



City Manager Report

July 13, 2026

Maple Street Construction Update

- Water main crossing the 16" sewer force mains was completed on 7/7.
- The second stretch of water main from Allegan Street north has been installed, tested, and approved.
- The remaining 200 ft of the third stretch of water main will be completed this week.
- Water services to homes and businesses are being finished this week south of Allegan Street. Water services north of Allegan Street are scheduled for next week.
- Water main tie-in at State Street and/or Blue Star Highway planned for this week or next week.
 - For the water main tie-in at Blue Star Highway and Maple Street, a line stop will be utilized to cut in the planned tee and valves without an excessive shut off area. The additional cost will be split between the Township and the City.
- Water main tie-in on north side of Allegan Street will be done this week or next week.
- Once mainline water main is complete, Schippers will move to installing the underground storage and the storm sewer (starting on the south end of the Maple Street).
- Mail delivery has been a challenge. Several residents have indicated inconsistent delivery. If this continues, mailbox banks will be utilized to aid in mail delivery.
- A reminder that if your constituents have questions, please have them contact the following:
 - Public Works - Michelle Gibson, Project Coordinator - (269) 224-9504
 - Fleis & VandenBrink Engineering
 - Jon Moxey, P.E., Project Manager – (616) 588-1925
 - Peter Tierney, P.E., Project Manager – (616) 914-8621

Oval Beach Internet and Credit Card Payments

- Frontier (now under Verizon) hasn't yet extended fiber out to Oval Beach. I have remained in contact with their government affairs representative about the need for the service. Frontier advised they were unable to secure approval from Consumers to attach to their poles and that is the reason for the delay. They have been evaluating underground options, and I hope to receive another update soon.
- I reached out to Comcast to inquire about options to run service to Oval Beach. The construction cost is quite substantial and would be a cost that would have to be paid back by the City over a five-year period.

- The Frontier option is less cost to the City. I plan to continue to encourage that construction.
- The credit card machines continue to work off the phone line and Starlink.
- However, as we found out during opening weekend and during a recent power outage, those options aren't always available. After the opening weekend frustration, the City Treasurer worked to implement an offline backup option through Huntington/Clover. The system allows us to capture offline credit card sales and process them when service is available. The system has already been utilized to create a much better customer experience and collect the required parking fees.

MERS Actuarial Report

- The Michigan Employee's Retirement System of Michigan has provided our annual actuarial valuation report through the end of December 31, 2025.
- The City's pension plans remain well funded at 134%.
- Due to the level we have reached, we are going to cut our voluntary additional contributions to the surplus division by half. This will continue to be monitored against market performance and our funding percentage to determine if we need to return to additional contributions or lower them further.
- A copy of the report is attached.

Logo and Branding Committee

- The logo and branding committee met again recently to review a second round of design iterations.
- We are planning on the committee recommendation being presented at the July 22 workshop meeting.

Quarterly Community Engagement Report

- We have continued our efforts to share information with the community in a variety of places.
- On Facebook alone we have added 2,414 new followers since 1/1/25.
- Here are stats for April – June:

Facebook	
	April - June
Viewers	55,590
Views	365,111
Total Followers	6,427
Net Follows	722

City Website	
	April - June

Unique Visits	31,229
Views	49,710
Top Pages	1. Oval Beach 2. Mt. Baldhead Park 3. Chain Ferry

News You Can Use E-mails	
	April - June
Delivered Messages	68,192
Opened Messages	15,298

YouTube	
	April – June
Meeting Video Views	987

Miscellaneous

- Conducted annual performance reviews.
- Attended quarterly grant meeting for Park Street planning.
- Held one on one meeting with Director of Public Works.
- Held department head team meeting.
- Attended Saugatuck/Douglas Rotary lunch.
- Attended Convention and Visitors Bureau Board meeting.
- Attended staff/Council picnic. A HUGE thank you!
- Prepared for and attended Parking Improvements Task Force meeting and completed necessary follow up.
- Attended Metro Wireless service review.
- Attended 4th of July parade.
- Engaged Bendzinski for financial analysis as part of new water/sewer agreement discussions.



Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report
December 31, 2025 - Saugatuck, City of (0307)





Spring 2026

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, 2025. 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, 2025,
- Establish contribution requirements for the fiscal year beginning July 1, 2027,
- 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, 2025. 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 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 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-2025AnnualActuarialValuation-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). The asset valuation method is more likely to produce an actuarial value of assets that is greater than the market value of assets until application of the dedicated gains policy achieves an assumed rate of investment return of 6.50% (currently 6.79%).

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 80th Annual Actuarial Valuations,” and will be available on the MERS website during the fall of 2026.

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, the Actuarial Standards of Practice issued by the Actuarial Standards Board, and 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.

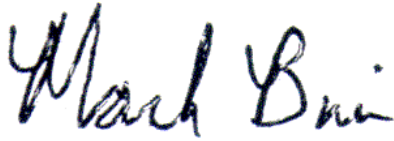
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties. MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality. GRS is not responsible 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



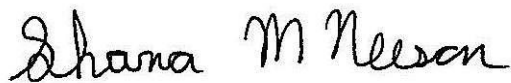
Rebecca L. Stouffer, ASA, FCA, MAAA



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.

	12/31/2025	12/31/2024
Funded Ratio*	134%	113%

* 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. The 2025 valuation reflects an assumed rate of investment return of 6.79%. Effective with the 2024 valuation, the MERS Retirement Board adopted updated demographic and economic assumptions.

