



**Special City Council Meeting
6:00 p.m., Monday, Oct. 20, 2025
Conference Room
23600 Liberty Street
Farmington, MI 48335**

SPECIAL MEETING AGENDA

- 1. Roll Call**
- 2. Approval of Agenda**
- 3. Public Comment**
- 4. Consideration to approve the transfer of the City Manager and Assistant City Manager from the Defined Contribution Plan to the Defined Benefit Plan**
- 5. Consideration to approve event planning company to produce Farmington Founders Festival**
- 6. Other Business**
- 7. Public Comment**
- 8. Council Comment**
- 9. Adjournment**

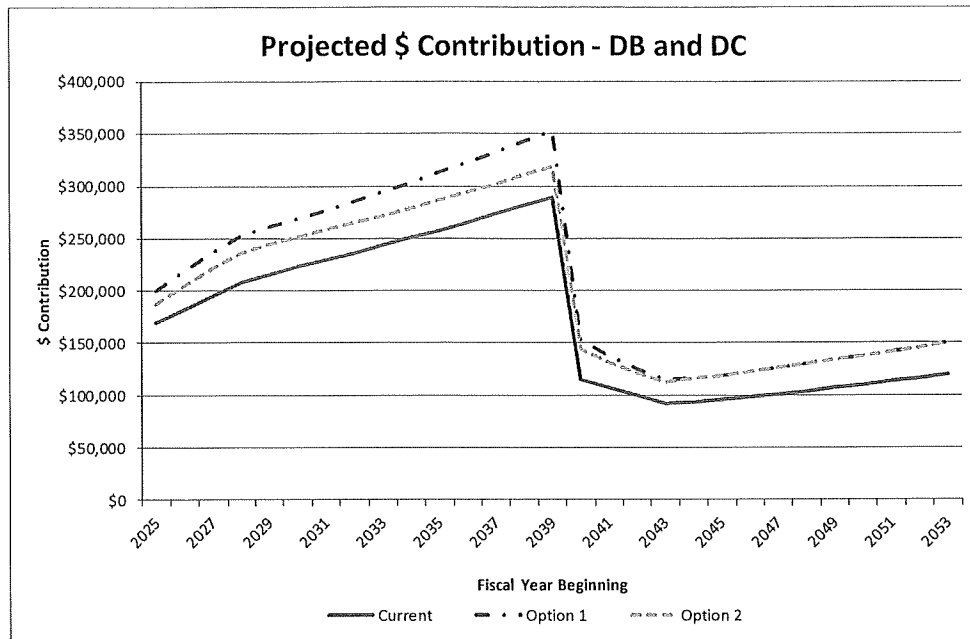
The City will follow its normal procedures for accommodation of persons with disabilities. Those individuals needing accommodations for effective participation in this meeting should contact the City Clerk (248) 474-5500, ext. 2218 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

Farmington City Council Staff Report	Council Meeting Date: October 20, 2025	Item Number 4
Submitted by: David Murphy, City Manager		
Agenda Topic: Consideration to approve the Transfer of the City Manager and Assistant City Manager from the Defined Contribution Plan to the Defined Benefit Plan.		
Proposed Motion: Move to approve the transfer of the City Manager and Assistant City Manager from the Defined Contribution Plan to the Defined Benefit Plan and direct administration to prepare the required resolution with MERS.		
Background: The City currently provides a defined benefit pension to all full-time employees except for the following individuals: <ul style="list-style-type: none"> • City Manager • Assistant City Manager • DPW Employees Hired After June 1, 2013 The above employees receive a defined contribution pension. Administration is requesting that Council consider converting the City Manager and Assistant City Manager from the defined contribution system to the defined benefit system. Converting these employees to the defined benefit system would require those employees to give up their defined contribution accounts and the City would have to contribute additional funds to cover the entire cost of providing this benefit. In addition, the ongoing yearly pension contributions would increase. To determine the cost for converting the City Manager and Assistant City Manager, Administration requested a valuation dated January 16, 2025. That valuation, which was based on the actuarial valuation dated December 31, 2023 showed the balance of the defined contribution accounts to be transferred as \$512,000; the amount of the City's contribution as \$117,000; and an increase to the yearly pension contribution as \$30,000 in the first year and an average of \$45,000 over a 10 year period. Note: Final required contributions and transfer amounts will be prepared following the conversion date, including the use of updated data as of the conversion date.		
Materials MERS Supplemental Valuation Pension Conversion of Department Heads From DC to DB City Manager Correspondence		

Supplemental Valuation Results – Department Heads (Division 11)

Projection Results

Current and Proposed Options 1 and 2



Fiscal Year Beginning July 1,	Current			Option 1	Option 2
	For Existing DB Plan and Emerging New Hires to DB	For Existing DC Plan and Emerging New Hires to DC	Total Employer Contribution	Total Employer Contribution	Total Employer Contribution
2025	\$140,000	\$30,500	\$170,500	\$200,000	\$187,000
2026	151,000	31,400	182,400	219,000	206,000
2027	163,000	32,400	195,400	237,000	222,000
2028	175,000	33,300	208,300	252,000	235,000
2029	182,000	34,300	216,300	261,000	244,000
2030	187,000	35,400	222,400	269,000	251,000
2031	193,000	36,400	229,400	277,000	259,000
2032	199,000	37,500	236,500	285,000	266,000
2033	205,000	38,600	243,600	294,000	272,000
2034	211,000	39,800	250,800	303,000	279,000
2035	217,000	41,000	258,000	313,000	286,000

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show the total employer contribution to the combined DB and DC Plans.
3. In the long run, the employer contribution will trend towards the employer long-term cost of the different benefit structures.

This report may be provided to parties other than the municipality only in its entirety.



Report Specific Comments

1. DC contribution balances provided by MERS were used as part of this request. As directed by MERS, the following assumptions were applied:
 - a. Option 1 Conversion: it was assumed the reported DC contribution balances were transferred to the DB Plan and each converting member received DB credit for all prior service (for both benefit and eligibility purposes).
 - b. Option 2 Freeze: the reported balances were used as the DC Plan frozen benefit amount in DC Divisions 110207 and 110727. It was assumed no future contributions would occur, only future investment accruals.
2. Under Option 2, for the reopened DB Division 10 and open DB Division 11, actives from DC Divisions 110207 and 110727 are valued with zero benefit service and eligibility service equal to prior eligibility service in the DC Plan. At program onset, the result of this plan change is an Actuarial Accrued Liability of \$0 and normal costs higher than would otherwise be expected due to a shortened funding period.
3. Please note, IRS CODA rules may apply to the proposed plan type changes illustrated in this report. CODA rule application was not a part of this study.
4. As directed by MERS, the administration of Section IV (3) of the Actuarial Policy, regarding minimum funding rules for plan changes applies as follows:
 - a. Option 1 – New Actuarial Liability (AAL) is created due to conversion of the DC member balances. As a result, assets must be transferred and/or contributed to the DB plan which result in all new/prior service accrued liabilities being at least 80% funded.
 - b. Option 2 – Funding requirements do not apply since the reopened DB Division retains the same provisions as the prior closed DB Division and there is no increase in the DB AAL.
 - c. Under Option 1, the additional required contribution are as follows:

Market Value as of December 31, 2023		
Division	Additional Required Contribution	DC Asset Transfer ¹
10	\$ 115,000	\$ 192,000
11	\$ 117,000	\$ 512,000

¹ The DC Asset Transfer represents the amount of the defined contribution balance that is expected to transfer to the DB plan.

- d. Final required contributions and transfer amounts will be prepared following the conversion date, including the use of updated data as of the conversion date.
5. The proposed plan changes illustrated in this report are valued as if they occur on the valuation date, December 31, 2023. The results should not be used for short-term budgeting purposes. These projections illustrate the long-term pattern of employer contributions for the purpose of comparing the financial implications of each plan design. A projection is not a prediction. Future costs will be determined by future actuarial valuations and may change based upon actual experience.

City of Farmington

Pension Conversion of Department Heads From DC to DB

Up front cash contribution

	DH
From Employees	\$ 512,000
From Employer	\$ 117,000

Yearly additional cost

	DC	DH	Difference
From Employer			
2025	\$ 170,500	\$ 200,000	\$ 29,500
2026	182,400	219,000	\$ 36,600
2027	195,400	237,000	\$ 41,600
2028	208,300	252,000	\$ 43,700
2029	216,300	261,000	\$ 44,700
2030	222,400	269,000	\$ 46,600
2031	229,400	277,000	\$ 47,600
2032	236,500	285,000	\$ 48,500
2033	243,600	294,000	\$ 50,400
2034	250,800	303,000	\$ 52,200
2035	258,000	313,000	\$ 55,000



January 16, 2025

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

RE: DC to DB: Farmington, City of (6343) - Divisions 10 and 11

The purpose of this report is to show the financial implications to the employer of different retirement plan designs for Farmington, City of (6343) – Divisions 10 and 11. This report is based on the December 31, 2023 annual actuarial valuation and contains information corresponding to the different options under consideration.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. The report may be provided to parties other than the municipality only in its entirety. GRS is not responsible for unauthorized use of this report.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

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 the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Mark Buis and Shana M. Neeson are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Mark Buis". The signature is written in a cursive, flowing style.

Mark Buis, FSA, EA, FCA, MAAA

A handwritten signature in black ink that reads "Shana M. Neeson". The signature is written in a cursive, flowing style.

Shana M. Neeson, ASA, FCA, MAAA

Executive Summary

A summary of the proposed retirement plan design options considered in this study are shown below. The results of our calculations are included on the following pages.

