



Regular Meeting
7:00 p.m., Monday, Jan. 3, 2022
Farmington City Hall
23600 Liberty Street
Farmington, MI 48335

REGULAR MEETING AGENDA

- 1. Roll Call**
- 2. Approval of Agenda**
- 3. Public Comment**
- 4. Introduction of a proposed ordinance to amend the City of Farmington Code of Ordinances Chapter 2, "Administration," Article V, "Employee Benefits," Division 2 "Retirement System"**
- 5. Consideration to purchase bleachers**
- 6. Extension of the Waste Management Contract**
- 7. Other Business**
- 8. Public Comment**
- 9. Council Comment**
- 10. 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: Jan. 3, 2022**

**Item
Number
4**

Submitted by: David Murphy, City Manager and Chris Weber, Director of Finance and Administration

Agenda Topic: Introduction of a proposed ordinance to amend the City of Farmington Code of Ordinances Chapter 2, "Administration," Article V, "Employee Benefits," Division 2 "Retirement System."

Proposed Motion:

Move to approve introduction of a proposed ordinance to amend the City of Farmington Code of Ordinances Chapter 2, "Administration," Article V, "Employee Benefits," Division 2 "Retirement System," in order to clarify the terms and conditions of the City's participation in the Municipal Employees' Retirement System of Michigan (MERS) Program, including operation of the reserve accounts.

Background:

The City of Farmington joined MERS in 2010. As a result of joining MERS, the City agreed that the retirement system be administered in accordance with the MERS Plan Document. As a result, several provisions in the existing retirement ordinance became obsolete, including the methodology for tracking different types of reserves. While there were a number of changes to the existing ordinance at the time, over the years it has become apparent that additional changes to the ordinance would be helpful to completely clarify and describe the switch to MERS, and in particular the operation of the reserve accounts. This ordinance amendment accomplishes those clarifications in manner intended to describe the current system and its administration by MERS now. For a more detailed explanation, see the letter from the Retiree Health Care Board of Trustees Attorney.

Additionally, over the past few years the City approved changes to pension benefits for Public Safety (effective for employees hired on or after December 1, 2019) and Command Officers (effective for employees hired on or after February 1, 2020) adding an age requirement in addition to years of service. These changes are also reflected in the attached amendment.

There are no changes to benefit levels or pension amounts as a result of any of these proposed revisions.

Materials:

**Red-lined version of retirement ordinance
Memo from Attorney**

STATE OF MICHIGAN
COUNTY OF OAKLAND
CITY OF FARMINGTON

ORDINANCE NO. C-____-2021

AN ORDINANCE TO AMEND THE CITY OF FARMINGTON CODE OF ORDINANCES, CHAPTER 2, "ADMINISTRATION," ARTICLE V, "EMPLOYEE BENEFITS," DIVISION 2 "RETIREMENT SYSTEM," IN ORDER TO CLARIFY THE TERMS AND CONDITIONS OF THE CITY'S PARTICIPATION IN THE MUNICIPAL EMPLOYEES' RETIREMENT SYSTEMS OF MICHIGAN (MERS) PROGRAM, INCLUDING OPERATION OF THE RESERVE ACCOUNTS.

THE CITY OF FARMINGTON ORDAINS:

Section 1 of Ordinance. Ordinance Amendment.

Chapter 2, "Administration," Article V, "Employee Benefits," Division 2 "Retirement System," of the City of Farmington Code of Ordinances is hereby amended to read as follows:

Sec. 2-376. Retirement system effective date; continuation; purpose.

The City of Farmington Employees' Retirement System, created according to the provisions of Chapter 5, Section 5.11 of the Charter of the City, as amended, ~~is continued~~ for the purpose of providing retirement income to qualifying employees and former employees, and survivor income to their qualifying beneficiaries. As of ~~July 1, 2010~~ ~~the effective date of this amended and restated ordinance [division]~~, the city has joined the Municipal Employees' Retirement Systems of Michigan (MERS), ~~and the Retirement System shall be administered in accordance with the MERS Plan Document, as amended, on and after that date which shall serve as the systems' board of trustees.~~

Sec. 2-377. Short title; application; effective date of restatement.

- (a) This division may be cited as the "City of Farmington Retirement Ordinance".
- (b) ~~This restatement will apply to individuals employed by the city on and after the effective date of the restatement.~~ The pension benefits of an individual whose city employment terminated before ~~July 1, 2010~~ ~~the effective date of this restatement~~ will be governed by the provisions of the ~~retirement system~~ City of Farmington Retirement Ordinance in effect on the date the individual last terminated city employment.

Sec. 2-378. Definitions.

As used in this division:

Accumulated member contributions means the balance in a member's individual account in the member reserve.

Base salary means the current salary received by the member for regular hours worked in a specific period as defined in the member's employment agreement with the city.

Beneficiary means an individual who is being paid or who has entitlement to the future payment of a pension due to a reason other than the individual's membership in the retirement system.

Board of Trustees means the [MERS Retirement Board as established under Section 36 of the Municipal Employees Retirement Act of 1984, as amended \(MCL 38.1536\)](#).

City means the City of Farmington, Michigan.

Compensation means the salary or wages paid an employee for personal services rendered the city while a member of the retirement system. Salary and wages shall include longevity pay; overtime pay; shift differentials; pay for periods of absence from work by reason of vacation, holiday, or sickness; accrued vacation time; accrued compensatory time; deferred compensation amounts under deferred compensation programs recognized by the board of trustees. Compensation shall not include any remuneration or reimbursement not specifically stated to be included such as: allowances for clothing, equipment, cleaning and travel; reimbursement of expenses; bonuses; payments in consideration of unused sick leave; fringe benefits and items of remuneration which are the basis of a potential or actual benefit from another retirement program.

Credited service means years and fractions of a year (in whole months) of personal service rendered the city, including time for paid periods of absence, while a member of the retirement system and any qualifying service credited by specific board of trustee resolution consistent with applicable law.

Final average compensation (FAC), depending on the member's benefit group, means:

- (1) *FAC-5* means the average of the annual compensations paid a member during any five (5) consecutive twelve-month periods of credited service producing the highest average compensation.
- (2) *FAC-3* means the average of the annual compensation paid a member during any three (3) consecutive twelve-month periods of credited service producing the highest average compensation.

MERS Plan document means the Municipal Employees' Retirement System document of 1996, as amended, adopted pursuant to 1984 PA 427, as amended.

Pension means a series of equal monthly payments by the retirement system. Payment may be for a temporary period or throughout the future life of a retired member or beneficiary.

Regular interest means such rate or rates of interest per annum, compounded annually, as the board of trustees shall from time to time adopt.

Retired member means an individual who is being paid a pension on account of the individual's membership in the retirement system.

Sec. 2-379 – 2-380 [Unchanged]

Sec. 2-381. Termination of membership.

An individual shall cease to be a member upon termination of employment or upon becoming employed in an excluded position as provided for membership in section ~~2-379~~[380](#). Upon

reemployment by the city in an included position entitling the employee to membership, the individual shall again become a member.

Sec. 2-382. Vested termination of membership.