	Percentage of Payroll		Monthly \$ Based on Projected Payroll	
Valuation Date:	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Fiscal Year Beginning:	July 1, 2027	July 1, 2026	July 1, 2027	July 1, 2026
Division				
01 - General	-	-	\$ 0	\$ 0
HA - EEs hired after 5/1/04	8.25%	7.93%	5,632	4,837
Total Municipality - Estimated Monthly Contribution			\$ 5,632	\$ 4,837
Total Municipality - Estimated Annual Contribution			\$ 67,584	\$ 58,044

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2025	12/31/2024
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, 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 **6.79%** 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 2025

Effective February 17, 2022 and first implemented in the December 31, 2021 annual actuarial valuation, 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).

Investment performance measured for the one-year period ending December 31, 2025 resulted in current year excess gains for use in lowering the assumed rate of investment return. As a result, the assumed rate of investment return was lowered from 6.93% to 6.79%. The December 31, 2025 valuation liabilities were



developed using this new, lower assumption. Additionally, as a result of recognizing excess market gains, the valuation assets used to fund these liabilities are 2.7% higher than if there were no dedicated gains policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

There were no other assumption or method changes in 2025.

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, any 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 2025 was 8.18%, while the actual market rate of return was 15.25%.** 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, 2025, the actuarial value of assets is just over 100% of market value due to asset smoothing and dedicated gains. This means that there are deferred investment losses, which will put slight upward pressure on contributions in the short term. The level of market value of assets and actuarial value of assets are very similar, resulting in a funded percentage that is not materially different.

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, 2025 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.

12/31/2025 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	4.79%	5.79%	6.79%
Accrued Liability	\$ 2,631,919	\$ 2,325,019	\$ 2,072,237
Valuation Assets ¹	\$ 2,784,438	\$ 2,784,438	\$ 2,784,438
Unfunded Accrued Liability	\$ (152,519)	\$ (459,419)	\$ (712,201)
Funded Ratio	106%	120%	134%
Monthly Normal Cost	\$ 9,176	\$ 7,162	\$ 5,632
Monthly Amortization Payment	\$ (1,348)	\$ (3,703)	\$ (5,449)
Total Employer Contribution²	\$ 11,235	\$ 7,872	\$ 5,632

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 6.79% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 6.79% 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 5.79% and 4.79% projection scenarios provide an indication of the potential required employer contribution if these assumptions were met over the long term.

Your municipality includes one or more Surplus divisions. Extra contributions in a Surplus division may be used to reduce future employer contributions or to accelerate the date by which the municipality becomes 100% funded. The timing and use of these Surplus assets within the plan is discretionary. Certain employers have special funding arrangements that may differ from the Actuarial Policy.

The Funded Percentage graph shows projections of funded status under the 6.79% investment return assumption, both including the Surplus assets (contributed as of the valuation date), and without the Surplus assets. The graph including the Surplus assets assumes these Surplus assets grow with interest and are not used to lower future employer contributions. We modeled the projections including the Surplus assets in this fashion because the use of these assets within the plan is discretionary by the employer and we do not know when and how the employer will use them. Once the employer uses these Surplus assets, any future employer

