
Active employees:	<u>11</u>
	30

Total Pension Liability as of 12/31/2023 measurement date:	\$ 2,247,626
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Total Pension Liability as of 12/31/2024 measurement date:	\$ 2,261,466
--	--------------

Service Cost for the year ending on the 12/31/2024 measurement date:	\$ 53,568
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Change in the Total Pension Liability due to:

- Benefit changes ¹ :	\$ 0
- Differences between expected and actual experience ² :	\$ (17,579)
- Changes in assumptions ² :	\$ (7,772)

Average expected remaining service lives of all employees (active and inactive):	4
--	---

¹ A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

² Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Covered employee payroll (Needed for Required Supplementary Information):	\$ 679,801
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Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Change in Net Pension Liability as of 12/31/2024:	\$ 247,872	\$ 0	\$ (207,988)

Note: The current discount rate shown for GASB Statement No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB Statement No. 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.



Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

01 - General

12/1/2016	Service Credit Purchase Estimates - Yes
7/1/1996	2.00% Multiplier
4/1/1983	Member Contribution Rate 0.00%
10/1/1979	10 Year Vesting
10/1/1979	Benefit FAC-5 (5 Year Final Average Compensation)
10/1/1979	Member Contribution Rate 4.00%
	Fiscal Month - July
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

HA - EEs hired after 5/1/04

1/1/2021	Base Wages
1/1/2021	Long Term Disability - Service Granted
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Short Term Disability - Service Granted
1/1/2021	Workers Compensation - Service Granted
11/1/2009	1.50% Multiplier
11/1/2009	6 Year Vesting
11/1/2009	Benefit FAC-3 (3 Year Final Average Compensation)
11/1/2009	Member Contribution Rate 0.00%
	Fiscal Month - July
	No Early Reduced Conditions
	Normal Retirement Age (DB) - 60

Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix. Some actuarial assumptions are specific to this municipality and its divisions. These are listed below.

Increase in Final Average Compensation

Division	Increase Assumption
01 - General	1.50%
HA - EEs hired after 5/1/04	0.50%

Miscellaneous and Technical Assumptions

Loads – None.

Amortization Policy for Closed Not Linked Divisions: The default funding policy for closed not linked divisions, including open divisions with zero active members, is to follow a non-accelerated amortization, where each closed period decreases by one year each year until the period is exhausted.

Risk Commentary

Determination of the accrued liability, the employer contribution, and the funded ratio requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability, the actuarially determined contribution and the funded ratio that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

December 31,	Ratio of:				
	Market Value of Assets to Total Payroll	Actuarial Accrued Liability to Payroll	Actives to Retirees and Beneficiaries	Market Value of Assets to Benefit Payments	Net Cash Flow to Market Value of Assets (BOY)
2018	3.2	4.0	0.7	10.0	-0.7%
2019	3.5	4.0	0.6	10.7	1.2%
2020	5.8	5.6	0.5	12.4	6.1%
2021	4.4	4.0	0.8	14.0	-0.9%
2022	3.3	3.5	0.8	12.6	-0.4%
2023	3.3	3.3	0.8	13.7	-1.4%
2024	3.6	3.4	0.8	14.4	-2.7%

Ratio of Market Value of Assets to Total Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Market Value of Assets to Benefit Payments

The MERS' Actuarial Policy requires a total minimum contribution equal to the excess (if any) of three times the expected annual benefit payments over the projected market value of assets as of the participating municipality or court's Fiscal Year for which the contribution applies. The ratio of market value of assets to benefit payments as of the valuation date provides an indication of whether the division is at risk for triggering the minimum contribution rule in the near term. If the division triggers this minimum contribution rule, the required employer contributions could increase dramatically relative to previous valuations.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.



State Reporting

The following information has been prepared to provide some of the information necessary to complete the Public Act 202 pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form No. 5572). Additional resources are available at www.mersofmich.com and on the State [website](#).