A member who ceases to be a member prior to attainment of normal retirement age for a reason other than retirement or death shall be a vested former member if the member has ten (10) or more years of credited service except for general members and administrative officers and department heads, which groups are required to have seven (7) or more years of credited service; or, the number of years of credited service otherwise provided in the member's employment agreement, and the individual's accumulated member contributions have not been refunded. ~~During a period of absence from city employment, the balance in the member reserve shall be accumulated at regular interest.~~

Sec. 2-383 – 2-386 [Unchanged]

Sec. 2-387. Benefit groups, composition of.

The following benefit groups are designated for the purpose of determining benefit eligibility conditions, benefit amounts, and member contribution rates:

- (1) *Benefit group general.* All members not included in another benefit group.
- (2) *Benefit group public safety hired prior to December 1, 2019.* All members employed in the public safety department who are members of the Police Officers Association of Michigan (POAM.) hired prior to December 1, 2019.
- (3) *Benefit group public safety command hired prior to February 1, 2020.* All members employed in the public safety department who are members of the Command Officers Association of Michigan (COAM) and the director and deputy director of public safety, unless the director ~~or deputy director~~ elects to participate in the defined contribution retirement plan provided by the city hired prior to February 1, 2020.
- (4) *Benefit group public safety dispatch.* All members employed in the public safety department who are members of the Police Officers Association of Michigan/Dispatchers (POAM) employee group.
- (5) *Benefit group department of public services DPW.* All members employed in the public services department who are members of the ~~International Union of the American Federation of State, County and Municipal Employees (AFSCME) employee group~~ Technical, Professional, and Officeworkers Association of Michigan (TPOAM) hired before July 1, 2013.
- (6) *Benefit group administrative officers and department heads.* All members employed by the city to be the official head of a city department or the city manager, unless the administrative officer or department head elects to participate in the defined contribution retirement system provided by the city.
- (7) *Benefit group public safety on or after December 1, 2019.* All members employed in the public safety department who are members of the Police Officers Association of Michigan (POAM.) hired on or after December 1, 2019.
- (8) *Benefit group public safety command hired on or after February 1, 2020.* All members employed in the public safety department who are members of the Command Officers

Association of Michigan (COAM) and the director and deputy director of public safety, unless the director elects to participate in the defined contribution retirement plan provided by the city hired on or after February 1, 2020.

Sec. 2-387 – 2-390 [Unchanged]

Sec. 2-391. Same—Age and service requirements.

The minimum age and service requirements for normal retirement shall be determined in accordance with the following table:

Benefit Group	Age	Normal Retirement Eligibility Years of Credited Service
General	60	7
Public safety (POAM) <u>hired prior to December 1, 2019</u>	00	25
Public safety (COAM); director and deputy director <u>hired prior to February 1, 2020</u>	00	25
Public safety dispatch (POAM/Dispatch)	60	10
Public services DPW (AFSCME)	60	10
Administrative officers and department heads	58	7
<u>Public safety (POAM) on or after December 1, 2019</u>	<u>50</u>	<u>25</u>
<u>Public safety command; director and deputy director (COAM) hired on or after February 1, 2020</u>	<u>50</u>	<u>25</u>

Upon normal retirement as provided in this section, an individual shall be paid a pension computed according to section 2-393.

Sec. 2-392 – 2-403 [Unchanged]

Sec. 2-404. Same—Commencement, duration and change.

- (a) A normal, early or disability pension shall commence the first day of the calendar month next following a member's or vested terminated member's date of retirement. A preretirement survivor pension shall commence the first day of the calendar month next following the month in which occurs the death causing payment of the pension. A postretirement survivor pension shall commence the first day of the calendar month next following the death causing payment of the pension.
- (b) Pensions shall be paid in twelve (12) equal installments on ~~or before the first~~ the 18th of each month.
- (c) Termination of payment of a pension shall occur at the end of the calendar month in which occurred the event causing the termination. Payment shall be made for the full month of termination.
- (d) A change in the amount of a pension shall occur the first day of the calendar month next following the effective date of the event causing the change.

Sec. 2-405. Member contributions—Amounts.

- (a) Member contributions to the retirement system shall be deducted from each member's paycheck, in accordance with the member's employment agreement, at the following rates:

Benefit Group	% of Annual Compensation
General	none <u>1.50%</u>
<u>Public safety (POAM) hired prior to December 1, 2019</u> Public safety (POAM)	3.00% <u>4.50%</u>
<u>Public safety (COAM); director and deputy director hired prior to February 1, 2020</u> Public safety (COAM) and director and deputy director	<u>4.50%</u> 3.00%
Public safety dispatch (POAM/dispatch)	none
Public services DPW (AFSCME)	none <u>1.50%</u>
Administrative officers and department heads	<u>4.50%</u> 3.00%
<u>Public safety (POAM) on or after December 1, 2019</u>	<u>4.50%</u>
<u>Public safety command; director and deputy director (COAM) hired on or after February 1, 2020</u>	<u>4.50%</u>

Continuation of employment by a member shall constitute consent and agreement to the deduction of applicable member contributions.

- (b) The employer shall pick up the member contributions required by this section for all compensation earned after the effective date of this subsection. The contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code. The employer shall pick up the member contributions from funds established and available in the salaries account, which funds would otherwise have been designated as member contributions and paid to the retirement system. Member contributions picked up by the employer pursuant to this subsection shall be treated for all other purposes of this and other laws of the employer in the same manner and to the same extent as member contributions made prior to the effective date of this subsection. The member does not have the option of receiving the picked-up member contributions in cash

instead of having it paid into the retirement systems. The provisions of this subsection are intended to be in full compliance with the MERS Plan document.

Sec. 2-406 [Unchanged]

Sec. 2-407. Board of trustees—Authority and responsibility.

The administration, management and responsibility for the proper operation of the retirement system, and for interpreting and making effective the provisions of the retirement ordinance are vested in a board of trustees. The board shall exercise all authority in ways consistent with the purpose of the plan as set forth in section 2-376. The Farmington Employees' Retirement System shall be administered by the Municipal Employees Retirement System (MERS) board of trustees in accordance with the MERS Plan document ~~and this division.~~

Sec. 2-408 – 2-412 [Unchanged]

Sec. 2-413. ~~Member reserve~~Reserve Accounts.

Appropriate reserve accounts shall be maintained pursuant to the MERS Plan Document, which shall be credited with investment income and/or interest in accordance therewith.

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- ~~(a) The member reserve is the fund in which contributions deducted from the compensation of members, or otherwise paid to the retirement system by a member or on the member's behalf, are accumulated, at regular interest, and which shall be charged with refunds and transfers of accumulated member contributions.~~
- ~~(b) The city shall cause the applicable member contributions to be deducted from the compensation of each member. The deducted member contributions shall be paid to the retirement system and shall be credited to the members' individual accounts.~~
- ~~(c) A member's accumulated contributions shall be transferred to the benefit reserve if a pension becomes payable on account of the member's retirement or death.~~

Sec. 2-414 through 2-417 [Deleted]

Sec. 2-~~418~~414. Assignments prohibited.

The right of an individual to a pension, to a refund of accumulated member contributions, the pension itself, or any other right accrued or accruing to any individual, and the monies and assets of the retirement system, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law, except an eligible domestic relations order (EDRO), as specified in Public Act No. 46 of 1991 (MCL 38.179 et seq.), and shall be unassignable except as otherwise specifically provided herein. However, if a member is covered by a group insurance or prepayment plan participated in by the city, and should be permitted to, and elect to, continue such coverage as a retired member, may authorize the board of trustees to have deducted from his/her pension the payments required of him/her to continue coverage under such group insurance or prepayment plan; provided further that the city shall have the right to setoff for any claim arising from embezzlement by or fraud of a member, retired member or beneficiary.