Option	Division	Description
Baseline	Department of Public Works (10)	<u>Existing DB Participants:</u> Division Type: Defined Benefit (DB) Division Status: Closed Link Status: Not Linked <u>Existing DC Participants and New Hire Division Benefits (DC Division 110207):</u> Division Type: Defined Contribution (DC) Employer Contribution to DC Plan: 7.00%
	Department Heads (11)	<u>Existing DB Participants and Optional New Hires:</u> Division Type: Defined Benefit (DB) Division Status: Open Link Status: Not Linked <u>Existing DC Participants and Optional New Hire Division Benefits (DC Division 110727):</u> Division Type: Defined Contribution (DC) Employer Contribution to DC Plan: 10.50%
1	Department of Public Works (10)	<u>Existing DC Participants:</u> Division Type: Defined Contribution (DC) Conversion: All <u>Existing DB Participants, Converted DC Participants, and New Hire Division Benefits:</u> Division Type: Defined Benefit (DB) Division Status: Open Link Status: Not Linked
	Department Heads (11)	<u>Existing DC Participants:</u> Division Type: Defined Contribution (DC) Conversion: All <u>Existing DB Participants, Converted DC Participants, and New Hire Division Benefits:</u> Division Type: Defined Benefit (DB) Division Status: Open Link Status: Not Linked
2	Department of Public Works (10)	<u>Existing DC Participants:</u> Division Type: Defined Contribution (DC) Conversion: None Frozen Benefit as of October 1, 2025, enroll current actives and new hires in DB Plan <u>Existing DB Participants, Frozen DC Participants, and New Hire Division Benefits:</u> Division Type: Defined Benefit (DB) Division Status: Open Link Status: Not Linked
	Department Heads (11)	<u>Existing DC Participants:</u> Division Type: Defined Contribution (DC) Conversion: None Frozen Benefit as of October 1, 2025, enroll current actives and new hires in DB Plan <u>Existing DB Participants, Frozen DC Participants, and New Hire Division Benefits:</u> Division Type: Defined Benefit (DB) Division Status: Open Link Status: Not Linked

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Supplemental Valuation Results – Department of Public Works (Division 10)

Employer Computed Contributions

Current and Proposed Option 2

	Current Benefits		Proposed Option 2		Difference	
Benefits						
Benefit Multiplier	2.25% Multiplier (no max)		2.25% Multiplier (no max)			
Normal Retirement Age	60		60			
Vesting	10 years		10 years			
Early Retirement (Reduced)	50/25		50/25			
Early Retirement (Reduced)	55/15		55/15			
Final Average Compensation	5 years		5 years			
Member Contribution Rate	1.50%		1.50%			
Census Change	-		Yes		Yes	
Status						
Division	Closed		Open		Open	
Link	Not Linked		Not Linked			
Participant Summary						
Active	4		13		9	
Vested Former Members	1		1		0	
Retired	9		9		0	
Refunds	0		0		0	
Total	14		23		9	
Annual Payroll	\$287,792		\$827,468		\$539,676	
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees \$1,216,025 \$1,216,025 \$0						
ii. Vested Former Employees 199,963 199,963 0						
iii. Retirees and Beneficiaries 2,425,484 2,425,484 0						
iv. Pending Refunds 0 0 0						
v. Total ¹ [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.] \$3,841,472 \$3,841,472 \$0						
b. Valuation Assets (VA) ² \$3,214,828 \$3,214,828 \$0						
c. UAL [1.a. - 1.b.] \$626,644 \$626,644 \$0						
d. Division Percent Funded [1.b. / 1.a.] 83.7% 83.7% 0.0%						
2. Employer Contribution Development ³						
(Fiscal Year Beginning July 1, 2025)						
a. Total Normal Cost ⁴ \$28,728 11.45% \$117,264 13.16% \$88,536 1.71%						
b. Employee Contribution Rate 3.768 1.50% 13.368 1.50% 9.600 0.00%						
c. Employer Normal Cost [2.a - 2.b.] 24,960 9.95% 103,896 11.66% 78,936 1.71%						
d. Amortization of UAL 153,696 - 152,124 17.07% (1,572) -						
e. Employer Contribution [2.c. + 2.d., not less than 0] \$178,656 - \$256,020 28.73% \$77,364 -						
Other Assumptions						
1. Valuation Date 12/31/2023 12/31/2023						
2. Increase in Final Compensation 5.00 % 5.00 %						
3. Amortization Period (Years) 2 - 10 5 - 15 5 - 15						

¹ The value of future benefits earned through the valuation date.

² Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.

³ Percentages of pay are not developed for a closed division.

⁴ The total normal cost is the ongoing cost of the plan under the applicable benefit structure.

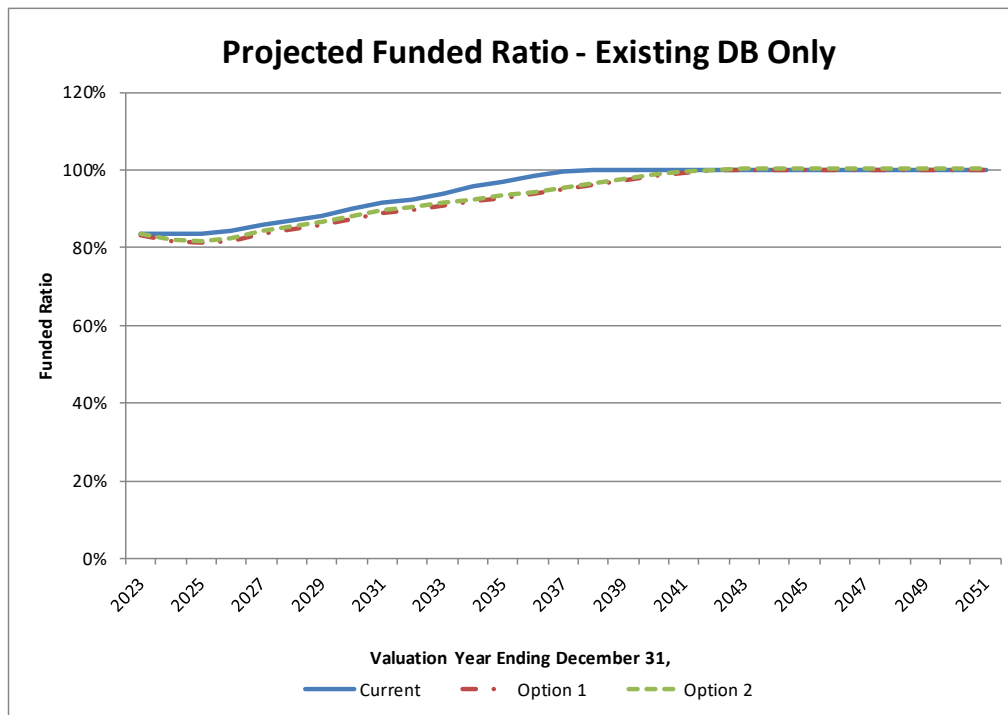
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Supplemental Valuation Results – Department of Public Works (Division 10)

Projection Results

Current and Proposed Options 1 and 2



Valuation Year Ending December 31,	Current			Option 1			Option 2		
	Actuarial Accrued Liability	Valuation Assets	Funded Ratio	Actuarial Accrued Liability	Valuation Assets	Funded Ratio	Actuarial Accrued Liability	Valuation Assets	Funded Ratio
2023	\$3,840,000	\$3,210,000	84%	\$4,260,000	\$3,550,000	83%	\$3,840,000	\$3,210,000	84%
2024	3,870,000	3,230,000	84%	4,370,000	3,580,000	82%	3,950,000	3,240,000	82%
2025	3,890,000	3,260,000	84%	4,490,000	3,650,000	81%	4,060,000	3,310,000	82%
2026	3,890,000	3,280,000	84%	4,600,000	3,760,000	82%	4,170,000	3,430,000	82%
2027	3,870,000	3,320,000	86%	4,710,000	3,930,000	83%	4,260,000	3,590,000	84%
2028	3,830,000	3,330,000	87%	4,810,000	4,080,000	85%	4,350,000	3,720,000	85%
2029	3,760,000	3,320,000	88%	4,910,000	4,230,000	86%	4,440,000	3,850,000	87%
2030	3,680,000	3,310,000	90%	5,010,000	4,390,000	87%	4,520,000	3,990,000	88%
2031	3,580,000	3,270,000	91%	5,110,000	4,540,000	89%	4,600,000	4,120,000	90%
2032	3,470,000	3,210,000	93%	5,210,000	4,670,000	90%	4,680,000	4,230,000	90%
2033	3,340,000	3,140,000	94%	5,310,000	4,820,000	91%	4,770,000	4,360,000	91%

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show a comparison of the defined benefit plans.