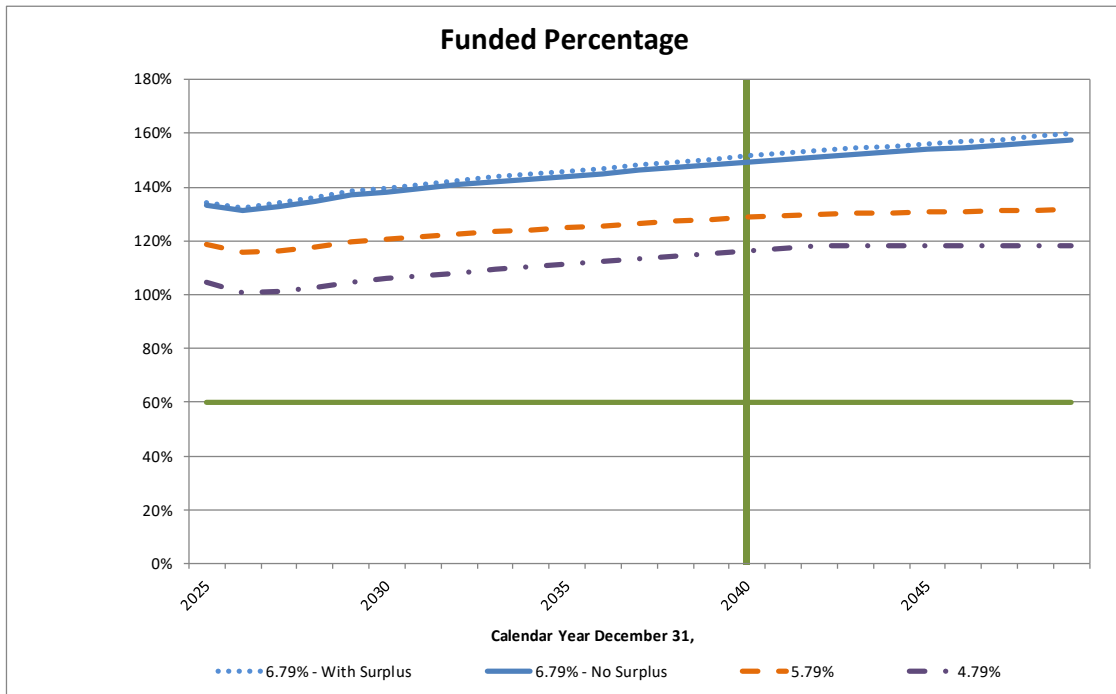


contributions are expected to be lower than those shown in the projections.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets ²	Funded Percentage	Estimated Annual Employer Contribution
6.79%¹					
2025	2027	\$ 2,072,237	\$ 2,756,608	133%	\$ 67,584
2026	2028	\$ 2,140,000	\$ 2,810,000	131%	\$ 69,500
2027	2029	\$ 2,220,000	\$ 2,950,000	133%	\$ 71,500
2028	2030	\$ 2,300,000	\$ 3,100,000	135%	\$ 73,700
2029	2031	\$ 2,380,000	\$ 3,260,000	137%	\$ 75,800
2030	2032	\$ 2,460,000	\$ 3,400,000	138%	\$ 78,100
5.79%¹					
2025	2027	\$ 2,325,019	\$ 2,756,608	119%	\$ 94,464
2026	2028	\$ 2,410,000	\$ 2,780,000	116%	\$ 101,000
2027	2029	\$ 2,500,000	\$ 2,910,000	116%	\$ 105,000
2028	2030	\$ 2,590,000	\$ 3,060,000	118%	\$ 107,000
2029	2031	\$ 2,680,000	\$ 3,210,000	120%	\$ 109,000
2030	2032	\$ 2,780,000	\$ 3,360,000	121%	\$ 113,000
4.79%¹					
2025	2027	\$ 2,631,919	\$ 2,756,608	105%	\$ 134,820
2026	2028	\$ 2,730,000	\$ 2,760,000	101%	\$ 144,000
2027	2029	\$ 2,830,000	\$ 2,870,000	101%	\$ 150,000
2028	2030	\$ 2,950,000	\$ 3,030,000	103%	\$ 154,000
2029	2031	\$ 3,050,000	\$ 3,200,000	105%	\$ 158,000
2030	2032	\$ 3,170,000	\$ 3,360,000	106%	\$ 162,000

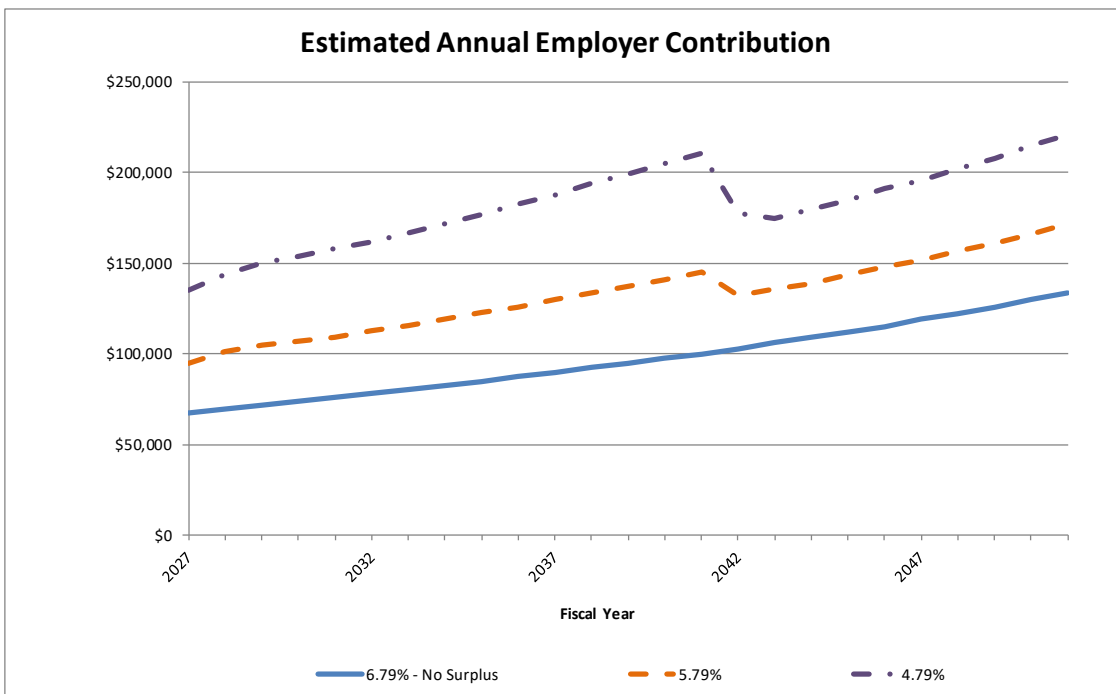
¹ Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

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



Notes:

Assumes assets from the Surplus division(s) will grow at the denoted investment return assumption and will not be used to lower employer contributions of non-surplus divisions during the projection period. Also assumes no additional contributions in future years to the surplus division(s). The green indicator lines have been added at 60% funded and 15 years following the valuation date for PA 202 purposes.



Notes:

Projected employer contributions do not reflect the use of any assets from the Surplus division(s).

Table 1: Employer Contribution Details for the Fiscal Year Beginning July 1, 2027

Division	Total Normal Cost	Employee Contribution Rate	Employer Contributions ¹			Blended Employer 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%	-	-	-		
HA - EEs hired after 5/1/04	8.25%	0.00%	8.25%	0.00%	8.25%	8.25%	
Estimated Monthly Contribution³							
01 - General			\$ 0	\$ (5,449)	\$ 0		
HA - EEs hired after 5/1/04			5,632	0	5,632		
Total Municipality			\$ 5,632	\$ (5,449)	\$ 5,632		
Estimated Annual Contribution³			\$ 67,584	\$ (65,388)	\$ 67,584		

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 Rate shown above, by contacting MERS at 800-767-MERS (6377). Blended Employer Rate(s) exclude divisions with zero active members.

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

	2025 Valuation	2024 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

	2025 Valuation	2024 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	2025 Valuation		2024 Valuation		2025 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	11	121,701	12	161,605	71.7		
Pending Refunds	0		0				
HA - EEs hired after 5/1/04							
Active Employees	12	\$ 760,828	11	\$ 679,801	39.0	3.1	3.7
Vested Former Employees	5	56,005	5	56,005	53.1	10.4	16.6
Retirees and Beneficiaries	2	9,917	2	9,917	70.4		
Pending Refunds	0		0				
Total Municipality							
Active Employees	12	\$ 760,828	11	\$ 679,801	39.0	3.1	3.7
Vested Former Employees	5	56,005	5	56,005	53.1	10.4	16.6
Retirees and Beneficiaries	13	131,618	14	171,522	71.5		
Pending Refunds	0		0				
Total Participants	30		30				

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	2025 Valuation		2024 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - General	\$ 1,770,521	\$ 0	\$ 1,656,701	\$ 0
HA - EEs hired after 5/1/04	984,621	0	806,184	0
S1 - Surplus Unassoc.	27,816	0	0	0
Municipality Total³	\$ 2,782,958	\$ 0	\$ 2,462,885	\$ 0
Combined Assets³	\$2,782,958		\$2,462,885	

¹ Reserve for Employer Contributions and Benefit Payments.