Sec. 2-~~419~~415. Subrogation; right of setoff.

- (a) If an individual becomes entitled to a pension or other benefit payable by the retirement system as a result of an accident or injury caused by the act of a third party, the city shall be subrogated to the rights of the individual against the third party to the extent of city financed benefits which the retirement system pays or becomes liable to pay.
- (b) The retirement system shall have the right of setoff to recover overpayments made by the retirement system and to satisfy any claim arising from embezzlement or fraud committed by a member, retired member, vested former member, beneficiary, or other individual having a claim to benefits.

Sec. 2-~~420~~416. Correction of errors.

Should any change or error in the records of the city or the retirement system result in any person receiving from the system more or less than the individual would have been entitled to receive had the records been correct, the board of trustees shall correct such error and as far as is practicable shall adjust the payment of the benefit in such manner that the actuarial equivalent of the benefit to which such person was correctly entitled shall be paid.

Sec. 2-~~424~~417. Internal Revenue Code qualification.

The city intends the retirement system to be a qualified pension plan under Section 401 of the Internal Revenue Code, as amended, or successor provisions of law, and that the trust be an exempt organization under Section 501 of the Internal Revenue Code. The board of trustees may adopt such additional provisions to the retirement system as are necessary to fulfill this intent.

- (1) *Prohibition against reversion.* The pension plan and trust have been created for the exclusive benefit of the members and beneficiaries as set forth herein. The funds thereof have been established for the benefit of the members and for the operation of the pension system. No part of the principal and income of any of the funds of the plan and trust shall revert to or be returned to the city prior to the satisfaction of all liabilities hereunder to all members, beneficiaries and anyone claiming by or through them.
- (2) *Termination or partial termination.* In the event of termination or partial termination of this plan, a member's interest under the plan as of such date is nonforfeitable to the extent funded in conformity with Section 411(d)(3) of the Code and Regulations Section 1.411(d)-2 and any other applicable Internal Revenue Code sections.
- (3) *Merger, consolidation or transfer.* In conformity with Section 414(1) of the Internal Revenue Code, in the case of any transfer of assets or liabilities of this plan to any other plan, each plan participant would (if the plan then terminated) receive a benefit immediately after the transfer that is equal to or greater than the benefit the participant would have been entitled to receive immediately before the transfer (if the plan had then terminated).
- (4) *Limitations of benefits.* Notwithstanding any other provisions of this division, benefits paid under the provisions of this division shall not exceed the limitations of Internal Revenue Code Section 415 that are applicable to governmental plans, the provisions of which are hereby incorporated by reference.
- (5) *Required distributions.* Notwithstanding any provisions in this division to the contrary, the distribution of benefits shall begin not later than April 1 following:

- a. The later of the calendar year in which the member attains age seventy and one-half (70½), or the calendar year in which the member retires; or
- b. The member's death.

Sec. 2-~~422~~418. Fraud penalty.

Whoever with intent to deceive shall make any statement or report under this division which is untrue, or shall falsify or permit to be falsified any record or records of the retirement system, or who shall otherwise violate the provisions of this division, or as it may from time to time be amended, with intent to deceive, shall be guilty of a misdemeanor.

Sec. 2-~~423~~419. Contractual nature of the pension plan.

The accrued financial benefits of the retirement system shall be a contractual obligation of the city and shall not be diminished or impaired by the city. Terms of this division shall constitute the only basis in which each such contractual obligation shall arise and accrue, and no benefits shall arise and accrue to any member or retired member except those specifically provided for in this division, and in accordance with the terms thereof.

Secs. 2-~~424~~420—2-427. Reserved.

Section 2 of Ordinance. Repealer.

All ordinances, parts of ordinances, or sections of the City of Farmington Code of Ordinances in conflict with this Ordinance are repealed only to the extent necessary to give this Ordinance full force and effect.

Section 3 of Ordinance. Severability.

Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

Section 4 of Ordinance. Savings.

All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this Ordinance takes effect, are saved and may be consummated according to the law in force when they were commenced.

Section 5 of Ordinance. Effective Date.

This ordinance shall be effective upon publication in the manner prescribed by law.

Section 6 of Ordinance. Enactment.

This Ordinance is declared to have been enacted by the City Council of the City of Farmington at a meeting called and held on the ____ day of _____, 2021, and ordered to be given publication in the manner prescribed by law.

Ayes:

Nays:
Abstentions:
Absent:

STATE OF MICHIGAN)
)ss.
COUNTY OF OAKLAND)

I, the undersigned, the qualified and acting City Clerk of the City of Farmington, Oakland County, Michigan, do certify that the foregoing is a true and complete copy of the Ordinance adopted by the City Council of the City of Farmington at a meeting held on the ____ day of _____, 2021, the original of which is on file in my office.

MARY MULLISON, City Clerk
City of Farmington

Adopted:
Published:
Effective:

VANOVERBEKE
MICHAUD &
TIMMONY, P.C.
ATTORNEYS AND COUNSELORS

MICHAEL J. VANOVERBEKE
THOMAS C. MICHAUD
JACK TIMMONY
FRANCIS E. JUDD
AARON L. CASTLE
ROBERT J. ABB

79 ALFRED STREET
DETROIT, MICHIGAN 48201
TEL: (313) 578-1200
FAX: (313) 578-1201
WWW.VMTLAW.COM

MEMORANDUM

TO: CHRIS WEBER, TREASURER-FINANCE DIRECTOR

FROM: AARON L. CASTLE

RE: CITY OF FARMINGTON RETIREMENT ORDINANCE RESTATEMENT

DATE: AUGUST 26, 2021

This memorandum is provided to briefly outline the proposed amendment and restatement of the City of Farmington Retirement Ordinance (the "Retirement Ordinance") as prepared by this office and enclosed for your reference. The proposed revisions/updates are intended to clarify and bring the Retirement Ordinance current in light of the July 1, 2010 transition of the City of Farmington Employees' Retirement System (the "Retirement System") to the Municipal Employees' Retirement System of Michigan ("MERS").

More specifically, the provisions of the Retirement Ordinance have been updated to clarify certain definitions and plan provisions and to remove obsolete language. Significant updates/amendments to the Retirement Ordinance are as follows:

1. **Sec. 2-376. Retirement system effective date; continuation; purpose.** – Amended to clarify the July 1, 2010 transition to MERS and that the MERS Plan Document governs the administration of the Retirement System on and after that date.
2. **Sec. 2-377. Short title; application; effective date.** – Amended to clarify that the pension benefits of individuals that retired from employment prior to July 1, 2010, will be governed by the provisions of the Retirement Ordinance in effect at the time of separation from employment with the City of Farmington.
3. **Sec. 2-378. Definitions.** - The term "Board of Trustees" was added to clarify that the Retirement System is managed and administered by the MERS Retirement Board.
4. **Sec. 2-407. Board of Trustees – Authority and responsibility.** – Amended to clarify that the current administration of the Retirement System, by the MERS Retirement Board, is done pursuant to and in accordance with the MERS Plan Document.