Form 5572		
Line Reference	Description	Result
10	Membership as of December 31, 2024	
11	Indicate number of active members	11
12	Indicate number of inactive members (excluding pending refunds)	5
13	Indicate number of retirees and beneficiaries	14
14	Investment Performance for Calendar Year Ending December 31, 2024¹	
15	Enter actual rate of return - prior 1-year period	7.72%
16	Enter actual rate of return - prior 5-year period	6.91%
17	Enter actual rate of return - prior 10-year period	6.62%
18	Actuarial Assumptions	
19	Actuarial assumed rate of investment return ²	6.93%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any ³	0
22	Is each division within the system closed to new employees? ⁴	No
23	Uniform Assumptions	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$2,545,816
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions ⁵	\$2,319,342
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30, 2025	\$50,064

¹ The Municipal Employees' Retirement System's investment performance has been provided to GRS from MERS Investment Staff and is included here for reporting purposes. The investment performance figures reported are net of investment expenses on a rolling calendar year basis for the previous 1-, 5-, and 10-year periods as required under PA 530.

² Net of administrative and investment expenses.

³ Populated with the longest amortization period remaining in the amortization schedule, across all divisions in the plan. This is when each division and the plan in total is expected to reach 100% funded if all assumptions are met.

⁴ If all divisions within the employer are closed, "yes." If at least one division is open (including shadow divisions), "no."

⁵ Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which may differ from the valuation assumptions. In accordance with the March 4, 2025 memo on the selection of Uniform Assumptions, "[f]or retirement systems that utilize an investment rate of return that is less than 7.00% for funding purposes, the local government should use the lower investment rate of return for the uniform assumption as well." In particular, the assumed rate of return for PA 202 purposes is 6.93%.

Treasurer Report
June 23, 2025



Tax:

- Fielded queries on mailing addresses, PRE's, etc
- Working with Lereta and CoreLogic on mortgage code uploads
- Met with Peter to walk through prepping the summer tax bill. Invited the Douglas Treasurer, too, for training purposes.
- Worked to get the newest L-4029's
- Set up an L-4029 email group

Payables:

- Continue to convert the vendors from Peter's account information to mine
- Processed a payables run
- Working with Comcast on billing difficulties
- Resubmitted tax exemption with Menards

Miscellaneous:

- Took a variety of credit card payments (Oval Beach stickers, permits, etc)
- Still working with credit card service provider to get rejected duplicates deposited into our account.
- Set up for credit card service portal access
- Still working on getting our most recent franchise fee
- Continuing to work with Liz on the Culver St parking lot program – still establishing processes, etc.
- Bank reconciliation
- Worked on the Act 152 presentation
- Finish catching up post-vacation
- Filed the SLFRF report
- Worked on 2 different FOIA's
- Working with Ryan on final budget amendment
- Rolled over our T-bill
- Ordered more Culver St passes

Payroll:

- Working to develop processes and procedures to eliminate inefficiencies and potential errors
- Processed the 06/16/25 payroll (including end-of-quarter reporting)
- Worked on processes for Oval Beach
- Researched the actuarial rates for the new fiscal year.
- Working with Ryan on analyzing the health insurance options.



City Clerk Department Report

June 23, 2025

Activity Since June 9:

- Elections:
 - Deadline to submit paperwork to be placed on November ballot for City Council is July 22nd at 4:00 p.m.
 - Please see clerk's department for paperwork or more information.
 - Filing information for candidates running for office can also be found on our website on the Clerk and Election page.
- Currently have 7 FOIA requests.
- City Hall has received 577 calls in June thus far, avg 44 calls a day.
- Deputy Clerk Williams reported the sales of 341 Oval Beach resident passes thus far and has sold 180 non-resident (*does not include what has been sold at the beach*) passes at City Hall.
- Coordinated and prepared meeting packets and minutes.
- Clerk Meetings:
 - City Council Meeting - Wolters
 - Department Head Meeting - Wolters
 - City Council Workshop - Wolters
 - Waterfront Invitational Art Fairs Safety Meeting - Wolters
 - Chili Cook-Off Safety Meeting - Wolters