² Reserve for Employee Contributions.

³ Totals may not add due to rounding.

The December 31, 2025 valuation assets (actuarial value of assets) are equal to 1.000532 times the reported market value of assets (compared to 1.065367 as of December 31, 2024). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Assets in the Surplus division(s) are employer assets that have been reserved separately and may be used within the plan at the employer's discretion at some point in the future. These assets are not used in calculating the employer contribution for the fiscal year beginning July 1, 2027.

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						
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
2025	60,497	54,000	0	214,260	(168,196)	0	0	2,784,438

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, 2025**

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	\$ 1,155,585	\$ 0	\$ 1,155,585	\$ 1,771,463	153.3%	\$ (615,878)
HA - EEs hired after 5/1/04	330,806	475,113	110,733	0	916,652	985,145	107.5%	(68,493)
S1 - Surplus Unassoc.	0	0	0	0	0	27,830		(27,830)
Total	\$ 330,806	\$ 475,113	\$ 1,266,318	\$ 0	\$ 2,072,237	\$ 2,784,438	134.4%	\$ (712,201)

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	\$ 330,806	\$ 475,113	\$ 1,266,318	\$ 0	\$ 2,072,237	\$ 2,756,608	133.0%	\$ (684,371)

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

The December 31, 2025 valuation assets (actuarial value of assets) are equal to 1.000532 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
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)
2025	2,072,237	2,784,438	134%	(712,201)

Notes: Actuarial assumptions were revised for the 2011, 2012, 2015, 2019, 2020, 2021, 2023, 2024 and 2025 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
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)
2025	1,155,585	1,771,463	153%	(615,878)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, 2024 and 2025 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		
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%
2025	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
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)
2025	916,652	985,145	107%	(68,493)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, 2024 and 2025 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		
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%
2025	12	760,828	8.25%	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 S1 - Surplus Unassoc.

Table 8-S1: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2015	\$ 0	\$ 0		\$ 0
2016	0	0		0
2017	0	0		0
2018	0	0		0
2019	0	0		0
2020	0	0		0
2021	0	0		0
2022	0	0		0
2023	0	0		0
2024	0	0		0
2025	0	27,830		(27,830)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, 2024 and 2025 actuarial valuations.

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 7/1/2027		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2020	\$ (17,301)	15	\$ (16,247)	10	\$ (1,968)
Experience	12/31/2021	(200,350)	15	(196,182)	11	(21,936)
Experience	12/31/2022	(23,756)	15	(24,191)	12	(2,520)
Experience	12/31/2023	(8,592)	15	(9,040)	13	(888)
Experience	12/31/2024	(7,548)	15	(8,155)	14	(756)
Experience	12/31/2025	(385,882)	15	(425,844)	15	(37,320)
Total				\$ (679,659)		\$ (65,388)

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, 2025 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2025 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 7/1/2027		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2020	\$ (954)	15	\$ (893)	10	\$ (108)
Experience	12/31/2021	(25,553)	15	(25,020)	11	(2,796)
Experience	12/31/2022	5,323	15	5,416	12	564
Experience	12/31/2023	(26,701)	15	(28,084)	13	(2,748)
Experience	12/31/2024	(20,416)	15	(22,079)	14	(2,040)
Experience	12/31/2025	(4,464)	15	(4,926)	15	(432)
Total				\$ (75,586)		\$ (7,560)

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, 2025 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2025 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:	12/31/2025
Measurement Date of the Total Pension Liability (TPL):	12/31/2025

At 12/31/2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	13
Inactive employees entitled to but not yet receiving benefits (including refunds):	5
Active employees:	<u>12</u>
	30

Total Pension Liability as of 12/31/2024 measurement date:	\$ 2,261,466
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Total Pension Liability as of 12/31/2025 measurement date:	\$ 2,016,116
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Service Cost for the year ending on the 12/31/2025 measurement date:	\$ 56,986
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Change in the Total Pension Liability due to:

- Benefit changes ¹ :	\$ 0
- Differences between expected and actual experience ² :	\$ (322,843)
- Changes in assumptions ² :	\$ 30,322

Average expected remaining service lives of all employees (active and inactive) ³ :	4
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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.

³ Average expected remaining service life is the actuarial expectation of the future period of service that members of an employee population are projected to complete from the valuation date, based on assumed decrement rates.

Covered employee payroll (Needed for Required Supplementary Information):	\$ 760,828
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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 (6.04%)	Current Discount Rate (7.04%)	1% Increase (8.04%)
Change in Net Pension Liability as of 12/31/2025:	\$ 241,124	\$ 0	\$ (200,667)

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 and reflects provisions in effect as of the end of the valuation year. 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

9/1/2025	Military Leave - Default Absorb to UAL
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

9/1/2025	Default Absorb to UAL
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

S1 - Surplus Unassoc.

Fiscal Month - July

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%
2025	3.7	2.7	0.9	16.5	-2.2%

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, 2025	
11	Indicate number of active members	12
12	Indicate number of inactive members (excluding pending refunds)	5
13	Indicate number of retirees and beneficiaries	13
14	Investment Performance for Calendar Year Ending December 31, 2025¹	
15	Enter actual rate of return - prior 1-year period	15.45%
16	Enter actual rate of return - prior 5-year period	7.26%
17	Enter actual rate of return - prior 10-year period	8.28%
18	Actuarial Assumptions	
19	Actuarial assumed rate of investment return ²	6.79%
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	\$2,673,429
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions ⁵	\$2,072,237
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30, 2026	\$59,808

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 April 14, 2026 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 6.79%.