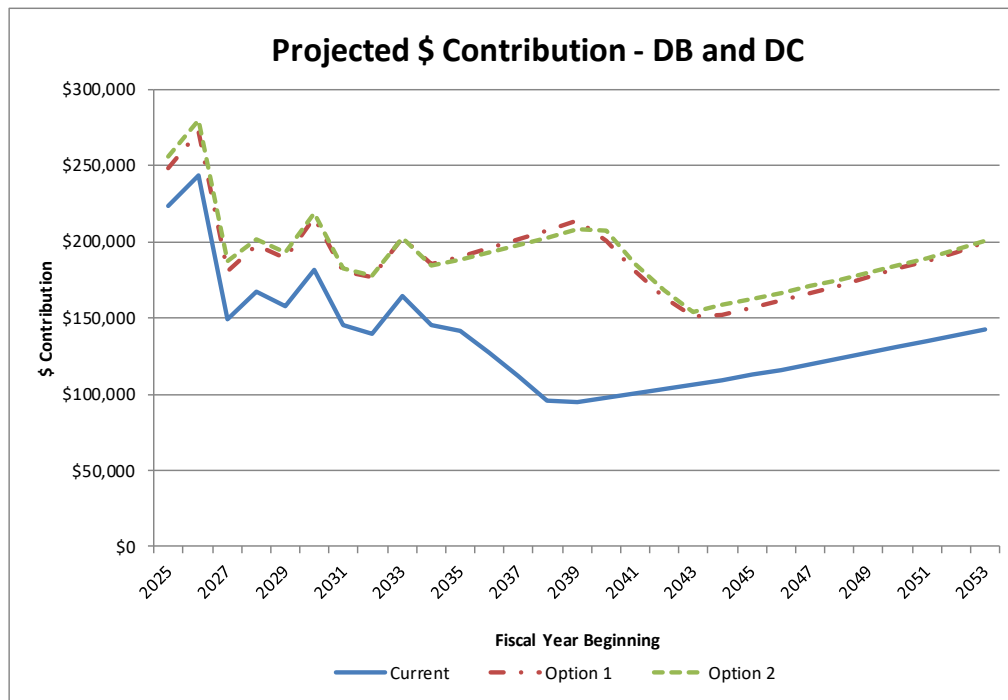
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Supplemental Valuation Results – Department of Public Works (Division 10)

Projection Results

Current and Proposed Options 1 and 2



Fiscal Year Beginning July 1,	Current			Option 1	Option 2
	For Existing DB Plan	For Existing DC Plan and Emerging New Hires to DC	Total Employer Contribution	Total Employer Contribution	Total Employer Contribution
2025	\$179,000	\$44,800	\$223,800	\$248,000	\$255,000
2026	194,000	49,000	243,000	272,000	279,000
2027	95,900	53,500	149,400	181,000	187,000
2028	109,000	58,000	167,000	198,000	202,000
2029	95,700	62,000	157,700	190,000	193,000
2030	116,000	65,800	181,800	216,000	218,000
2031	75,900	69,300	145,200	180,000	183,000
2032	66,900	72,600	139,500	176,000	178,000
2033	88,600	75,800	164,400	203,000	203,000
2034	66,700	78,900	145,600	185,000	184,000
2035	60,000	81,900	141,900	190,000	188,000

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show the total employer contribution to the combined DB and DC Plans.
3. In the long run, the employer contribution will trend towards the employer long-term cost of the different benefit structures.

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Supplemental Valuation Results – Department Heads (Division 11)

Employer Computed Contributions

Current and Proposed Option 2

	Current Benefits		Proposed Option 2		Difference	
Benefits						
Benefit Multiplier	2.50% Multiplier (no max)		2.50% Multiplier (no max)			
Normal Retirement Age	58		58			
Vesting	7 years		7 years			
Early Retirement (Reduced)	50/25		50/25			
Early Retirement (Reduced)	55/15		55/15			
Final Average Compensation	3 years		3 years			
Member Contribution Rate	4.50%		4.50%			
Census Change	-		Yes		Yes	
Status						
Division	Open		Open			
Link	Not Linked		Not Linked			
Participant Summary						
Active	2		4		2	
Vested Former Members	0		0		0	
Retired	6		6		0	
Refunds	0		0		0	
Total	8		10		2	
Annual Payroll	\$192,285		\$462,021		\$269,736	
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees	\$943,636		\$943,636		\$0	
ii. Vested Former Employees	0		0		0	
iii. Retirees and Beneficiaries	2,449,173		2,449,173		0	
iv. Pending Refunds	0		0		0	
v. Total ¹ [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]	\$3,392,809		\$3,392,809		\$0	
b. Valuation Assets (VA) ²	\$2,039,197		\$2,039,197		\$0	
c. UAL [1.a. - 1.b.]	\$1,353,612		\$1,353,612		\$0	
d. Division Percent Funded [1.b. / 1.a.]	60.1%		60.1%		0.0%	
2. Employer Contribution Development ³ (Fiscal Year Beginning July 1, 2025)	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll
a. Total Normal Cost ⁴	\$31,140	15.04%	\$92,040	18.50%	\$60,900	3.46%
b. Employee Contribution Rate	<u>9,312</u>	<u>4.50%</u>	<u>22,392</u>	<u>4.50%</u>	<u>13,080</u>	<u>0.00%</u>
c. Employer Normal Cost [2.a - 2.b.]	21,828	10.54%	69,648	14.00%	47,820	3.46%
d. Amortization of UAL	<u>117,816</u>	<u>56.90%</u>	<u>117,816</u>	<u>23.68%</u>	0	(33.22%)
e. Employer Contribution [2.c. + 2.d., not less than 0]	\$139,644	67.44%	\$187,464	37.68%	\$47,820	(29.76%)
Other Assumptions						
1. Valuation Date	12/31/2023		12/31/2023			
2. Increase in Final Compensation	5.00 %		5.00 %			

¹ The value of future benefits earned through the valuation date.

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³ Percentages of pay are not developed for a closed division.

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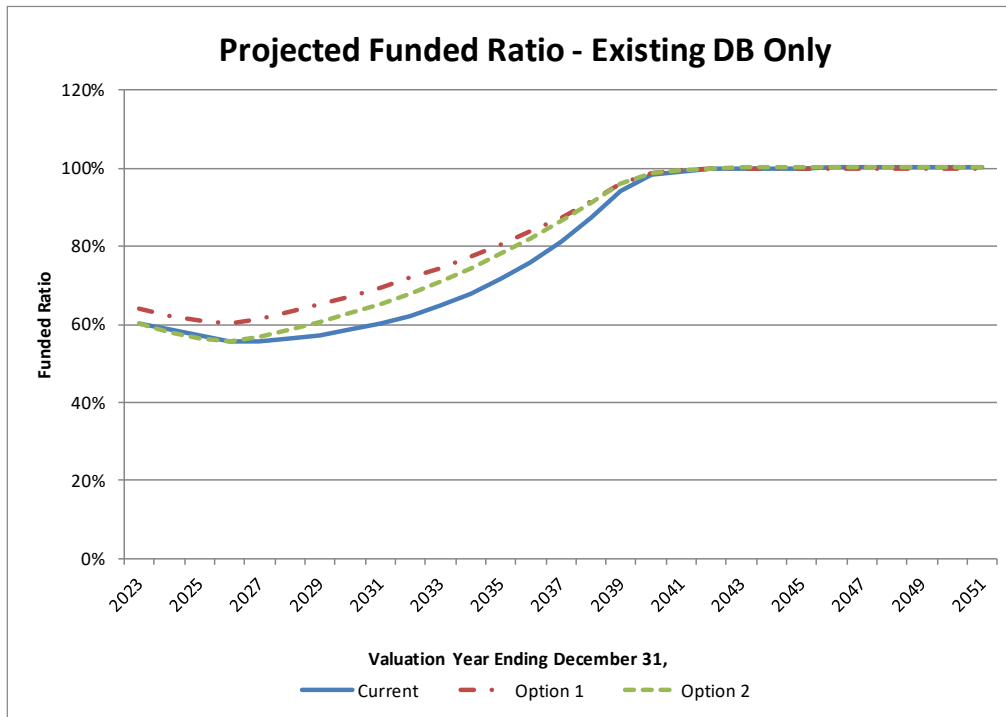
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2023	\$3,390,000	\$2,040,000	60%	\$4,260,000	\$2,730,000	64%	\$3,390,000	\$2,040,000	60%
2024	3,400,000	1,990,000	59%	4,380,000	2,720,000	62%	3,460,000	2,010,000	58%
2025	3,390,000	1,930,000	57%	4,480,000	2,730,000	61%	3,520,000	1,990,000	56%
2026	3,360,000	1,870,000	55%	4,570,000	2,750,000	60%	3,560,000	1,990,000	56%
2027	3,320,000	1,850,000	56%	4,650,000	2,850,000	61%	3,600,000	2,040,000	57%
2028	3,270,000	1,840,000	56%	4,730,000	2,980,000	63%	3,630,000	2,120,000	59%
2029	3,210,000	1,840,000	57%	4,790,000	3,120,000	65%	3,660,000	2,210,000	61%
2030	3,150,000	1,840,000	59%	4,860,000	3,270,000	67%	3,690,000	2,320,000	63%
2031	3,080,000	1,860,000	60%	4,920,000	3,420,000	69%	3,720,000	2,430,000	65%
2032	3,020,000	1,880,000	62%	4,960,000	3,560,000	72%	3,750,000	2,550,000	68%
2033	2,960,000	1,920,000	65%	4,990,000	3,710,000	74%	3,790,000	2,690,000	71%