Planning, Zoning and Project Report

June 23, 2025

Planning and Zoning

- Participated in scheduled internal team meetings.
- Prepped for and attended HDC meeting.
- Created Agenda Packet for Planning Commission meeting.
- Created Memo's and License Agreements for City Council.
- Prepared for Planning Commission meeting.
- Had internal discussions regarding the Master Plan.
- Reviewed Douglas Master Plan.
- Discussed Fire Department standards with Fire Department.
- Updated applications to reflect new fee schedule.
- Updated internal software to reflect new fee schedule.
- Visited at weekend for to observe potential enforcement issues.
- Performed multiple on-site visits for MTS.
- Spoke with legal regarding various topics.
- Sent concerns for unpermitted electrical work to MTS.
- Responded to concerns about lack of trash receptacle screening.
- Reached out to local agents regarding STR hotline policy.
- Had meeting regarding noise concerns at STR's.
- Created an updated spreadsheet on STR's, provided to Clerk to update website.
- Reached out to multiple residents regarding ongoing enforcement action.
- Continued discussion regarding stop work orders.
- Met with various residents regarding personal projects.
- Met with City Manager to discuss ongoing projects and case list.
- Spoke to business owners regarding code violations.
- Created mailer for minor waterfront construction application.
- Maintained general code enforcement follow-up efforts.
- Issued permits and completed casework as detailed below.

Open Casework

568 Mason	Emailed Contractor about damaged water line. Sent application to engineer. Asked applicant for more information. Confirmed Drawings are being made. Spoke with developers about issue. Still awaiting complete application and drawings for work completed onsite to address waterline issue. Had further discussions about what happened on site and emailed engineer and KLWSA to determine appropriate action. Recommendations received from Kal Lake and City Engineer, passed on to Contractor. discussion on utility work continues. Invoice for Asphalt work sent to Contractor. Further confirmation still needed, discussion with contractor, engineer, and KLWSA continue. Spoke with contractor for update. discussions continue with Contractor and Kal-Lake. Reached out to contractor to again discuss reimbursement for Kal-Lake. Called Alex for update, left voicemail. Advised MTS that occupancy permits would not be issued while an outstanding balance exists and sidewalk unfinished. Had discussion on timeline for side walk. Sidewalk to be poured week of 05-12-2025.	KLWSA
807 Lake St 7	Incomplete STR application received. Sent back to local agent. Received info, asked for further information. Info received, sent to fire department.	STR
249 Mason	Change of Use application received. Had discussion with fire department and sent request for more information to applicant. Had meeting with owner regarding proposed deck, agreed that major site plan amendment is necessary. Received site plan review application, Scheduled for June pc meeting.	PC
405 Park St	Received concerns for a floating dock at 405 Park which has no permits. Reached out to owner for clarification. Owner claims dock placed 4 years prior. No permits issued for dock. Spoke with Legal regarding enforcement action. Issued stop work order as work being done requires Minor site plan amendment. Provided resources to owner.	Enforcement

403 Water St	Received notice of proposed change of use. Provided resources. Application expected.	Zoning
421 Water St	STR Application received. More info needed. Sent to fire department.	STR
347 Water St	Potential enforcement case noticed. Emailed legal for discussion.	Enforcement
125 Elizabeth	Sent letter regarding obstruction to City ROW stating options for correction. Received contact from Legal representative of 125 Elizabeth on 05-07-2025 that the owners intend to petition to Vacate white alley, but would first contact the neighboring properties for support. Called representative and left message asking for update on process. received email stating that they are gauging interest of neighbors, asked for estimated timeline. letters from home owner to surrounding home owners will go out this week.	ROW
717 Water St 5	STR application received, More info needed. Sent to fire department.	STR
842 Lake St 10	STR application received, sent to fire department.	STR
230 Griffith St	Application received, no payment. Sent invoice.	STR
673 Lake St	Zoning application received for pool house and pool in rear yard, provided review of project to applicant and advised lot coverage is being exceeded. New survey provided to show lot is larger than first thought. Emailed question regarding storm water mitigation. Engineer confirmed plans are appropriate. Permits issued.	Zoning
345 Griffith	STR Application received, sent to fire department.	STR
245 Spear St	STR Application received, sent to fire department. License issued.	STR
347 Park St	STR Application received, more information needed. Info received, sent to fire department. License issued.	STR
165 Elizabeth St	STR Application received, sent to fire department. License issued.	STR
743 Allegan St	STR Application received, sent to fire department. License issued.	STR
202 Butler St	Application for EODA SLU Received , PC meeting June 19. Check too high. Applicant said keep additional in escrow. Ensure SLU mailer is done by 05-23-2025. Mailer information sent to Clerks office and newspaper. Reviewed location of FDC onsite.	EODA
545 Spear St	SF residential application received. Sent invoice and asked for survey of property. Applicant provided info regarding plans for storm water mitigation but no survey. Survey provided, Zoning review complete, waiting on Fire department site plan review. Updated applicant on where we are at in the process.	Zoning