Treasurer Report
July 13, 2026



Tax Administration

- Completed summer tax bill preparation, printing, mailing, and related duplicate-address/deferment review.
- Committed the summer tax roll and uploaded the tax file to the County.
- Processed and distributed tax file information for mortgage companies and completed related FOIA response.
- Processed summer property tax disbursements.
- Reviewed tax-related GL/reporting needs for KLSWA and Warnock Drain collections.

Accounts Payable

- Processed regular payables for Council review and authorization.
- Followed up on delayed vendor orders and outstanding invoices to support timely payment processing

Payroll & Benefits

- Processed regular payrolls and related disbursements, including holiday deadline adjustments.
- Completed payroll setup/reactivation for seasonal employees and continued refinement of seasonal payroll processes.
- Completed payroll-related monthly and quarterly reporting.
- Reviewed and documented health insurance renewal materials, including PriorityHealth renewal impact, plan alternatives, employee cost/coverage considerations, and Act 152 compliance.
- Prepared and supported Council materials related to health insurance renewal and PA 152 exemption.

Financial Management

- Completed the May bank reconciliation, including correction of reconciliation issues.
- Entered the FY 2025–2026 budget amendment and distributed final year-end budget updates to staff.

Investments and Banking

- Presented investment activity update to Council.
- Reviewed banking and credit card processing options for beach operations, including Square and Huntington/Clover backup processing.
- Advanced setup and testing of backup credit card processing to support revenue continuity.
- Continued review of MNBCard access and beach credit card reporting/reconciliation needs.

Projects, Assets, and Insurance

- Prepared Council materials for property/liability insurance renewal, including renewal cost changes and premium increase explanation.
- Continued review of Maple Street project expense allocations and completed Township invoice for its share of project billing.

Miscellaneous / Administrative

- Continued Oval Beach and Culver Street revenue processing, reconciliation, and cash-handling support.
- Helped address temporary Oval Beach internet connectivity and cash/change access issues.



City Clerk Monthly Report

Elections

- August 4, 2026 – Primary
 - Ballot: [View Here](#)
 - Ballot Proposals for August 4, 2026:
 - **Allegan County:** *SENIOR CITIZEN SERVICES MILLAGE RENEWAL PROPOSAL*
 - **Interurban Transit Authority:** *INTERURBAN TRANSIT AUTHORITY PUBLIC TRANSPORTATION MILLAGE PROPOSAL*
 - **Saugatuck-Douglas District Library:** *LIBRARY MILLAGE PROPOSAL*
 - November 3, 2026 – General
 - 9-Days of Early Voting agreement executed with the City of Village of the Douglas and Saugatuck Township to hold Tri-Community early voting site at the City of the Village of Douglas City Hall.
 - Residents can register to vote here:
<https://www.michigan.gov/sos/elections/voting/register-to-vote#HowToRegister>
-

Training

- Clerk Wolters attended the following in-person election training:
 - Election Inspector, Receiving Board and 9-Days Early Voting.
 - Clerk Williams attended the following in-person election training:
 - Chairperson, Election Inspector, Receiving Board and 9-Days Early Voting.
-

Meetings

- Prepared agendas, packets, and minutes for the following bodies:
 - Two City Council Workshops
 - Two City Council Regular
 - Historic District Commission

- Planning Commission
- Parks and Public Works Committee
- Participated in:
 - Maple Street Construction Update
 - Parking Improvements Task Force
 - Tri-Community 9-Days Early Voting Planning Session
 - Department Head Meeting
 - Monthly City Manager One on One
 - DPW/Clerk Department Meeting

Special Events

- *Special event applications received for processing:*
 - Movie in the Park event date: 8-14-26.
 - Bike Club Ride event date: 9-20-26.
 - *Upcoming Special events process completed:*
 - Music in the Park event dates: Wednesdays between 6-17-26 – 9-2-26.
 - SDAC Art Fairs event dates: July 25 & 26.
 - Venetian Festival event dates: 7-24-26 and 7-25-26.
 - Saugatuck Farmers Market – The Market at SCA event date: 7-31-26.
 - Sidewalk Sales event date: 8-13-26.
 - Art in the Park event date: 9-12-26.
 - Mt. Baldhead Challenge event date: 9-12-26.
 - Chili Cook-off event date: 10-11-26.
 - Art Coast Food & Wine Festival event dates: 11-5-26 through 11-7-26.
-

Administrative & General

- Processed 48 zoning permit payments.
- Assisted in mailing tax bills.
- Mailed 298 Absentee Ballots
- 3 FOIA requests.
- Wicks Park boat slips - We have 1 open slips, first come, first serve - application [here](#).
- Created and distributed 28 community E-News blasts.
- City Staff handled a total of 651 incoming phone calls.
- City Hall Remodel: Second round of renderings have been received.
- Managed front counter operations.



June 2026 Department of Planning & Zoning Report

Monthly Update Overview

- Continuing development review and interdepartmental coordination.
- Comprehensive Plan outline proposal presented to the Planning Commission.
- Comprehensive Plan mapping including: Shoreline Features, Sidewalks, Existing Land Use, Surrounding Communities Future Land Use, Character Analysis, Topography, and Natural Features.
- Attended stakeholder meeting with a community walking group to discuss mobility planning.