Retirement Ordinance Restatement
August 26, 2021

5. **Sec. 2-413. Reserve Accounts.** – Amended to indicate that reserve accounts will be maintained in accordance with the MERS Plan Document. All references to the former reserve accounts maintained by the City were removed.

The proposed updates and amendments are based on my review of the historical information provided to this office as well as this office's discussions with the City Manager, City Treasurer/Finance Director, City Attorney, and representatives at MERS. It is noted that adoption of the proposed text amendments to the Retirement Ordinance will require formal action of the Farmington City Council. As always, please do not hesitate to contact this office if you have any questions or concerns. Thank you.

Enclosure

cc: David Murphy
Tom Schultz

DIVISION 2. RETIREMENT SYSTEM¹

Sec. 2-376. Retirement system effective date; continuation; purpose.

The City of Farmington Employees' Retirement System, created according to the provisions of Chapter 5, Section 5.11 of the Charter of the City, as amended, ~~is continued~~ for the purpose of providing retirement income to qualifying employees and former employees, and survivor income to their qualifying beneficiaries. As of [July 1, 2010](#) ~~the effective date of this amended and restated ordinance [division]~~, the city has joined the Municipal Employees' Retirement System [of Michigan](#) (MERS), [and the Retirement System shall be administered in accordance with the MERS Plan Document, as amended, on and after that date.](#) ~~which shall serve as the systems' board of trustees.~~

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-377. Short title; application; effective date ~~of restatement.~~

- (a) This division may be cited as the "City of Farmington Retirement Ordinance".
- (b) ~~This restatement will apply to individuals employed by the city on and after the effective date of the restatement.~~ The pension benefits of an individual whose city employment terminated before [July 1, 2010](#) ~~the effective date of this restatement~~ will be governed by the provisions of the ~~retirement system~~ [City of Farmington Retirement Ordinance](#) in effect on the date the individual last terminated city employment.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-378. Definitions.

As used in this division:

Accumulated member contributions means the balance in a member's individual account in the member reserve.

Base salary means the current salary received by the member for regular hours worked in a specific period as defined in the member's employment agreement with the city.

Beneficiary means an individual who is being paid or who has entitlement to the future payment of a pension due to a reason other than the individual's membership in the retirement system.

Board of Trustees means [the MERS Retirement Board as established under Section 36 of the Municipal Employees Retirement Act of 1984, as amended \(MCL 38.1536\).](#)

¹Editor's note(s)—Ord. No. C-747-2010, adopted June 21, 2010, amended Div. 2 in its entirety to read as herein set out. Former Div. 2 pertained to the same subject matter, was comprised of §§ 2-376Editor's note(s)—2-427, and derived from Ord. No. C-707-2005, adopted May 2, 2005; Ord. No. C-720-2006, adopted Sept. 18, 2006; and Ord. No. C-734-2008, adopted Aug. 18, 2008.

City means the City of Farmington, Michigan.

Compensation means the salary or wages paid an employee for personal services rendered the city while a member of the retirement system. Salary and wages shall include longevity pay; overtime pay; shift differentials; pay for periods of absence from work by reason of vacation, holiday, or sickness; accrued vacation time; accrued compensatory time; deferred compensation amounts under deferred compensation programs recognized by the board of trustees. Compensation shall not include any remuneration or reimbursement not specifically stated to be included such as: allowances for clothing, equipment, cleaning and travel; reimbursement of expenses; bonuses; payments in consideration of unused sick leave; fringe benefits and items of remuneration which are the basis of a potential or actual benefit from another retirement program.

Credited service means years and fractions of a year (in whole months) of personal service rendered the city, including time for paid periods of absence, while a member of the retirement system and any qualifying service credited by specific board of trustee resolution consistent with applicable law.

Final average compensation (FAC), depending on the member's benefit group, means:

- (1) *FAC-5* means the average of the annual compensations paid a member during any five (5) consecutive twelve-month periods of credited service producing the highest average compensation.
- (2) *FAC-3* means the average of the annual compensation paid a member during any three (3) consecutive twelve-month periods of credited service producing the highest average compensation.

MERS Plan document means the Municipal Employees' Retirement System document of 1996, as amended, adopted pursuant to 1984 PA 427, as amended.

Pension means a series of equal monthly payments by the retirement system. Payment may be for a temporary period or throughout the future life of a retired member or beneficiary.

Regular interest means such rate or rates of interest per annum, compounded annually, as the board of trustees shall from time to time adopt.

Retired member means an individual who is being paid a pension on account of the individual's membership in the retirement system.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-379. Included positions.

An individual who is employed by the city in a permanent position shall be a member of the retirement system unless employed in an excluded position enumerated in section 2-380. For purposes of this section, a permanent position is defined as a position normally requiring twelve (12) months' of work per year. In case of doubt, the board of trustees shall decide who is a member.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-380. Excluded positions.

- (a) Any position held by a retired member.
- (b) Members of boards and commissions paid exclusively on a per diem basis.
- (c) Any position held by a person who is included in any other pension or retirement system or plan by reason of the compensation paid by the city, except the Federal Old Age, Survivors and Disability Insurance program.

-
- (d) Part-time positions. For purposes of this section, a part-time position is a position normally requiring less than twelve months of work per year.
 - (e) Positions held by persons engaged on a contractual or fee basis where they are not recipients of the standard existing fringe benefits provided by the city.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-381. Termination of membership.

An individual shall cease to be a member upon termination of employment or upon becoming employed in an excluded position as provided for membership in section 2-380~~79~~. Upon reemployment by the city in an included position entitling the employee to membership, the individual shall again become a member.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-382. Vested termination of membership.

A member who ceases to be a member prior to attainment of normal retirement age for a reason other than retirement or death shall be a vested former member if the member has ten (10) or more years of credited service except for general members and administrative officers and department heads, which groups are required to have seven (7) or more years of credited service; or, the number of years of credited service otherwise provided in the member's employment agreement, and the individual's accumulated member contributions have not been refunded. ~~During a period of absence from city employment, the balance in the member reserve shall be accumulated at regular interest.~~

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-383. Credited service, earning of.

Service rendered by a member shall be credited to the member's individual credited service account in accordance with any rules the board of trustees shall prescribe. In no case shall:

- (1) More than one (1) year of credited service be credited on account of all service rendered by a member in any one (1) calendar year.
- (2) Less than ninety (90) hours of credited service in a calendar month be credited as a month of service for the general employee group and department heads and administrator group; and ninety-six (96) hours of credited service in a calendar month be credited as a month of service for the COAM Command, POAM Public Safety, POAM Dispatch and DPW AFSCME groups.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-384. Credited service, forfeiture of.

Credited service shall be forfeited if an individual ceases to be a member and does not qualify as a vested former member. Credited service shall be forfeited if an individual, including a vested former member, receives a refund of accumulated member contributions.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-385. Credited service, reinstatement of.

A member may have forfeited credited service attributable to service rendered during a period in which the member was required to contribute to the retirement system restored upon satisfaction of each of the following conditions:

- (1) Reemployment by the city occurs within five (5) years from the date the member last ceased to be a member.
- (2) The retirement system is paid the total amount of funds previously withdrawn by the member plus compound interest at the rate determined by the board of trustees from the dates of withdrawal to the dates of repayment.
- (3) The repayment is initiated and completed within the time periods established by the board of trustees.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-386. Purchase of service credit; service credit for military service.