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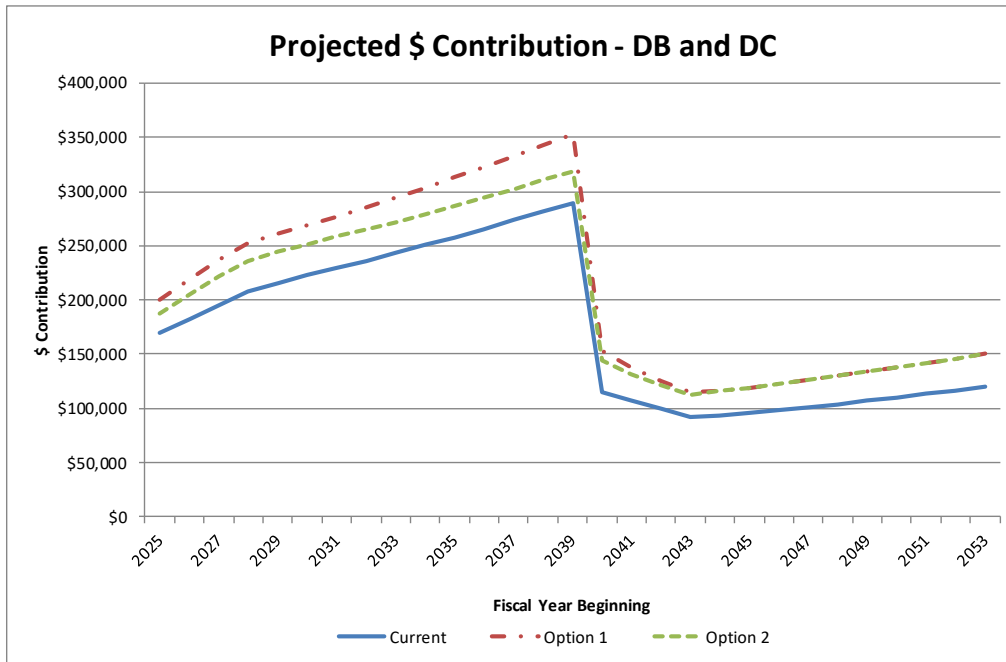
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2027	163,000	32,400	195,400	237,000	222,000
2028	175,000	33,300	208,300	252,000	235,000
2029	182,000	34,300	216,300	261,000	244,000
2030	187,000	35,400	222,400	269,000	251,000
2031	193,000	36,400	229,400	277,000	259,000
2032	199,000	37,500	236,500	285,000	266,000
2033	205,000	38,600	243,600	294,000	272,000
2034	211,000	39,800	250,800	303,000	279,000
2035	217,000	41,000	258,000	313,000	286,000

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show the total employer contribution to the combined DB and DC Plans.
3. In the long run, the employer contribution will trend towards the employer long-term cost of the different benefit structures.

This report may be provided to parties other than the municipality only in its entirety.



General Comments

1. The 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. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:
 - a. Plan Document, v01012024,
 - b. Actuarial Policy, DOC 8062 (2024-06-13), and
 - c. 2023 Appendix to the Annual Actuarial Valuation Report.
2. 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.
3. The liabilities were calculated using the actuarial assumptions and methods adopted by the MERS Retirement Board and do not assume 100% retirement when first eligible. Actuarial assumptions and methods do not determine the cost of the benefits provided; they only impact the pattern of employer contributions. If future experience is unfavorable compared to the assumptions used, employer contribution rates will increase in future years, and vice versa. For example, if members retire when first eligible, the actual liabilities would be higher than calculated resulting in higher employer contributions.
4. The proposed change may affect the risk profile of the Plan. At this time, we do not believe additional risk assessment is necessary.
5. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.
6. Contribution requirements take into consideration prior service with other MERS entities (for eligibility service only), reflected in the difference between benefit and vesting service. If members have service not reflected on the results page (e.g., prior MERS or Act 88 service, if applicable), the unfunded liabilities and employer contributions may be understated.
7. Employer contributions are based on a percentage of members' reported pay for open divisions. If actual reported payroll is substantially lower than the payroll used in this report, the actuaries recommend a minimum contribution of the dollar developed in the "Results" section.
8. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
9. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
10. 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 this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.



General Comments (Concluded)

11. Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

12. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:

- a. The assumptions are unreasonable,
- b. The plan provisions are missing or incorrectly described,
- c. Conditions have changed since the calculations were made,
- d. The information provided in this report is inaccurate or is in any way incomplete, or
- e. You need further information to make an informed decision.

13. The following information, assumptions and funding methods were used in the projections under the various options:

- a. Demographic, financial information and benefit provisions provided by MERS for the December 31, 2023 annual valuation, except where noted otherwise.
- b. The assumptions and methods used in the December 31, 2023 annual valuation, except where noted otherwise.
- c. All demographic assumptions will be met during the projection period.
- d. If new hires are included in the valuation, the active population is assumed to remain stable during the projection period.
- e. Demographic assumptions under the DC plan are unchanged from those of the DB plan, if applicable.
- f. The Market Value of Assets will earn the assumed investment return each year during the projection period.
- g. There will be no benefit changes during the projection period.
- h. The employer contributions through June 30, 2025 are not affected, and are based on previous annual actuarial valuations.



David Murphy

From: David Murphy
Sent: Monday, March 31, 2025 1:50 PM
To: Sue Feinberg
Cc: Chris Weber; Jaime Pohlman
Subject: Information Request

Follow Up Flag: Follow up
Flag Status: Flagged

Sue,

Thank you for attending our meeting last Wednesday. I thought you did a great job, and your presentation was very informative.

Below is a list of items that the Council wanted information on:

- 1) Total number of municipalities that have a DB, DC, or Hybrids plans.
- 2) When employees at MERS communities retire, what is their final average compensation?
- 3) Act 88 overview, cost and how to implement.
- 4) Drop Program overview, cost and how to implement.
- 5) Conclusion on whether pension debt can be bonded.

For the communities below, we would like to know the following:

Type of pension plan for their open divisions

The employee contribution percentage

The vesting period

Normal retirement age

Pension multiplier for the DB and Hybrid plan

What Percent funded are these Cities

Specific Communities:

Non-Public Safety

Brighton

Howell

Public Safety

Berkley

Beverly Hills

David Murphy

From: Sue Feinberg <sfeinberg@mersofmich.com>
Sent: Thursday, May 22, 2025 10:58 AM
To: David Murphy
Cc: Chris Weber; Jaime Pohlman
Subject: RE: Information Request

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello David,

Here is the information you requested broken down by all municipalities in MERS and only cities. All of the counts are as of the end of March (3/31/2025).

ALL

TYPE	COUNT
DB, DC, or H	942
DB	749
DC	573
H	92

CITIES

TYPE	COUNT
DB, DC, or H	218
DB	197
DC	142
H	41

Sue Feinberg
Regional Manager, SE Michigan
Municipal Employees Retirement System
1134 Municipal Way
Lansing, Michigan 48917
Toll Free: 800.767.MERS (6377)
Direct Dial 517.703.1331
Fax 517.703.9707
www.mersofmich.com

David Murphy

From: Sue Feinberg <sfeinberg@mersofmich.com>
Sent: Wednesday, April 2, 2025 9:30 AM
To: David Murphy
Cc: Chris Weber; Jaime Pohlman
Subject: RE: Information Request

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Good Morning David,

Thank you, I am glad you found the information to be helpful. This is going to take a while to gather all this information. We will start working on it.

I was able to confirm bonding for pension obligations is no longer available. It had a sunset date of December 31st, 2023. For item #2 we cannot give out personal information such as final FAC's. That number is going to vary greatly based on what their salary/pay was over the FAC period everyone would have a different number there is no "range" that we track.

I will send over the information on Act 88. There is no cost to adopt this it, just complete the form, sign and send to the State of Michigan and MERS. (for some reason, it won't let me attach a document so I will send that and the DROP attachment in a separate email).

Warm regards,
Sue

Sue Feinberg
Regional Manager, SE Michigan
Municipal Employees Retirement System
1134 Municipal Way
Lansing, Michigan 48917
Toll Free: 800.767.MERS (6377)
Direct Dial 517.703.1331
Fax 517.703.9707
www.mersofmich.com

Highlight your commitment to employees with a



David Murphy

From: Sue Feinberg <sfeinberg@mersofmich.com>
Sent: Wednesday, April 2, 2025 9:33 AM
To: David Murphy; Chris Weber; Jaime Pohlman
Subject: Act 88 & DROP
Attachments: Act 88.pdf; DROP Explanation doc.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Attached find Act 88 and DROP information. With DROP you would need to complete the paperwork to have the actuaries run an estimate on the cost/liability. It would be on a division level.

Warm regards,
Sue

Sue Feinberg
Regional Manager, SE Michigan
Municipal Employees Retirement System
1134 Municipal Way
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Toll Free: 800.767.MERS (6377)
Direct Dial 517.703.1331
Fax 517.703.9707
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Highlight your commitment to employees with a



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Act 88 Explanation

Act 88 of 1961, also known as the Reciprocal Retirement Act, is a Michigan law that allows for the coordination of retirement benefits for public employees who have worked for multiple Michigan governmental entities. If you've worked for more than one Michigan public employer, Act 88 may help you qualify for a pension, even if you didn't meet the vesting requirements for each employer individually.

Here's how Act 88 works:

- **Reciprocal Retirement:**

It allows for the combination of service credit from different Michigan governmental units to help you meet the vesting requirements for a pension.

- **Eligibility:**

Generally, you need at least 30 months of service with a Michigan governmental unit, participation in a retirement program with that unit, and no more than a 20-year break in service between different governmental units. Your service in different units cannot be concurrent.

- **Participating Employers:**

To benefit from Act 88, your employer(s) must have adopted the Act. A list of participating municipalities is available on the MERS website.

- **State of Michigan Service:**

For State of Michigan employees, Act 88 can be used to coordinate service credit with other Michigan governmental units, including cities, townships, villages, counties, and more.