Action & Progress

- Participated in Planning Commission & Zoning Board of Appeals interviews and offered recommendations.
- Welcomed a new Planning Commissioner and Zoning Board of Appeals member. Shared materials and resources.
- Enrolled newest Planning Commissioner in the MSU Extension Citizen Planner course.
- Continued notice updates for STR licenses in R-1 Districts for an opportunity halfway through the year. Fielded questions and concerns from residents.
- Continued STR administration, including resident meetings, application guidance, compliance checks related to property transfers, and coordination with Granicus.
- Coordination with Fire Department to address property maintenance concerns.
- Coordinated multiple zoning and policy matters with legal counsel, including STR enforcement cases, site sewer connection, and enforcement strategy.
- Maintained ongoing coordination with the City Engineer and planning consultant on active and proposed development projects.
- Created action plan with planning consultant for Comprehensive Plan drafting.
- Began draft and compiled data for the Comprehensive Plan.
- Attended webinar Public Land for Public Good.
- Joined the Michigan Association of Planning Social Equity Committee.

Boards, Casework, & Operations

- Prepared agendas, packets, and materials for Planning Commission, Zoning Board of Appeals, Historic District Commission, and City Council meetings; issued meeting cancellations where applicable.
- Issued permits, processed planning and zoning applications, short term rental applications, conducted field inspections, and continued enforcement follow-ups on active violations.
- Revised escrow and invoice tracking process.
- Participated in internal staff coordination meetings.

Ongoing & Upcoming

- Several Comprehensive Plan draft chapters to be released.
- Continued STR compliance monitoring and enforcement.
- Gradually updating & creating new permit applications where applicable.

Short Term Rental License's 2026

Zoning District	# Issued in June	Year to Date Issued	Cap
Blue Star (LI-1)	-	-	-
City Center (C-1)	3	10	-
City Center Transitional Residential (R-4)	4	12	-
Community Residential (R-1)	9	75	67
Conservation Recreation & Camp (CRC)	-	-	-
Cultural/Community	-	-	-
Lake Street (R-2)	4	13	-
Maple Street (R-1)	-	7	7
Neighborhood Marine (NHM)	-	-	-
Peninsula North (Duneside – R-1)	-	2	3
Peninsula North (Riverside – R-1)	-	-	2
Peninsula South (R-1)	-	7	11
Peninsula West (R-1)	-	11	10
Resort (C-4)	2	10	-
Downtown Waterfront Preservation (C-2)	-	-	-
Water Street East (C-2)	-	16	-
Water Street North (C-1)	1	2	-
Water Street South (C-2)	-	-	-
Multi-Family Residential (R-3)	-	2	-
Total	24	168	

Permits Issued 2026

Permit Type	Number Issued in June	Year to Date Issued
Zoning	13	39
Historic	4	20
Right of Way	3	19
Special Land Use	0	3
Total	20	81

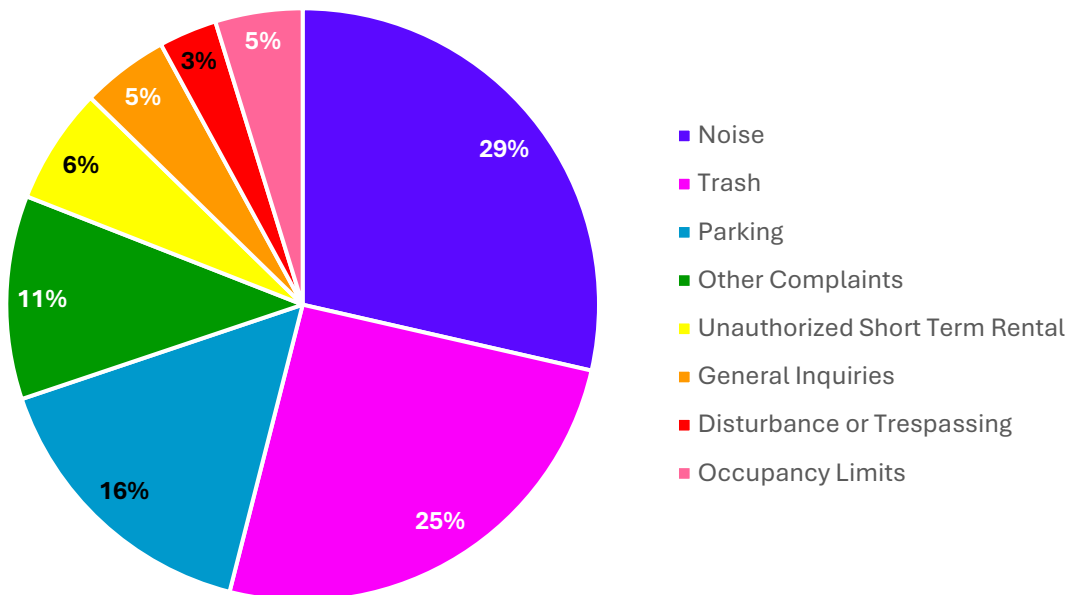
Planning Department Calls in June

Total Calls	Incoming	Outgoing
264	188	76

Granicus Hotline Calls Update – June 2026

Type	Number of Calls
Trash	1
Occupancy Limits	1
Noise	2
Other	2
Total Calls All Time	63

Call Distribution by Complaint Type



Open Casework

Type	Number of Open Cases
Short Term Rental	18
Enforcement	11
Zoning	12
Right of Way	5
Historic	8
Water/Sewer	3
Special Land Use / PUD	1
Total	58

Closed Casework

Type	Number of Closed Cases
Short Term Rental	25
Enforcement	5
Zoning	13
Right of Way	1
Historic	3
Water/Sewer	1
Special Land Use / PUD	0
Total Cases Closed in June	48

Respectfully submitted,


Grayson Moore - Director of Planning & Zoning



Department of Public Works

Below is a summary of notable activities carried out by the Department of Public Works since the last summary provided to City Council at the June 1 regular meeting.