615 Park St	Issued stop work order to site due to deviation from approved plan regarding material of dock. Provided resources for site plan amendment. Emailed contractor with determination that major site plan amendment is required. Discussions continued regarding site, site plan review application submitted which addressed 1 of the 2 identified issues with the site, sent email explaining that addressing 1 issue would not lift the stop work order.	Enforcement
133 Mason	Applicant notified me of windows that were to be installed on 05-13-2025. Explained that they are in the Historic District and HDC permits as well as Building permits would be required. Sent HDC application and explained processes.	HDC
401 Elizabeth St	Application for Accessory Structure received. Invoice sent.	Zoning
347 Water St	Letter sent to owners regarding driveway vendor.	Zoning
226 Butler St	ROW app to Remove portion of sidewalk to determine sewer issue. Attach or repair sewer line depending on discovery. Invoice sent.	ROW
700 N Maple	Letter sent regarding use of septic tank and requirement to connect to City Sewer. Emailed owner. follow up by 06-18-25.	Zoning
560 Mill St	Continued discussions regarding denied ROW Hardscaping request. Followed up on letter sent and asked for timeline regarding continued removal of hardscaping. Representative reached out stating that work has begun and boulders have been removed, currently discussing reading work with landscaping companies. Continue to follow up.	Enforcement
951 Holland St	Potential enforcement case noticed. Left voicemail for owner. Firepit constructed without permits a year and a half ago. Owner was unaware that he needed permits, provided him with applications to apply for retroactive approvals. Fire department confirmed that they have no concerns. Drawings provided not with Survey, need survey. Owner stated that they would rather move firepit than get a survey. provided new plan to show more compliant location.	Enforcement
842 Lake St 8	STR Application received. More info needed. Sent to fire department.	STR
612 Lake St	STR Application received. More info needed. Sent to fire department.	STR
444 Park St	STR application received. More info needed.	STR
717 Water St 7	STR application received. More info needed.	STR
712 Lake St	STR application received. More info needed. Had discussion with owner regarding requirements. Info	STR

	received, sent to fire department.	
450 Spear St	ADU STR application received. Sent to fire department.	STR
145 Grant St	Received plans for full landscaping remodel including patio, retaining walls, firepit. Asked for more detailed plans.	Zoning
880 Holland St	Water Connection application received. Sent to engineer.	Water Service
133 Mason	Application to replace windows. Asked for further information.	HDC
246 Culver	Sign application received. Sent to HDC chair. Administratively approved. Projecting sign requires license agreement and council approval. Created Memo and license agreement for 06-23-2025 CC.	City Council
142 Butler St	Sign application received. Approved by the HDC as part of larger plan. Projecting sign and replacing existing pylon sign requires license agreement and council approval. Created Memo and license agreement for 06-23-2025 CC.	City Council
129 Griffith St 8	STR application received. Need further info.	STR
94 Interlaken Dr	Minor Waterfront construction permit application received. Plans not compliant, sent back to applicant.	Waterfront Construction
546 Butler St	STR application received. \$525.00 check received, new fee is \$540.00. emailed owner. Paid. Sent to fire department.	STR