RECIPROCAL UNITS UNDER ACT 88 OF 1961 (MCL 38.1101 et seq)

As of September 3, 2024

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Adrian, City of	12/10/70
Albion, City of	03/19/69
Albion District Library	01/30/08
Alcona County	07/27/81
Alger County Road Commission	11/27/70
Alger-Schoolcraft District Hlth Dept (merged w/Luce-Mackinaw DHD)	12/16/70
Allegan County	03/07/02
Allegan County Road Commission	02/15/71
Alma, City of	02/24/67
Almont, Village of	03/07/18
Alpena, City of	12/10/68
Alpena County	12/26/68
Alpena County Road Commission	11/20/70
Ann Arbor, City of	07/14/69
Antrim County	11/25/70
Area Community Services Employment & Training (ACSET)	08/06/15
Arenac County	01/15/71
Ashley, Village of	05/19/23
Athens, Village of	09/18/23
Auburn, City of	02/16/01
Au Gres, City of	12/08/70
Bangor, City of	02/20/90
Baraga County	01/08/71
Baraga County Road Commission	11/23/70
Barry County	06/01/12
Barry County MCF (Thornapple Manor)	12/16/70
Barry-Eaton District Health Department	12/17/70
Battle Creek, City of	07/10/73
Bay Area Transportation Authority (BATA)	10/19/05
Bay City, City of (City & Police/Fire)	10/30/61
Bay City Housing Commission	10/31/61
Bay County	11/22/65
Beecher Metropolitan District	11/19/70
Belding, City of	05/10/00
Belleville, City of	08/08/96
Benton Charter Township	01/10/24
Benzie County	04/26/00
Benzie County Commission on Aging	10/24/03

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Benzie/Leelanau District Health Department	04/03/02
Benzie Transportation Authority	05/19/08
Berkley, City of	03/27/68
Berrien County	10/25/65
Bessemer, City of	08/19/69
Beverly Hills, Village of	06/19/18
Big Rapids, City of	03/13/75
Bingham Farms, Village of	07/06/05
Birmingham, City of	08/31/93
Blackman Charter Township	02/07/03
Bloomfield Hills, City of	09/13/02
Boyne City, City of	12/10/70
Branch County	10/21/03
Branch-Hillsdale District Health Department	08/23/63
Bridgeport, Charter Township of	11/27/70
Bridgman, City of	05/25/05
Brighton, City of	01/10/66
Cadillac, City of	07/23/07
Calhoun County	11/23/98
Calhoun-Branch Community Mental Health Services (dissolved)	11/15/68
Canton Charter Township	02/28/14
Capac, Village of	10/13/92
Capital Area District Library	01/23/02
Capital Region Airport Authority	08/09/74
Carrollton Township	11/05/04
Caspian, City of	11/19/70
Cedar Springs, City of	05/03/94
Center Line, City of	05/26/67
Central County Transportation Authority (CCTA)	10/12/16
Central Dispatch of Muskegon County	10/18/00
Central Lake, Village of	10/24/07
Central Michigan CMH (merged w/Comm Mental Hlth for Central MI)	06/09/80
Central Michigan District Health Department	12/30/70
Charlevoix, City of	12/14/70
Charlevoix County	10/13/65
Charlevoix County Road Commission	02/17/64
Charlotte, City of	09/11/68
Cheboygan County	08/22/07
Cheboygan County Road Commission	01/26/71
Chesterfield Township Library	01/18/17
Chippewa County	03/15/74
Chippewa County Road Commission	12/07/70
Chippewa River District Library	08/11/09
Chocolay Charter Township	09/14/11
Clare, City of	06/14/05

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Clare County	11/27/70
Clare County Road Commission	12/04/70
Clawson, City of	02/14/67
Clearwater Township	03/29/02
Clinton County	01/04/71
Clinton County Road Commission	12/12/68
Clinton, Village of	12/08/70
Clio, City of	01/27/06
Coldwater, City of	04/17/64
Coldwater Board of Public Utilities	11/09/95
Coleman, City of	04/29/13
Community Mental Health for Central Michigan (readoption)	10/24/01
Coopersville, City of	11/07/89
Corunna, City of	01/12/71
Corwith Township	01/18/06
Crawford County Road Commission	02/16/06
Croswell, City of	11/27/70
Davison, City of (amending 2005 resolution)	03/03/08
Delta, Charter Township of	12/28/22
Delta County	10/16/67
Delta County Road Commission	06/02/03
Delta-Menominee District Health Department	09/19/91
Detroit Board of Education (Teachers)	12/28/61
Detroit Housing Commission	06/23/15
Detroit-Wayne County Health Authority	11/05/08
DeWitt, City of	01/11/06
Dickinson County	12/10/70
Dickinson-Iron Community Mental Health	08/28/92
Dickinson-Iron District Health Department	08/08/86
Dimondale, Village of	08/19/99
District Health Dept #1 (merged with District Health #10)	11/27/70
District Health Dept #2 (formerly West Branch District Health #2)	03/09/70
District Health Dept #3 (now NW Mich Comm Health Agency)	01/30/70
District Health Dept #4 (merged w/Rogers City District Health #4)	04/17/70
District Health Dept #5 (merged with District Health #10)	12/15/70
District Health Dept #10	03/10/98
Douglas, Village of	12/10/70
Dowagiac, City of	09/17/87
Durand, City of	11/18/70
East China Township	05/12/66
East Detroit, City of	06/05/87
East Grand Rapids, City of	01/23/64
East Lansing, City of	11/08/16
East Jordan, City of	01/05/67
Eastern Upper Peninsula Regional Planning & Devl Commission	11/06/08

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Eastern Upper Peninsula Transportation Authority	01/17/19
Eastpointe Housing Commission	10/30/12
Eaton County	03/16/70
Eaton Rapids, City of	04/29/03
Ecorse, City of	02/13/96
Emmett Charter Township	04/19/13
Emmet County	07/05/96
Emmet County Road Commission	05/23/66
Erie Township	07/29/15
Escanaba, City of	11/22/65
Escanaba Housing Commission	03/05/01
Essexville, City of	11/13/70
Farmington Community Library	09/04/92
Flat Rock, City of	10/09/75
Flint, City of	09/13/61
Flushing Charter Township	11/21/06
Forty-One B (41B) District Court	12/06/06
Forty-Five B (45B) District Court (Oak Park)	05/18/89
Franklin, Village of	02/22/22
Fraser, City of	04/24/67
Fremont, City of	08/12/93
Fremont Area District Library	02/19/02
Garden City, City of	12/14/10
Genesee County	01/13/69
Gladwin, City of	11/08/02
Gladwin City Housing Commission	09/27/07
Gladwin County	12/28/70
Gladwin County District Library	07/13/06
Gogebic County	02/22/65
Grand Ledge, City of	11/20/15
Grand Traverse County	04/06/67
Grand Traverse County Road Commission	08/14/69
Grandville, City of	01/14/71
Gratiot County	06/25/24
Gratiot County Road Commission	11/20/70
Grayling, City of	04/29/09
Great Lakes Community Mental Health Board	10/19/99
Grosse Pointe, City of	03/25/77
Grosse Pointes-Clinton Refuse Disposal Authority (privatized)	04/16/86
Grosse Pointe Farms, City of	05/08/03
Grosse Pointe Park, City of	06/26/2023 est.
Grosse Pointe Shores, Village of	03/05/09
Grosse Pointe Woods, City of	01/22/88
Hamburg Township	11/20/08
Hamtramck, City of	09/07/71

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Harbor Springs, City of	02/09/09
Harper Woods, City of	03/11/66
Harrison, City of	12/11/70
Hastings, City of	11/04/15
Hazel Park, City of	04/14/65
Hesperia, Village of	11/16/10
Hillsdale, City of	09/13/06
Hillsdale County Road Commission	07/09/24
Holland Area Community Swimming Pool Authority	06/02/05
Holland Charter Township	11/30/21
Holland, City of	06/07/68
Holland Community Hospital (privatized)	06/07/68
Holly, Village of	12/02/70
Houghton County	07/18/78
Houghton, City of	05/20/10
Howard City, Village of	03/23/01
Howell, City of	05/31/96
Hudsonville, City of	06/02/71
Huntington Woods, City of	02/23/85
Huron Charter Township	12/10/02
Huron County	05/21/69
Huron County Road Commission	03/05/65
Imlay City, City of	06/09/10
Ingham County	10/05/65
Ingham County Road Commission	04/11/86
Ionia, City of	06/02/94
Ionia County Road Commission	01/07/93
Iosco County	05/07/93
Iosco County Road Commission	10/04/01
Iron County	11/25/70
Iron County Road Commission	08/13/89
Iron River, City of	10/05/20
Isabella County	12/23/68
Isabella County Road Commission	12/27/68
Isabella County Transportation Commission	06/14/05
Ishpeming, City of	02/11/65
Ishpeming Township	10/26/04
Ithaca, City of	12/15/70
Jackson, City of (MERS DC-only)	09/10/71
Jackson County Retirement Commission	10/28/85
Jackson District Library	04/15/99
Jordan Valley EMS Authority	04/13/15
Judges Retirement System (consolidated JRS; orig adoption 1/10/64)	05/19/93
Kalamazoo, City of	05/28/68
Kalamazoo County	11/02/71