Staff Update:

- Public Works staff have been exceptionally busy this month, and I want to thank the team for their flexibility and responsiveness in addressing work orders as they arise throughout the day. Their willingness to adapt to changing priorities is greatly appreciated and helps keep our operations running smoothly.
- Oval Beach staff have also had a busy month, and we now have sufficient summer staffing in place to keep operations running smoothly. Angela has done an excellent job coordinating the team and ensuring daily operations continue to run efficiently.

Oval Beach:

- During the July 4th holiday weekend, Oval Beach experienced a power outage that temporarily disrupted operations. Because the well pump could not be powered by the generator, restroom access was limited until electricity was restored. Power was restored later that day, and normal operations resumed without further issues.
- DPW staff responded promptly to the power outage at Oval Beach. After identifying an issue with the generator, they contacted a local electrician for assistance. Through their quick response and troubleshooting efforts, they were able to keep most beach operations running until utility power was restored.

Tree Work:

- We had a tree go down on our steps at near Griffith & Mary Street, since it was later in the day and Consumers Energy had to clear some lines, we cleared the tree the next morning and cleaned up the area.
- DPW staff responded promptly to a call from the Fire Department regarding a fallen tree on Perryman. The team quickly cleared the roadway before it caused any significant disruption to traffic.

Parks:

- Mowing and weeding continue to be a regular part of daily operations, and the team has done an excellent job staying on top of these tasks to keep our parks and public spaces looking their best.
- AJ has addressed a few irrigations issues this month and continues to respond quickly to repairs as they arise, helping to keep the park system well maintained.

Streets:

- DPW staff used 3 tons of asphalt to repair some potholes around the city mainly focusing on high traffic areas and downtown.
- The battery in the radar speed sign on Holland Street was replaced, and the sign is now fully operational.

Project Updates:

- Invasive species management efforts are underway throughout the City, including Mt. Baldhead, the Saugatuck Harbor Natural Area, and other public spaces. The Outdoor Discovery Center has been doing an excellent job leading this work and helping protect our natural areas through targeted invasive species control.
- Work on Maple Street continues to progress as scheduled. The water main installation is expected to be completed this week, while water service installations remain ongoing. Storm sewer work is anticipated to begin in the coming weeks, and paving remains on schedule for completion in October.
- The City Hall elevator project has been completed, and the elevator has successfully passed inspection by the state inspector. The elevator is now ready for use.

**City of Saugatuck
Status Report of Engineering Activities
July 9, 2026**

General Consultation

- Developed a proposal for inspection of larger culvert crossings and storm sewer outfalls. This work could be completed in phases and areas of concern could be prioritized.
- Pavement Markings: 2026 work is complete. Current contract is 2025-2027.
- Assisting with review of water and sewer agreements as needed.

EGLE Technical, Managerial and Financial (TMF) Project

- The project is complete, final documents have been submitted to EGLE and notices have been sent to customers. Assisting staff with answering customer questions.
- Will be working with City staff on a plan to eliminate remaining unknowns and replace lead/galvanized services by the federal and state deadlines (11/1/2037 and 1/1/2041, respectively). Water services are being evaluated with all ongoing projects to help make progress.
- Resubmitted the EGLE DWSRF Project Plan for service line replacement to try to take advantage of additional funding available. Scoring has been distributed by EGLE. The City is currently not in the fundable range, but we are working with EGLE to get 5 additional points that were missed in the initial review. Even without those points, the fundable range could be extended if communities that currently have more points than the City drop off the list.

Mt. Baldhead Observation Platform Replacement

- Preliminary design work is underway.
- Construction is targeted for fall 2026 or spring 2027, depending on the timeframe for design, stakeholder engagement and permitting.

Maple Street Improvements

- Water main installation on Maple Street between Blue Star Highway and Allegan Street is nearly complete, and water services are being transferred over to the new main.
- Storm sewer work is anticipated to be completed in July or early August.
- Installation of valves on Water Street is tentatively being rescheduled for mid-October. A change order to adjust the milestone dates is pending approval.
- Construction is anticipated to be completed November 2026.

Parking Study

- Off-peak parking counts were obtained on Saturday, May 2.
- On-peak counts are tentatively scheduled for July.

Park Street Improvements – Study Phase

- The City received funding from EGLE's Michigan Coastal Management Program, which will fund up to 50% of the planning cost.
- Survey field work is complete. We are working on a date for a public open house to be held at the Mt. Baldhead pavilion this summer.

City Hall Interior Renovations

- City staff is reviewing current concepts.

Elizabeth Street Improvements

- Presented the planning phase report at the July 8 council workshop.
- Design phase proposal is being drafted and will be completed with final direction on scope to be included.
- Projected schedule is design in summer/fall 2026, bidding in late 2026 or early 2027 and construction in 2027.

Village Square Court Renovation

- Survey work and soil borings are complete. Design is underway.
- We anticipate construction will take place in fall 2026 or spring 2027, depending on the timeframe for design, stakeholder engagement, etc.

Wicks Park and Village Square Restroom Interior Renovations

- Discussed project scope at the July 8 council workshop.
- City staff is currently evaluating the feasibility of replacement of the Wicks Park building, re-creating the current mural on the new building.
- Design phase proposal will be updated as needed based on direction received.