A member may purchase service credit as approved by council resolution and as allowed by MERS Plan provisions for the purchase of service credit.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-387. Benefit groups, composition of.

The following benefit groups are designated for the purpose of determining benefit eligibility conditions, benefit amounts, and member contribution rates:

- (1) *Benefit group general.* All members not included in another benefit group.
- (2) *Benefit group public safety.* All members employed in the public safety department who are members of the Police Officers Association of Michigan (POAM.)
- (3) *Benefit group public safety command.* All members employed in the public safety department who are members of the Command Officers Association of Michigan (COAM) and the director and deputy director of public safety, unless the director or deputy director elects to participate in the defined contribution retirement plan provided by the city.
- (4) *Benefit group public safety dispatch.* All members employed in the public safety department who are members of the Police Officers Association of Michigan/Dispatchers (POAM) employee group.
- (5) *Benefit group department of public services DPW.* All members employed in the public services department who are members of the International Union of the American Federation of State, County and Municipal Employees (AFSCME) employee group.
- (6) *Benefit group administrative officers and department heads.* All members employed by the city to be the official head of a city department or the city manager, unless the administrative officer or department head elects to participate in the defined contribution retirement system provided by the city.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-388. Benefit groups—Effect on retirement eligibility.

Retirement eligibility conditions shall be those applicable to the member's benefit group at time of termination of membership as outlined in section 2-391.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-389. Same—Effect on pension amount.

Pension amounts shall be determined based upon plan or ordinance provisions and benefit group in effect at time of termination of membership, provided no accrued vested benefits of a member shall be diminished or decreased thereby.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-390. Normal retirement—Conditions.

An individual may retire upon satisfaction of each of the following requirements:

- (1) A written application for retirement has been filed with the board of trustees in accordance with procedures established by the board of trustees.
- (2) Employment in an included position as defined in section 2-379 is terminated prior to the effective date of retirement.
- (3) The individual meets the applicable age and/or service requirements for normal retirement.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-391. Same—Age and service requirements.

The minimum age and service requirements for normal retirement shall be determined in accordance with the following table:

Benefit Group	Age	Normal Retirement Eligibility Years of Credited Service
General	60	7
Public safety (POAM)	00	25
Public safety (COAM); director and deputy director	00	25
Public safety dispatch (POAM/Dispatch)	60	10
Public services DPW (AFSCME)	60	10
Administrative officers and	58	7

department heads		
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Upon normal retirement as provided in this section, an individual shall be paid a pension computed according to section 2-393.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-392. Same—Vested terminated (former) member.

- (a) A vested terminated (former) member may retire upon filing written application for retirement on or after attainment of age sixty (60) years except that terminated (former) vested public safety members who terminated before July 1, 2010, must be sixty-five (65) years old to qualify for retirement benefits.
- (b) Withdrawal of accumulated member contributions and forfeiture of credited service attributable to a period during which contributions to the retirement system were required by or on behalf of a vested terminated member shall constitute forfeiture of all rights in and to the portion of the pension attributable to the forfeited credited service.
- (c) Upon retirement as provided in this section, a vested terminated (former) member shall be paid a pension computed according to the provisions of section 2-393 in effect on the date the employee ceased to be a member.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-393. Normal retirement pension; amount.

The applicable benefit formula under the straight life form of payment, as provided in section 2-395, based upon a member's benefit group, age, years and fractions of a year of credited service and final average compensation (FAC) is as indicated below:

Benefit Group	Benefit Formula
General	2.25% of FAC-5 × credited service
Public safety (POAM)	2.5% of FAC-3 × credited service
Public safety (COAM); director and deputy director	2.5% of FAC-3 × credited service
Public safety dispatch (COAM/Dispatch)	2.25% of FAC-5 × credited service
Public services DPW (AFSCME)	2.25% of FAC-5 × credited service
Administrative officers and department heads	2.5% of FAC-3 × credited service

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-394. Reemployment by city; effect on pension payments.

If a retired member becomes reemployed in a position with the city which is normally covered by the retirement system and is then receiving retirement benefits of any nature from the retirement system, the following conditions shall apply:

- (1) The retired member's pension payments shall be suspended effective as of the first of the month following the sixtieth day after the retired member's rehire date, unless reemployment by the city has ended by that date.
- (2) The retired member's pension payments shall be reinstated as of the first of the month following termination of the retired member's reemployment.

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- (3) The amount of the reinstated pension shall be the amount the retired member would have received had the retired member not become reemployed by the city.

Paragraphs (1), (2) and (3) above shall not apply and pension payments shall continue without change due to reemployment by the city if:

- (1) The retired member is not included as a member of the retirement system during the period of reemployment; and
- (2) The retired member is eligible only for those benefits that the city provides for retired members and those benefits required by law; and
- (3) One (1) or more of the following applies:
 - a. The retired member is employed by the city for less than twelve (12) months in any twelve-month period.
 - b. The retired member is elected or appointed as a city official to an office that the retired member did not hold just prior to retirement for a term of office that begins after the member's retirement date, or to the same office that the retired member held just prior to retirement for a term of office that begins at least two (2) years after the member's retirement date.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-395. Form of payment of a pension.

A member may elect to have pension payments made under any one (1) of the following forms of payment and name a survivor beneficiary. Payment shall be made under form of payment SL if there is not a timely election of another optional form of payment.

- (1) *Option SL - Straight life pension.* The retired member is paid a pension for life under form of payment SL. Upon death of the retired member, no continuing pension benefits shall be paid.
- (2) *Option Survivor Pension and Option Life Payment with Years Certain Pension.* The retired member is paid a reduced pension for life under optional forms of payment as allowed by the MERS Plan document, provided that the optional benefit is actuarially equivalent to the straight life (SL) pension benefit. If the named survivor beneficiary under Option Survivor Pension predeceases the retired member, the retired member is paid the unreduced straight life pension until death.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-396. Disability retirement; conditions.

The board of trustees may retire a member who becomes incapacitated for continued employment by the city if each of the following conditions are met:

- (1) Application for disability retirement is filed with the board of trustees.
- (2) The member meets all criteria established by the board of trustees for disability retirement and is approved by the board of trustees for disability retirement.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-397. Disability retirement pension; amount; form of payment.

Eligibility for disability retirement and the amount of a disability pension shall be provided according to the MERS Plan document as approved by the board of trustees.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-398. Disability retirement; special provisions if duty incurred.

Duty disability eligibility and benefits shall be provided according to the MERS Plan document as approved by the board of trustees.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-399. Disability retirement pension; suspension/termination of disability pension.

Reinstatement of service credit shall be according to the MERS Plan document, as approved by the board of trustees, in the event of suspension/termination of a disability pension.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-400. Survivor pension—Conditions for automatic pension to spouse.

A pension shall be paid for life to the surviving spouse of a deceased member in accordance with the MERS Plan document, as approved by the board of trustees, and applicable law.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-401. Same—Amount of automatic pension to spouse.

The amount of an automatic pension payable to the spouse shall be computed in accordance with the MERS Plan document, as approved by the board of trustees.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-402. Guaranteed minimum aggregate payout.

If all pension payments permanently terminate before there has been paid an aggregate amount equal to the retired member's, deceased member's, or deceased vested former member's accumulated member contributions at time of retirement, the difference between the amount of accumulated member contributions and the aggregate amount of pension payments made shall be paid to such individual or individuals as the former member may have named on a form provided by and filed with the retirement system. If no such named individual survives, the difference shall be paid to the individual's estate.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-403. Pensions—Payment.