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Kalkaska County	01/25/99
Kalkaska County Road Commission	12/10/70
Kalkaska, Village of	11/27/70
Keweenaw County Road Commission	11/16/70
Laingsburg, City of	08/30/02
Lake County	02/15/95
Lake County Comm Mental Health (merged with West Mich CMH)	02/22/95
Lake County District Health Dept #1 (transferred to Dist #10)	11/27/70
Lake Odessa, Village of	01/24/08
Lake Orion, Village of	07/21/98
Lakeview Cemetery	09/14/10
L'Anse, Village of	01/02/03
Lansing, City of	01/07/66
"Lansing Housing Commission (additional resolution in 1/10/01 provided retroactivity to 10/1/99)"	07/22/03
Lansing Police and Fire	07/12/77
Lapeer, City of	02/05/73
Lapeer County	11/06/70
Lapeer District Library	02/08/06
Lathrup Village, City of	01/26/05
Leelanau County	10/12/84
Lenawee County	11/15/65
Leslie, City of	01/12/05
Lexington, Village of	06/22/01
Lincoln Park, City of	
Litchfield, City of	08/15/08
Livingston County	06/24/77
Livingston County Road Commission	10/15/71
Loutit District Library	12/18/01
Luce County	01/08/71
Luce County Road Commission	08/13/69
Luce-Mackinac District Health Dept (merged w/Alger-Schoolcraft DHD)	12/16/70
MBS International Airport (formerly Tri-City Airport Commission)	02/01/71
Mackinac County Road Commission	10/20/99
Mackinac Straits Hospital	12/11/06
Macomb County	12/09/64
Madison, Charter Township of	07/16/10
Madison Heights, City of	02/19/70
Manistee, City of	12/28/04
Manistee County	01/08/71
Manistee, City of, Housing Commission	04/15/05
Manistee-Mason District Health Dept (merged w/Dist Health #10)	12/16/70
Manton, City of	10/29/97
Marquette, City of	02/12/65
Marquette County	08/19/65

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Marquette County Road Commission	04/23/24
Marquette, Charter Township of	09/20/06
Marquette-Alger CMH (now Pathways)	09/27/95
Marshall, City of	02/03/64
Marysville, City of	11/24/61
Mason, City of	03/28/77
Mason County	10/11/65
Mason County Road Commission	12/05/13
Mason-Oceana Co 911	12/16/03
Mecosta County	03/16/65
Mecosta County Road Commission	12/16/70
Menominee, City of	12/08/69
Menominee County	11/14/83
Meridian, Charter Township of	07/27/01
Metamora, Township of	07/19/02
Metro Police Authority of Genesee County	
Michigan Grand River Watershed Council (Dissolved)	03/01/76
Michigan Municipal Risk Management Authority (MMRMA)	06/24/05
Michigan Public School Employees Retirement	05/12/66
Mid-Mich District Hlth Dept (formerly Stanton Mid-MI Dist Health)	11/27/74
Mid-Michigan Library League	09/09/15
Middleville, Village of	12/01/10
Midland, City of	11/01/67
Midland County	05/16/66
Midland County Central Dispatch Authority	06/22/93
Midland County Road Commission	12/30/70
Midland-Gladwin CMH (merged to Comm Mental Hlth for Central MI)	10/03/00
Milan, City of	07/18/07
Mineral Hills, Village of (merged with City of Iron River 7/1/2000)	12/17/70
Missaukee County	11/17/04
Monroe County	03/08/95
Monroe County Library System	03/22/95
Montmorency County	08/21/79
Mt Clemens, City of	05/13/65
Mount Morris Charter Township	10/29/70
Mt Pleasant, City of	12/20/68
Mundy Charter Township	09/05/07
Municipal Employees' Retirement System of MI (for MERS Staff)	10/07/96
Munising, City of	12/15/70
Muskegon, City of (City and Police & Fire)	11/16/64
Muskegon Area District Library	05/29/15
Muskegon Charter Township	06/23/72
Muskegon County	04/01/65
Muskegon County Central Dispatch	10/18/00
Muskegon County Road Commission	11/13/70

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Muskegon Heights, City of	06/26/63
Muskegon Heights Housing Commission	03/15/05
Muskegon Housing Commission	09/29/15
Nashville, Village of	11/17/11
Negaunee, City of	12/17/62
Negaunee Township	08/15/06
New Buffalo, City of	01/12/07
Newaygo Area District Library	09/07/05
Newaygo County	07/21/65
Newberry, Village of	12/14/17
North Muskegon, City of	11/27/70
Northfield Township	08/20/24
Northville Charter Township	06/23/11
Northville, City of	08/10/73
Northwest MI Comm Health Agency (formerly Dist Health Dept #3)	01/30/70
Norton Shores, City of	11/24/69
Norway, City of	07/30/69
Novi, City of	06/05/01
Oakland County	06/25/64
Oakland County Road Commission	04/20/72
Oak Park, City of (MERS DC only)	10/10/68
Oceana County	05/10/71
Ogemaw County EMS Authority	08/08/06
Onaway, City of	11/18/70
Osceola County	01/02/08
Oscoda County	09/16/80
Oscoda-Wurtsmith Airport Authority	03/11/09
Otisville, Village of	01/28/71
Otsego County Road Commission	11/27/70
Ottawa County	01/19/71
Ottawa County Road Commission	02/16/62
Owosso, City of	07/24/64
Pathways (formerly Superior Behavioral MH; Marquette-Alger CMH)	09/27/95
Pentwater, Village of	01/08/71
Petersburg, City of	10/18/01
Petoskey, City of	11/20/15
Pinconning, City of	12/21/70
Pinckney, Village of	04/18/14
Pittsfield Charter Township	11/17/03
Pleasant Ridge, City of	10/24/69
Plymouth, City of	12/12/68
Pontiac, City of (City and Police & Fire)	01/20/67
Portage, City of	02/11/75
Port Huron Charter Township	06/26/08
Port Huron, City of (City and Police & Fire)	01/04/66

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Port Huron Housing Commission	11/01/07
Port Sheldon Township	07/24/08
Portland, City of	11/16/70
Pottersville, City of	10/31/08
Presque Isle County	10/19/65
Redford Township	11/25/64
Rochester, City of	01/07/69
Rogers City, City of	11/27/70
Rogers City District Health Dept #4 (merged w/Dist Health #4)	04/17/70
Romeo District Library	10/03/02
Roosevelt Park, City of	10/11/68
Rose City, City of	02/19/02
Roseville, City of	12/23/68
Royal Oak, City of	09/06/67
Saginaw Charter Township (Police)	11/27/70
Saginaw, City of (City)	12/11/61
Saginaw, City of (Police & Fire)	12/15/61
Saginaw County	10/28/65
Saginaw County Road Commission	12/28/66
Saginaw Housing Commission	07/17/06
Saginaw-Midland Water Supply System	11/20/70
Saginaw, Public Libraries of	10/08/01
Saline, City of	09/16/68
Sandusky, City of	04/16/07
Saranac Housing Commission	01/20/05
Saugatuck Township (Fire)	04/23/10
Sault Ste Marie, City of	09/20/72
Sault Ste Marie Housing Commission	01/31/07
Schoolcraft County	11/30/70
Schoolcraft County Road Commission	07/23/07
Scottville, City of	04/09/10
Sebewaing, Village of	12/10/70
Shiawassee County	06/21/73
Shiawassee County Community Mental Health Authority	08/05/04
Shiawassee County Road Commission	01/09/73
South Haven, City of	11/07/63
South Lyon, City of	11/13/69
Southeast MI Council of Governments (SEMCOG)	11/28/69
Southeastern MI Transportation Auth (SEMTA) (now SMART)	12/17/75
Southeastern Oakland County Incinerator Authority	03/16/65
Southeastern Oakland County Water Authority	03/16/65
Southern Clinton County Municipal Utilities Authority	11/28/89
Southwest Shiawassee Emergency Services Alliance	04/01/15
Southwestern MI Community Ambulance Service	08/08/11
Sparta, Village of	08/30/24

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Spring Lake, Village of	10/12/05
Spring Lake District Library	01/23/06
-> Spring Lake District Library resolution rescinding Act 88	07/17/18
Springfield, City of	12/28/70
Stanton Mid-Mich District Health (now Mid-Mich Dist Health Dept)	11/27/74
State--MI State Employees' Retirement System	03/09/62
State--Judges' Retirement System	01/10/64
State--Probate Judges' Retirement	01/10/64
State--Consolidated Judges System including Probate	05/19/93
State--Michigan Public Schools Employees' Retirement	05/12/66
St Charles, Village of	01/10/89
St Clair, City of	08/19/91
St Clair County	04/19/66
St Clair Shores, City of	04/14/66
St Ignace, City of	06/08/72
St Joseph County (Sheriff)	01/06/69
St Louis, City of	11/23/70
Sterling Heights, City of (City)	11/04/69
Sterling Heights, City of (Police & Fire)	11/10/69
Sturgis, City of	08/16/68
Sturgis Housing Commission	10/24/07
Sumpter Township	03/12/07
"Suburban Mobility Authority for Regional Transportation (SMART) (formerly SEMTA; SEMTA adopted Act 88 11-18-75)"	12/15/95
Superior Charter Township	12/19/03
Swartz Creek, City of	12/10/70
Thirty-Fifth (35th) District Court	07/22/03
Thumb District Health Department (now Tuscola County Health Dept)	12/10/70
Tittabawassee Township	05/14/13
Traverse Area District Library	05/03/13
Trenton, City of	06/29/71
Tri-City Airport Commission (now MBS International Airport)	02/01/71
Tri-County Aging Consortium	05/09/80
Tuscola County	02/12/68
Tuscola County Medical Care Facility	02/12/68
Tuscola County Road Commission	01/12/00
Tuscola County Health Dept (formerly Thumb District Hlth Dept)	12/10/70
Twenty-First (21st) District Court	06/04/13
Utica, City of	03/20/09
Van Buren County	10/26/66
Vassar, City of	11/27/70
Vevay Township	12/17/04
Vicksburg, Village of	02/04/71
Vienna, Charter Township of	02/01/06
Wakefield, City of	11/23/70