Saugatuck June 2026

Total calls for service – 131

Total traffic stops – 59

School contacts – 5

Average response time – 6.1 minutes

Call Date/Time	Incident Type
=====	
06/30/2026 21:49:34	General Assist
06/30/2026 17:25:34	General Assist
06/30/2026 12:16:43	Animal-Welfare
06/30/2026 11:27:52	PRIV PROP IMPOUND
06/29/2026 23:00:17	General Assist
06/29/2026 21:52:55	Accident All Other
06/29/2026 12:52:32	MDOP-29000
06/29/2026 10:03:19	Parking Violation
06/28/2026 22:47:45	Assist Other Agencies
06/28/2026 21:50:07	General Assist
06/28/2026 16:42:16	Parking Violation
06/28/2026 15:28:33	PDA
06/28/2026 03:43:33	General Assist
06/27/2026 18:34:35	Obstruct Justice
06/27/2026 16:04:43	Parking Violation
06/27/2026 16:03:25	Boat-Marine Patrol
06/27/2026 02:52:02	Loud Noise
06/27/2026 01:06:46	Weapons Offense
06/27/2026 00:35:39	OWI
06/26/2026 21:52:39	General Assist

06/26/2026 20:07:15	PRIV PROP IMPOUND
06/26/2026 19:51:48	Parking Violation
06/26/2026 19:39:51	Parking Violation
06/26/2026 16:57:34	Parking Violation
06/26/2026 00:44:03	General Assist
06/25/2026 14:45:18	Littering
06/25/2026 09:35:36	Assist Other Agencies
06/24/2026 23:00:13	General Assist
06/24/2026 20:14:08	Misc
06/24/2026 10:41:20	Alarm
06/24/2026 03:39:44	General Assist
06/23/2026 20:35:22	Animal-Dog Running
06/23/2026 00:00:08	General Assist
06/22/2026 23:14:23	OWI
06/22/2026 14:19:11	General Assist
06/21/2026 23:25:24	General Assist
06/21/2026 14:10:21	Assist Other Agencies
06/21/2026 11:51:11	PDA
06/21/2026 03:07:36	Check Welfare
06/21/2026 01:59:34	General Assist
06/21/2026 00:42:34	Suspicious Situation
06/21/2026 00:21:41	UNCONS/FAINTING
06/21/2026 00:11:56	SICK PERSON
06/20/2026 22:35:49	911 Welfare - Misdials
06/20/2026 19:01:23	Animal Call-Other
06/20/2026 18:11:58	Parking Violation
06/20/2026 16:57:37	Parking Violation
06/20/2026 14:27:09	PRIV PROP IMPOUND
06/20/2026 12:50:43	PDA

06/20/2026 01:37:22	Civil	06/13/2026 16:03:38	Suspicious Situation
06/19/2026 23:31:27	Alarm	06/13/2026 15:08:18	Parking Violation
06/19/2026 22:11:28	General Assist	06/13/2026 13:43:03	BACK PAIN
06/19/2026 19:29:22	Loud Noise	06/13/2026 12:12:28	Parking Violation
06/19/2026 14:08:16	Parking Violation	06/13/2026 02:15:01	Assault
06/18/2026 23:04:03	General Assist	06/12/2026 22:32:28	General Assist
06/18/2026 13:46:13	Found Property	06/12/2026 21:57:53	General Assist
06/18/2026 12:34:21	PIA	06/12/2026 19:31:26	Parking Violation
06/17/2026 23:28:14	General Assist	06/12/2026 18:01:40	Loud Noise
06/17/2026 15:09:18	Parking Violation	06/12/2026 17:39:24	Parking Violation
06/17/2026 10:27:34	Accident All Other	06/12/2026 17:35:45	Parking Violation
06/16/2026 22:39:50	General Assist	06/12/2026 09:01:52	Larceny
06/16/2026 16:05:40	Parking Violation	06/11/2026 23:32:18	General Assist
06/16/2026 07:44:20	Alarm	06/11/2026 16:31:26	Loud Noise
06/15/2026 23:28:30	General Assist	06/11/2026 14:38:35	Larceny
06/15/2026 13:53:45	Loud Noise	06/10/2026 22:58:14	Found Property
06/15/2026 06:16:18	Suspicious Situation	06/10/2026 22:50:37	General Assist
06/14/2026 21:53:50	General Assist	06/10/2026 14:34:59	Misc
06/14/2026 18:18:56	Civil	06/10/2026 07:33:28	Alarm
06/14/2026 17:27:00	Loud Noise	06/09/2026 21:54:22	General Assist
06/14/2026 14:05:32	Loud Noise	06/09/2026 21:07:04	Loud Noise
06/14/2026 11:28:13	Parking Violation	06/09/2026 17:25:04	Civil
06/14/2026 10:44:48	Found Property	06/09/2026 13:02:00	Misc
06/14/2026 03:22:03	General Assist	06/09/2026 01:00:57	General Assist
06/13/2026 21:58:27	General Assist	06/08/2026 19:24:50	Tree Down
06/13/2026 21:38:17	Civil	06/07/2026 23:18:51	General Assist
06/13/2026 18:45:39	Parking Violation	06/07/2026 14:31:54	Disorderly Conduct
06/13/2026 17:58:36	Parking Violation	06/07/2026 13:51:58	General Assist
06/13/2026 16:10:21	PRIV PROP IMPOUND	06/07/2026 11:23:43	Harassment/Threats

06/07/2026 08:39:00	Found Property
06/07/2026 02:49:02	General Assist
06/06/2026 18:58:26	Civil
06/06/2026 18:15:55	Parking Violation
06/06/2026 18:14:56	Parking Violation
06/06/2026 15:14:49	Harassment/Threats
06/06/2026 13:37:47	Accident All Other
06/06/2026 10:47:49	Parade Traffic Control
06/06/2026 02:32:45	Assist Other Agencies
06/06/2026 01:20:06	Disorderly Conduct
06/05/2026 22:13:11	General Assist
06/05/2026 13:40:09	Misc
06/04/2026 22:01:14	General Assist
06/04/2026 20:34:44	Assist Other Agencies
06/04/2026 16:53:35	General Assist
06/03/2026 22:31:00	Intoxicated Subject
06/03/2026 22:24:03	General Assist
06/03/2026 19:41:35	Assist Other Agencies
06/03/2026 18:31:40	Assist Other Agencies
06/03/2026 14:56:05	CSC
06/02/2026 23:15:07	General Assist
06/02/2026 09:47:01	Parking Violation
06/02/2026 01:31:03	General Assist