Closed Casework

106 Mason St	Sent email regarding Grass and Weeds. Follow up June 10. Notified by applicant that landscapers have been hired, no further action needed.	Enforcement
611 Lake St	HDC application received for Sauna in rear yard. Approved by HDC on 06-05-2025. sent Zoning permit to applicant.	HDC
660 Lake St	HDC application to build Garage in rear yard received. Zoning permit also received. Approved with conditions that wooden man door be used, 2 double hung windows be used on east and west elevations, and that either 2 lights be mounted on each side of garage door, or 1 light be mounted above the man door.	HDC
660 Lake St	Zoning Permit application received. Reviewed post HDC approval. Permits issued with conditions. Sent to MTS.	Zoning
568 Mason St	Fence application received, invoice sent. Invoice received. Permit issued.	Zoning
568 Mason St	Deck application received, invoice sent. Project adds approximately 3% to overall lot coverage. Permit issued.	Zoning
555 Grand St	Resident stated that STR had renters Yelling and using profane language into the early morning hours. Sent to Horizon to follow up.	Enforcement.
731 Pleasant St	Nuisance case at STR logged.	Enforcement.
611 Lake St	Zoning Application received for HDC approved Accessory Structure in rear. Invoice sent. Permit issued.	Zoning
120 Mary St	ROW request for dumpster from 06-10-2025 - 06-13-2025. invoice paid. Permit issued.	ROW
820 Park St	STR application received. More info needed. Sent to fire department. License issued.	STR
673 Lake St	Zoning application received for pool house and pool in rear yard, provided review of project to applicant and advised lot coverage is being exceeded. New survey provided to show lot is larger than first thought. Emailed question regarding storm water mitigation. Engineer confirmed plans are appropriate. Permits issued.	Zoning
233 Butler St	Received sign permit application. sent questions to applicant. Revised measurements received. Sent to HDC Chair. Permit issued.	Sign
660 Lake St	Water Connection and ROW application received. Sent to engineer. No concerns. Permits issued.	Water Service

1064 Holland St	STR application received. More info needed. Sent to fire department. Reinspection required. License issued.	STR
145 Hoffman	Observed clothing racks in City ROW. Owner agreed to remove.	Enforcement
306 Butler	Observed clothing racks in City ROW. Employee agreed to remove.	Enforcement
115 Butler	Observed clothing racks in City ROW. Employee agreed to remove.	Enforcement
651 Holland St	Multiple complaints from residents regarding trash, noise and parking issues. Sent reported issues to Horizon for follow up, logged Enforcement issue, and reached out to local agent to ask for call back.	Enforcement
53 Park St	Had meeting with residents regarding STR application process, application window's for districts that have available licenses, and the lottery process.	
810 Allegan St	Had conversation regarding approved 2018 Variance.	ZBA
297 Sugar Hill	Went onsite to perform inspection.	Zoning
720 Butler St	Permitted Transfer of STR from prior owners to LLC.	STR
648 Francis St	STR application received. More info needed. Info provided, sent to fire department. License issued.	STR
Mason St	Received concerns for Cones being used to block parking spaces on Mason St. Spoke to business owners in the area, no info discovered. Removed cones from parking spaces. No further action at this time.	Enforcement.
505 Water St	Received concerns for trash receptacles not being screened. Visited site and spoke with employee. Trash was out due to pick up day, usual screening is appropriate.	Enforcement.
852 Newnham St	Minor Waterfront construction permit application received. Letters sent, Check back 06-16-2025. Permit issued.	Waterfront Construction

Sherrif's Report:

May 2025 stats

128 total dispatched calls and/or self-initiated calls

Abandoned 911 calls – 2

Abandoned vehicle - 1

Alarms - 4

Animal – 1

Assault - 1

Assist other agencies – 1 (assist to fire/ems on medicals)

Car-Deer accident - 1

Check Welfare – 2

Civil - 3

Conservation – 2

Disorderly person - 1

Found property – 5

Fraud - 1

General assist – 49

Larceny – 1

Loud Noise – 3

Medical - 1

Open Door – 1

OWI (operating while intoxicated) – 1

Parade - 1

Parking – 25

Property checks – 2

Road Hazard – 2

Shoplifting - 1

Suspicious situation – 4

Traffic crash - 4

Below are traffic stops by the 4 Deputies contracted by the city and amount of times they are at the school.

Traffic stops – 25

School contacts – 32