RECIPROCAL UNIT	DATE FILED WITH SECRETARY OF STATE
Walled Lake, City of	10/24/01
Warren, City of	08/14/70
Washtenaw County	09/26/66
Washtenaw County Road Commission	07/26/66
Washtenaw County Housing Commission	07/30/04
Wayne, City of	02/29/08
Wayne County	12/09/68
Wayne Housing Commission	05/12/09
West Bloomfield Charter Township	11/13/15
West Branch District Health #2 (now District Health #2)	03/09/70
West Michigan Airport Authority	12/23/20
West Michigan Community Mental Health	06/25/96
Western Upper Peninsula District Health Department	07/08/70
Westland, City of	01/05/90
Wexford County	01/08/71
Wexford County Road Commission	06/07/93
White Cloud District Health #5 (now District Health #10)	12/14/70
White Lake Charter Township	01/16/09
Whitehall, City of	11/19/68
Willard Public Library	11/25/20
Williams Township	06/16/17
Wixom, City of	12/07/70
Woodhaven, City of (MERS DC-only)	10/01/05
Wyandotte, City of	01/03/01
Wyoming, City of	06/01/71
Ypsilanti, City of	02/09/72
Ypsilanti Charter Township	08/22/05
Ypsilanti Community Utilities Authority	06/06/07
Ypsilanti Housing Commission	07/30/04

DISCLAIMER: MERS' Act 88 list is compiled from data maintained by Michigan's Secretary of State. The Act provides that "the governing body of a municipal or state unit, within 10 days after it elects to come under the provisions of this act, shall file written certification of its action with the secretary of state. Upon the filing of the certification the municipal unit or state unit shall be a reciprocal unit. The secretary of state shall maintain a list of reciprocal units, which list shall be available to any municipal unit or state unit requesting a copy." See MCL 38.1103(3). MERS has made every effort to ensure that its list is accurate and up to date. If MERS' list conflicts with the Secretary of State's list, the State determines the applicability of the provisions of Act 88 to the governing body of a municipal or state unit.

MERS RESOLUTION FOR ADOPTING ACT NO. 88



BE IT RESOLVED, that the _____
(Governing Body)

of the _____ hereby elects to adopt the provisions of Act No. 88,
(Governmental Unit)

Public Acts of 1961, as amended, and become a reciprocal unit under the Reciprocal Retirement Act; and

BE IT FURTHER RESOLVED, that a certified copy of this Resolution shall be filed within ten
(10) days from the date of this election with:

Michigan Department of State
Office of the Great Seal
7064 Crowser Boulevard
Lansing, MI 48918

and

Municipal Employees' Retirement
System of Michigan
1134 Municipal Way
Lansing, MI 48917

MOVED BY: _____

SUPPORTED BY: _____

Ayes: _____ Nays: _____

Adopted: _____,
(Date)

I, _____, _____, of the
(Name) (Title)

_____ do hereby certify that the aforesaid is
(Governmental Unit)

a true and correct copy of a Resolution adopted at a regular meeting of the _____

_____ held on _____,

(Signature of Authorized Official)

(Title)

General Guidelines

Employer Requirements to Adopt the DROP Provision

- Once the employer selects the terms of the DROP provision, including the interest rate (can be 0% or 3%), the pension benefit percentage (10%–100%, in 10% increments) and whether a COLA will be applied during the DROP period (if applicable), a certified actuarial valuation will be prepared by MERS (valuation fee assessed) to determine the anticipated impact on the division's Actuarial Accrued Liability.
- If the result of the valuation shows an increase in liability, then the adoption of this provision will require that the division and municipality meet certain funding levels.
- Employers who have been issued a Pension Obligation Bond may be able to adopt this provision if the valuation results support that adoption of the DROP will not increase the division's actuarial accrual liability.
- Divisions with an annuity withdrawal provision may not adopt a DROP.

Employee Election of a DROP

- The employee must be eligible to retire with full, unreduced benefits to elect the DROP.
- At election of the program, the employee must choose an irrevocable DROP period of 6–60 months. The DROP period will begin on the first day of the elected month and end on the last day of the terminating month. An employee cannot work past the requested DROP period.
- Service credit will not accrue during the DROP period (cannot be used for MERS to MERS eligibility).
- Employee contributions (if contributory) continue to be withheld throughout the DROP period to help fund the benefit and should be reported as voluntary employer contributions.
- A cost of living adjustment (COLA) may or may not be applied to the DROP payment amount.

Employee Termination

- Upon completion of the DROP period, the employee must be reported to MERS as terminated, so that monthly pension payments may begin. If they wish to continue to work, they will be subject to the retire/rehire rules, including the requirement for a bona fide and 60-day separation from employment.
- The DROP account balance must be paid in a one-time lump sum payment at the time of termination.
- At termination, the participant has up to 60 days to request either a lump sum payment of the account balance or transfer the balance to a qualified retirement plan. In the absence of valid instructions by the participant, MERS will issue the full lump sum into a MERS IRA in their name.
- If the employee chooses to terminate their employment before the end of the DROP period, a 20% penalty will be applied, leaving 80% of the DROP account balance paid out immediately.
- If the employer terminates the employee before the end of the DROP period, no penalty will be applied and the DROP account balance will be paid out immediately.

Death & Disability

- If the employee becomes disabled after electing to participate in the DROP and is approved for a disability retirement, they will receive the full DROP account balance and begin receiving their previously calculated monthly retirement benefit.
- If the employee dies before the end of the DROP period, the benefit will be paid as follows:
 - The DROP lump sum account will be paid to the DROP account beneficiary. (In the event of the beneficiary's death, the DROP account beneficiary can be changed.)
 - The monthly retirement benefit will be paid to the monthly pension beneficiary (if applicable) according to the payment option chosen by the employee at the election of the DROP period.

FAQs

- **How will adopting the DROP provision impact the projected liability of our plan?**

Adopting the DROP provision is likely to result in the active population commencing benefits sooner than they otherwise would, potentially as soon as they are eligible. This generally leads to an increase of the actuarial accrued liability of the plan. Any increase may be partially offset by continued employee contributions (if the division is contributory) during the elected DROP period and/or by investment returns greater than the interest posted on the DROP account, both of which will contribute toward the employer reserve of the plan.

In addition, employers may elect one or more of the following options to achieve a more cost-neutral result:

- o Apply no interest rate to the DROP amount (options are 0% or 3%).
- o Adopt a pension benefit percentage (to be credited to the DROP account) of less than 100% (options range from 10%–100%, in 10% increments).
- o Opt to not apply a COLA (if applicable) during the DROP period.

For those groups considering adding a DROP provision, MERS actuaries will prepare a valuation to estimate the impact of the change by using standard assumptions about how the provision will change future retirement behavior and what DROP period eligible participants would elect on average.

- **What actuarial assumptions are used when valuing DROP impact?**

In addition to the options selected by the employer, the assumption is that all employees will elect the DROP at their earliest unreduced eligibility date and will elect to remain in the DROP for an average of three years.

- **Does a longer DROP period increase liability more than a shorter DROP period, or vice versa?**

As a general rule, the longer the DROP period, the smaller the liability increase. This is the case when the annual interest credited to the member's DROP account is 3%, whereas the benefits that would otherwise be paid remain in the trust and are assumed to earn interest at a higher rate (equal to the current assumed investment return).

- **Can the DROP be modified under the terms of a collective bargaining agreement?**

No.

This publication contains a summary description of MERS benefits, policies or procedures. MERS has made every effort to ensure that the information provided is accurate and up to date as of 2019-12-18. Where the publication conflicts with the relevant Plan Document, the Plan Document controls.

City of Farmington
 Defined Benefit and Defined Contribution Costs
 As of July 1, 2025

<u>Division</u>	<u>Defined Benefit Employer Normal Cost</u>	<u>Defined Contribution</u>
Non-Union	11.65%	
Command	11.82%	
Department of Public Works	9.95%	8%
Department Heads	10.54%	10.50%
Public Safety	11.62%	
Public Safety after 11/18/19	11.36%	

Note for Defined Benefit

For the fiscal year beginning July 1, 2025

Estimated Annual Cost for Current DB Participants

385,956

Payment of the Unfunded Liability

971,604

Total Estimated Annual Contribution

1,357,560

Report Specific Comments

1. DC contribution balances provided by MERS were used as part of this request. As directed by MERS, the following assumptions were applied:
 - a. Option 1 Conversion: it was assumed the reported DC contribution balances were transferred to the DB Plan and each converting member received DB credit for all prior service (for both benefit and eligibility purposes).
 - b. Option 2 Freeze: the reported balances were used as the DC Plan frozen benefit amount in DC Divisions 110207 and 110727. It was assumed no future contributions would occur, only future investment accruals.
2. Under Option 2, for the reopened DB Division 10 and open DB Division 11, actives from DC Divisions 110207 and 110727 are valued with zero benefit service and eligibility service equal to prior eligibility service in the DC Plan. At program onset, the result of this plan change is an Actuarial Accrued Liability of \$0 and normal costs higher than would otherwise be expected due to a shortened funding period.
3. Please note, IRS CODA rules may apply to the proposed plan type changes illustrated in this report. CODA rule application was not a part of this study.
4. As directed by MERS, the administration of Section IV (3) of the Actuarial Policy, regarding minimum funding rules for plan changes applies as follows:
 - a. Option 1 – New Actuarial Liability (AAL) is created due to conversion of the DC member balances. As a result, assets must be transferred and/or contributed to the DB plan which result in all new/prior service accrued liabilities being at least 80% funded.
 - b. Option 2 – Funding requirements do not apply since the reopened DB Division retains the same provisions as the prior closed DB Division and there is no increase in the DB AAL.
 - c. Under Option 1, the additional required contribution are as follows:

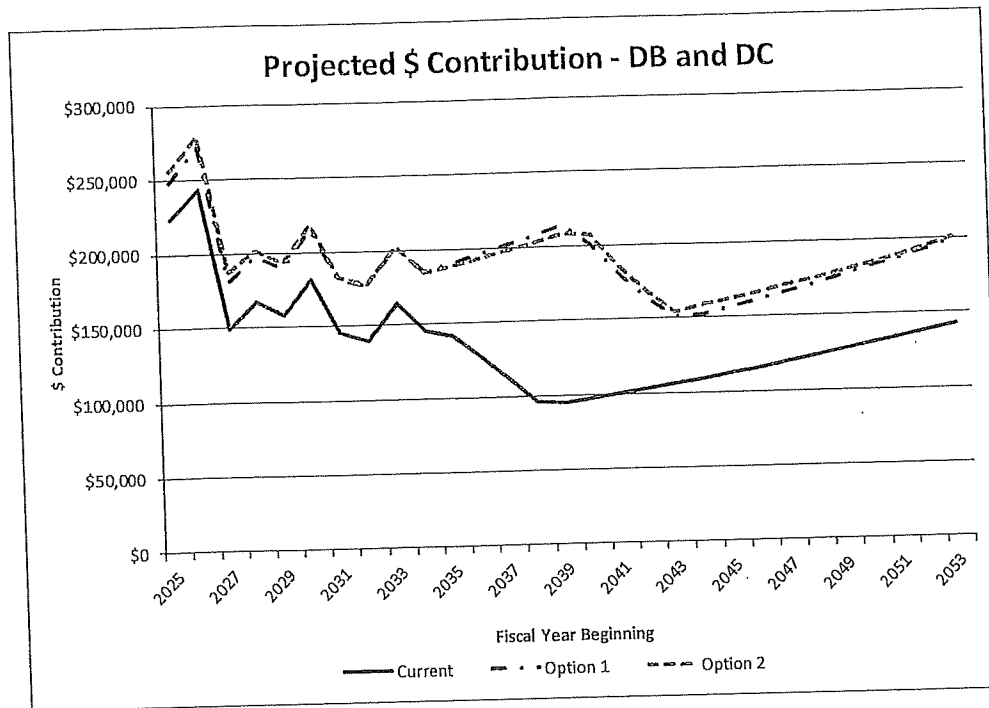
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Market Value as of December 31, 2023		
Division	Additional Required Contribution	DC Asset Transfer ¹
10	\$ 115,000	\$ 192,000
11	\$ 117,000	\$ 512,000

¹ The DC Asset Transfer represents the amount of the defined contribution balance that is expected to transfer to the DB plan.

- d. Final required contributions and transfer amounts will be prepared following the conversion date, including the use of updated data as of the conversion date.
5. The proposed plan changes illustrated in this report are valued as if they occur on the valuation date, December 31, 2023. The results should not be used for short-term budgeting purposes. These projections illustrate the long-term pattern of employer contributions for the purpose of comparing the financial implications of each plan design. A projection is not a prediction. Future costs will be determined by future actuarial valuations and may change based upon actual experience.

Supplemental Valuation Results – Department of Public Works (Division 10)
Projection Results
Current and Proposed Options 1 and 2



Fiscal Year Beginning July 1,	Current			Option 1	Option 2
	For Existing DB Plan	For Existing DC Plan and Emerging New Hires to DC	Total Employer Contribution	Total Employer Contribution	Total Employer Contribution
2025	\$179,000	\$44,800	\$223,800	\$248,000	\$255,000
2026	194,000	49,000	243,000	272,000	279,000
2027	95,900	53,500	149,400	181,000	187,000
2028	109,000	58,000	167,000	198,000	202,000
2029	95,700	62,000	157,700	190,000	193,000
2030	116,000	65,800	181,800	216,000	218,000
2031	75,900	69,300	145,200	180,000	183,000
2032	66,900	72,600	139,500	176,000	178,000
2033	88,600	75,800	164,400	203,000	203,000
2034	66,700	78,900	145,600	185,000	184,000
2035	60,000	81,900	141,900	190,000	188,000

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show the total employer contribution to the combined DB and DC Plans.
3. In the long run, the employer contribution will trend towards the employer long-term cost of the different benefit structures.

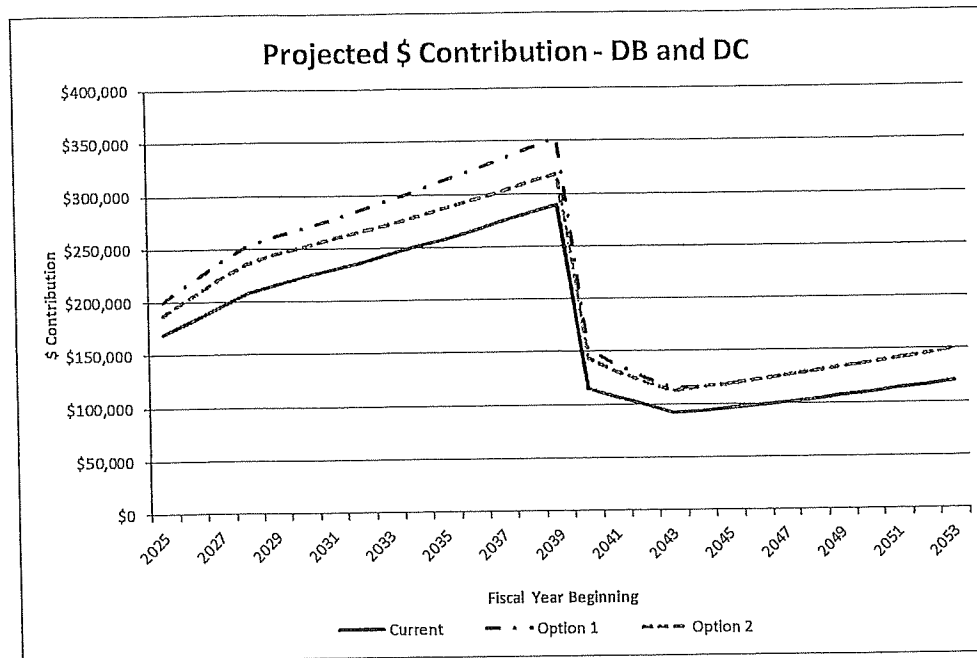
This report may be provided to parties other than the municipality only in its entirety.



Supplemental Valuation Results – Department Heads (Division 11)

Projection Results

Current and Proposed Options 1 and 2



Fiscal Year Beginning July 1,	Current			Option 1	Option 2
	For Existing DB Plan and Emerging New Hires to DB	For Existing DC Plan and Emerging New Hires to DC	Total Employer Contribution	Total Employer Contribution	Total Employer Contribution
2025	\$140,000	\$30,500	\$170,500	\$200,000	\$187,000
2026	151,000	31,400	182,400	219,000	206,000
2027	163,000	32,400	195,400	237,000	222,000
2028	175,000	33,300	208,300	252,000	235,000
2029	182,000	34,300	216,300	261,000	244,000
2030	187,000	35,400	222,400	269,000	251,000
2031	193,000	36,400	229,400	277,000	259,000
2032	199,000	37,500	236,500	285,000	266,000
2033	205,000	38,600	243,600	294,000	272,000
2034	211,000	39,800	250,800	303,000	279,000
2035	217,000	41,000	258,000	313,000	286,000

Notes:

1. A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.
2. The exhibits above show the total employer contribution to the combined DB and DC Plans.
3. In the long run, the employer contribution will trend towards the employer long-term cost of the different benefit structures.

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Farmington City Council Staff Report	Council Meeting Date: October 20, 2025	Item Number 5
Submitted by: City Manager David Murphy		
Agenda Topic: Consideration to approve the engagement of 360 Productions to put on Founders Festival.		
Proposed Motion: Direct the City Manager and City Attorney's office to prepare a contract extension with 360 Productions for the Founders Festival for Council consideration at a future meeting.		
Background: The City went out for RFP's (request for proposals) for putting on the Founder's Festival. The RFPs were due back to the Clerk's office on September 4, 2025 and the Founder's Festival Committee met the following week to discuss the RFPs. The Committee decided to interview two candidates, 360 Productions and JAG Entertainment. We interviewed both candidates on October 1, 2025 and the consensus of the Committee was to recommend to Council that the City continue with 360 Productions. The recommendation was based on the overall experience of 360 Productions putting on festivals in other cities as well as putting on Founders Festival for the past 7 years. They have built up the relationships with sponsors and have done a much better job of communicating with the City this past year. Given that there would be both a level of uncertainty in starting up with a new event coordinator—and likely a much bigger commitment of staff time to do so—continuing to work with 360 Productions on improving the Festival experience made more sense to the Committee. For their part, 360 Productions committed to working on some of the issues that have been of particular concern recently (e.g., crafters, event layout, and local business involvement). 360 Productions also agreed to put in a contract extension language relating to reimbursement of a portion of the City's costs to accommodate the event. Within the RFP were milestones that the event producer is expected to meet, and those things will be put into a contract with the event coordinator.		
Materials N/A.		