All payments from the retirement system shall be made as approved by the board of trustees and as permitted by applicable law.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-404. Same—Commencement, duration and change.

- (a) A normal, early or disability pension shall commence the first day of the calendar month next following a member's or vested terminated member's date of retirement. A preretirement survivor pension shall commence the first day of the calendar month next following the month in which occurs the death causing payment of the pension. A postretirement survivor pension shall commence the first day of the calendar month next following the death causing payment of the pension.
- (b) Pensions shall be paid in twelve (12) equal installments on or before the first of each month.
- (c) Termination of payment of a pension shall occur at the end of the calendar month in which occurred the event causing the termination. Payment shall be made for the full month of termination.
- (d) A change in the amount of a pension shall occur the first day of the calendar month next following the effective date of the event causing the change.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-405. Member contributions—Amounts.

- (a) Member contributions to the retirement system shall be deducted from each member's paycheck, in accordance with the member's employment agreement, at the following rates:

Benefit Group	% of Annual Compensation
General	none
Public safety (POAM)	3.00%
Public safety (COAM) and director and deputy director	3.00%
Public safety dispatch (POAM/dispatch)	none
Public services DPW (AFSCME)	none
Administrative officers and department heads	3.00%

Continuation of employment by a member shall constitute consent and agreement to the deduction of applicable member contributions.

- (b) The employer shall pick up the member contributions required by this section for all compensation earned after the effective date of this subsection. The contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code. The employer shall pick up the member contributions from funds established and available in the salaries account, which funds would otherwise have been designated as member contributions and paid to the retirement system. Member contributions picked up by the employer pursuant to this subsection shall be treated for all other purposes of this and other laws of the employer in the same manner and to the same extent as member contributions made prior to the effective date of this subsection. The member does not have the option of receiving the picked-up member contributions in cash instead of having it paid into the retirement systems. The provisions of this subsection are intended to be in full compliance with the MERS Plan document.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-406. Same—Refunds.

Refund of accumulated member contributions shall be made according to the MERS Plan document, as approved by the board of trustees. Except as otherwise provided in the MERS Plan document, after four (4) years from the date an employee ceases to be a member, any balance of accumulated contributions standing to the member's credit in the member reserve unclaimed by the member or the member's legal representative, shall be transferred to the general reserve.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-407. Board of trustees—Authority and responsibility.

The administration, management and responsibility for the proper operation of the retirement system, and for interpreting and making effective the provisions of the retirement ordinance are vested in a board of trustees. The board shall exercise all authority in ways consistent with the purpose of the plan as set forth in section 2-376. The Farmington Employees' Retirement System shall be administered by the Municipal Employees Retirement System (MERS) board of trustees in accordance with the MERS Plan document ~~and this division.~~

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-408. Same—Reports.

The board of trustees shall prepare an annual financial report for each fiscal year. The annual report shall contain information about the financial, actuarial and other activities of the retirement system during the fiscal year. A copy of the annual financial report shall be furnished to the city council each year showing the fiscal transactions of the system for the preceding fiscal year. The board of trustees shall furnish the city council such other information about the retirement system as the city council may from time to time request.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-409. Same—Investment authority and restrictions.

The board of trustees are the trustees of the monies and assets of the retirement system. The board of trustees has the authority and power to invest and reinvest the monies and assets of the retirement system subject to all terms, conditions, limitations and restrictions imposed by the State of Michigan on the investments of public employee retirement systems. In exercising its discretionary authority with respect to the management of the monies and assets of the retirement system, the board of trustees shall exercise the care, skill, prudence, and diligence, under the circumstances then prevailing, that an individual of prudence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and similar objectives.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-410. Same—Use of assets; prohibited actions.

- (a) All assets of the retirement system shall be held and invested for the sole purpose of meeting the legitimate obligations of the retirement system and shall be used for no other purpose.
- (b) Members of the board of trustees and its employees and consultants are prohibited from:

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- (1) Having a beneficial interest, direct or indirect, in an investment of the retirement system.
 - (2) Borrowing money or assets of the retirement system.
 - (3) Receiving any pay or payment from any individual or organization providing services to the retirement system other than compensation for personal services or reimbursement of authorized expenses.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-411. Same—Experience tables and regular interest.

- (a) The board of trustees shall from time to time adopt such mortality and other tables of experience, and a rate or rates of regular interest as are necessary in the proper operation of the retirement system on an actuarial basis.
- (b) For purposes of determining a benefit which is actuarially equivalent to any other benefit, the actuarial reserve required to provide the benefit must be equal to the actuarial reserve required to provide such other benefit computed on the basis of a consistent set of actuarial assumptions as approved by the board of trustees.
- (c) A change of assumptions will not affect any benefit for which payments have already started.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-412. Financial objective of the retirement system; city contributions.

- (a) The financial objective of the retirement system is to establish and receive city contributions to the retirement system each fiscal year which, together with the contributions made by or on behalf of members during the fiscal year, shall be sufficient to (i) fully fund the costs of benefits likely to be paid on account of service rendered by members during the year, and (ii) finance unfunded costs of benefits likely to be paid on account of service rendered by members prior to the current year over a period of not more than twenty (20) years.
- (b) The board of trustees shall designate an actuary to evaluate the retirement system on an annual basis and shall certify to the city council the amount of annual contribution needed to meet the financial objective of the system and to finance unfunded pension reserves for retirant and beneficiary pension benefits over a period not to exceed twenty (20) years, and the city council shall appropriate and cause the contribution to be paid to the retirement system.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-413. Reserve Accounts~~Member reserve.~~

Appropriate reserve accounts shall be maintained pursuant to the MERS Plan Document, which shall be credited with investment income and/or interest in accordance therewith.

- ~~(a) The member reserve is the fund in which contributions deducted from the compensation of members, or otherwise paid to the retirement system by a member or on the member's behalf, are accumulated, at regular interest, and which shall be charged with refunds and transfers of accumulated member contributions.~~
- ~~(b) The city shall cause the applicable member contributions to be deducted from the compensation of each member. The deducted member contributions shall be paid to the retirement system and shall be credited to the members' individual accounts.~~

(c) ~~A member's accumulated contributions shall be transferred to the benefit reserve if a pension becomes payable on account of the member's retirement or death.~~

~~(Ord. No. C 747 2010, § 1, 6 21 10)~~

~~Sec. 2 414. Benefit reserve.~~

~~The benefit reserve is the fund which is charged with all pension payments and refunds of accumulated member contributions which have been transferred to this account. If a disability pension is terminated and the individual returns to city employment, the individual's pension reserve at that time shall be transferred from the benefit reserve to the member reserve and the general reserve in the same proportion as the pension reserve was originally transferred.~~

~~(Ord. No. C 747 2010, § 1, 6 21 10)~~

~~Sec. 2 415. General reserve.~~

~~The general reserve is the fund to which is credited city contributions, investment earnings, and any other contributions or earnings of the system the disposition of which is not specifically provided for. City contributions shall be determined by annual actuarial valuation using a generally recognized level percent of payroll actuarial cost method. Transfers from this reserve shall be made to the benefit reserve to cover the amount actuarially determined to cover retirement benefit payments. There shall be transferred from this reserve account all amounts required to credit regular interest to the other reserve accounts. If in any fiscal year the amount in the member reserve or the benefit reserve is insufficient to pay in full the amount due to members leaving the system or the amount due to retired members and beneficiaries, the city shall provide such insufficiency.~~

~~(Ord. No. C 747 2010, § 1, 6 21 10)~~

~~Sec. 2 416. Assets not segregated.~~

~~The descriptions of the reserve accounts shall be interpreted to refer to the account records of the retirement system and not to the segregation of monies or assets by reserve account.~~

~~(Ord. No. C 747 2010, § 1, 6 21 10)~~

~~Sec. 2 417. Interest credited to reserve accounts.~~

~~(a) The board of trustees shall each calendar year credit regular interest on the individual balances, as of the end of the previous calendar year, in the member reserve and the actuarial rate of interest shall be credited on the balance in the benefit reserve. The amounts of interest to be credited shall be charged to the general reserve.~~

~~(b) If the balance in the general reserve is insufficient to cover the amounts of interest charged to it, the city shall provide such insufficiency. The board of trustees shall determine the rate or rates of interest to be used for crediting of interest.~~

~~(Ord. No. C 747 2010, § 1, 6 21 10)~~

Sec. 2-4148. Assignments prohibited.

The right of an individual to a pension, to a refund of accumulated member contributions, the pension itself, or any other right accrued or accruing to any individual, and the monies and assets of the retirement system, shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or other process of law, except an eligible domestic relations order (EDRO), as specified in Public Act No. 46 of 1991 (MCL 38.179 et seq.), and shall be unassignable except as otherwise specifically provided herein. However, if a member is covered by a group insurance or prepayment plan participated in by the city, and should be permitted to, and elect to, continue such coverage as a retired member, may authorize the board of trustees to have deducted from his/her pension the payments required of him/her to continue coverage under such group insurance or prepayment plan; provided further that the city shall have the right to setoff for any claim arising from embezzlement by or fraud of a member, retired member or beneficiary.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-4159. Subrogation; right of setoff.

- (a) If an individual becomes entitled to a pension or other benefit payable by the retirement system as a result of an accident or injury caused by the act of a third party, the city shall be subrogated to the rights of the individual against the third party to the extent of city financed benefits which the retirement system pays or becomes liable to pay.
- (b) The retirement system shall have the right of setoff to recover overpayments made by the retirement system and to satisfy any claim arising from embezzlement or fraud committed by a member, retired member, vested former member, beneficiary, or other individual having a claim to benefits.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-41620. Correction of errors.

Should any change or error in the records of the city or the retirement system result in any person receiving from the system more or less than the individual would have been entitled to receive had the records been correct, the board of trustees shall correct such error and as far as is practicable shall adjust the payment of the benefit in such manner that the actuarial equivalent of the benefit to which such person was correctly entitled shall be paid.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-41721. Internal Revenue Code qualification.

The city intends the retirement system to be a qualified pension plan under Section 401 of the Internal Revenue Code, as amended, or successor provisions of law, and that the trust be an exempt organization under Section 501 of the Internal Revenue Code. The board of trustees may adopt such additional provisions to the retirement system as are necessary to fulfill this intent.

- (1) *Prohibition against reversion.* The pension plan and trust have been created for the exclusive benefit of the members and beneficiaries as set forth herein. The funds thereof have been established for the benefit of the members and for the operation of the pension system. No part of the principal and income of any of the funds of the plan and trust shall revert to or be returned to the city prior to the satisfaction of all liabilities hereunder to all members, beneficiaries and anyone claiming by or through them.

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- (2) *Termination or partial termination.* In the event of termination or partial termination of this plan, a member's interest under the plan as of such date is nonforfeitable to the extent funded in conformity with Section 411(d)(3) of the Code and Regulations Section 1.411(d)-2 and any other applicable Internal Revenue Code sections.
 - (3) *Merger, consolidation or transfer.* In conformity with Section 414(1) of the Internal Revenue Code, in the case of any transfer of assets or liabilities of this plan to any other plan, each plan participant would (if the plan then terminated) receive a benefit immediately after the transfer that is equal to or greater than the benefit the participant would have been entitled to receive immediately before the transfer (if the plan had then terminated).
 - (4) *Limitations of benefits.* Notwithstanding any other provisions of this division, benefits paid under the provisions of this division shall not exceed the limitations of Internal Revenue Code Section 415 that are applicable to governmental plans, the provisions of which are hereby incorporated by reference.
 - (5) *Required distributions.* Notwithstanding any provisions in this division to the contrary, the distribution of benefits shall begin not later than April 1 following:
 - a. The later of the calendar year in which the member attains age seventy and one-half (70½), or the calendar year in which the member retires; or
 - b. The member's death.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-4~~18~~²². Fraud penalty.

Whoever with intent to deceive shall make any statement or report under this division which is untrue, or shall falsify or permit to be falsified any record or records of the retirement system, or who shall otherwise violate the provisions of this division, or as it may from time to time be amended, with intent to deceive, shall be guilty of a misdemeanor.

(Ord. No. C-747-2010, § 1, 6-21-10)

Sec. 2-4~~19~~²³. Contractual nature of the pension plan.

The accrued financial benefits of the retirement system shall be a contractual obligation of the city and shall not be diminished or impaired by the city. Terms of this division shall constitute the only basis in which each such contractual obligation shall arise and accrue, and no benefits shall arise and accrue to any member or retired member except those specifically provided for in this division, and in accordance with the terms thereof.

(Ord. No. C-747-2010, § 1, 6-21-10)

Secs. 2-4~~20~~⁴—2-427. Reserved.

Farmington City Council Staff Report	Council Meeting Date: Jan. 3, 2022	Item Number 5
Submitted by: David Murphy and Chris Weber		
Agenda Topic: Shiawassee and Drake Park Bleachers		
Proposed Motion: Approve the purchase of (XXX) bleachers for Shiawassee and Drake Park		
Background: At the December 6 th Council Meeting, Administration discussed the purchase of bleachers for Shiawassee and Drake park. Council requested additional information for consideration including: Current number of bleachers at Shiawassee and Drake Park – There are currently 6 bleachers at Drake Park, 2 at each of the 3 diamonds. There are currently 6 bleachers at Shiawassee Park, 2 at each of 3 diamonds, 0 bleachers at the 4th due to space constraints. Are railings and backings necessary – Yes, per discussion with Michigan Municipal Risk Management Authority, bleachers of the size under consideration must have railings and backings. What is the cost of shipping – See attached spreadsheet What is the cost of assembly – There is no cost to assembly. This service is not provided. The DPW would assemble. Does South Farmington Baseball and Softball think the bleachers are necessary – See attached letter from Dan Irvin, Community Liaison for South Farmington Baseball and Softball, Inc. Specifications – See attached Where will funds come to purchase bleachers – The Capital Improvement Millage Fund currently has \$381,000 of unallocated fund balance that could be used for this purpose Administration’s recommendation – Administration recommends Epicsports		
Materials: Bleacher Summary Sheet Letter from Dan Irvin, Community Liaison for South Farmington Baseball and Softball, Inc. Specifications for Ondecksports and Epicsparts/Jaypro (Epic sells Jaypro bleachers)		

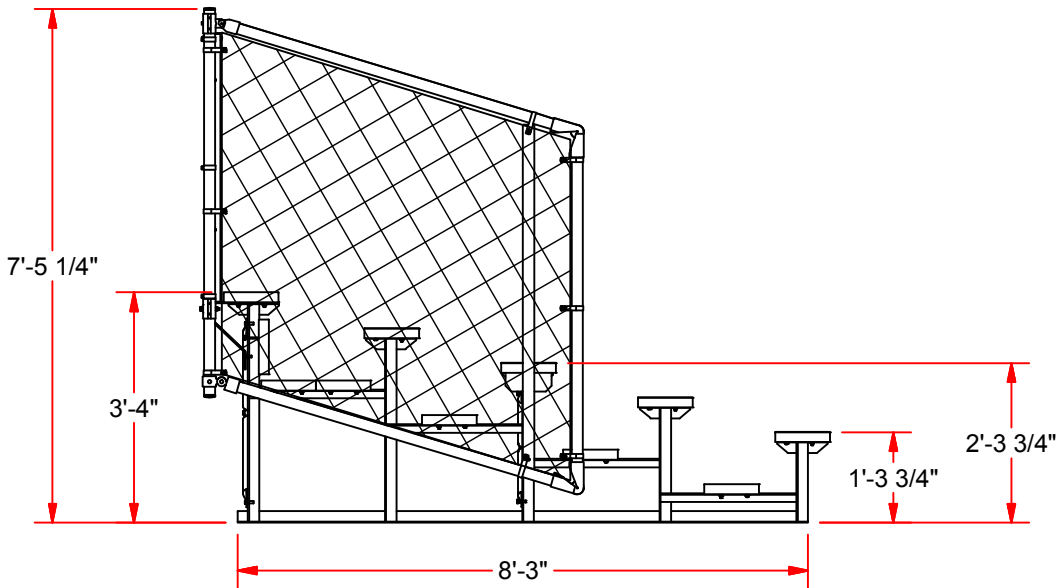
BLEACHERS 2021

Quotes required for replacing park bleachers: 5row 21ft

Company	Item Code	September	December	Tax	Shipping	Total	Warranty	Assembly	Misc
Epicsports.com	JAYPRO #E8890	\$4,665.29	\$4,700.29	\$0.00	\$897.00	\$5,597.29	3 year limited warranty	Instructions provided	2-4 month delay expected on orders Curbside delivery to 1 address only - have to unload truck
	10+ units	\$4,410.59	\$4,413.59						
Jaypro Sports	BLCH-521C		\$5,193.00	\$0.00	\$662.60	\$5,855.60	3 year limited warranty	Instructions provided	Curbside delivery to 1 address only - have to unload truck
Ondecksports.com		\$4,586.99	\$5,413.97	\$0.00	\$471.00	\$5,884.97	5 years	Instructions provided	Curbside delivery to 1 address only - have to unload truck

BLCH-5C

5-ROW BLEACHERS WITH CHAIN LINK GUARDRAIL ENCLOSURE
 BLCH-5C (15' LONG)
 BLCH-521C (21' LONG)
 BLCH-521ASGR (21' LONG WITH AISLE)



FEATURES:

- * CODE COMPLAINT
- * SEAT PLANKS ARE 10" WIDE NON-SKID ALUMINUM.
- * PLANKS ARE SUPPORTED BY A STRONG GALVANIZED STEEL UNDERSTRUCTURE.
- * 50 PERSONS SEAT CAPACITY FOR 15' LONG (BLCH-5C).
- * 62 PERSONS SEAT CAPACITY FOR 21' LONG (BLCH-521C).
- * 58 PERSONS SEAT CAPACITY FOR 21' WITH AISLE (BLCH-521ASGR).

OPTIONS:

- * CUSTOM POWDER COATED COLORS.

REV.	DESCRIPTION	DATE	BY	5-ROW BLEACHERS WITH CHAIN LINK ENCLOSURE	 INNOVATION, PERFORMANCE AND COMMITMENT SINCE 1953 www.jaypro.com JAYPRO SPORTS, LLC, 976 HARTFORD TURNPIKE, WATERFORD, CT 06385 USA	DRAWING NAME / PART NUMBER: BLCH-5C	
-	UPDATED TITLE BLOCK / CAD	DATE	Moore T.			DRAWN BY: Moore T.	ISSUE DATE: 12/6/2013
						CHK'D BY: WVB	CHK DATE: 12/6/2013
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12/9/2021

Greetings mayor and members of Farmington City Council,

We have been made aware that the City of Farmington has proposed to replace the spectator bleachers at Shiawassee Park & Drake Park. On behalf of the members of the board of directors for the South Farmington Baseball & Softball, Inc. organization, I would like to offer our support on this park improvement.

The bleachers are regularly used for games at both parks. We have been contacted prior to the removal by members of city administration to get a better understanding of how much they are used. I am writing you today to let you know that since they were removed for fall baseball/softball, we have noticed the importance of having them.

I want to reassure you that the proposed bleachers will be a nice upgrade to both parks and will be used frequently. We have noticed that the cricket players have used them in the past as well for their spectators.

Sincerely,

Dan Irvin

Community Liaison

South Farmington Baseball & Softball, Inc.

248-704-7544

Farmington City Council Agenda Item	Council Meeting Date: 1-3-21	Item Number 6
Submitted by: City Manager		
Agenda Topic: Extension of the Waste Management Contract		
Proposed Motion: Move to approve the two-year extension of the Waste Management Agreement under the terms and conditions outlined in the draft Extension Agreement, subject to final review and approval, any required minor amendments, by the City Manager and City Attorney's office.		
Background: The Waste Management contract is up at the end of June 2022. Waste Management has agreed to a two (2) year extension at \$14.23 per household for the first year of the extension and an optional second year to be increased by the CPI. This extension includes two (2) additional weeks of yard waste pick-up.		
Materials Attached: Waste Management Extension Agreement.		
Agenda Review		
Department Head	Finance/Treasurer	City Attorney
		City Manager

CITY OF FARMINGTON

EXTENSION OF AMENDMENT TO SOLID WASTE, YARD WASTE, RECYCLING COLLECTION AND DISPOSAL AGREEMENT

THIS EXTENSION AGREEMENT ("Extension Agreement") is made and entered into this ____ day of _____, 2022, by and between the CITY OF FARMINGTON, 23600 Liberty Street, Farmington, MI 48335 (hereinafter the "City"), and WASTE MANAGEMENT OF MICHIGAN, INC., whose offices are located at 48797 Alpha Drive, Suite 150, Wixom, MI 49393 (hereinafter "Contractor").

RECITALS

WHEREAS the current Amendment to Solid Waste, Yard Waste, Recycling Collection and Disposal Agreement ("Existing Agreement") between the City and Contractor ends on June 30, 2022, unless extended; and

WHEREAS the City and Contractor have agreed to extend the terms and conditions of the Existing Agreement for a two-year period, subject to certain terms and conditions.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth, the parties agree to extend the Existing Agreement as follows:

1. The Existing Agreement is hereby extended for two (2) years, through June 30, 2024 (the "Extension"); provided, however, that the second year of the Extension will be at the City's option. The City may send written notice to Contractor no later than March 30, 2023, indicating that it does not intend to exercise the option for the second year of the Extension. Failure of the City to provide such notice to Contractor by or before March 30, 2023, shall mean that the City has agreed to exercise its option for the full second year.

2. The following contract price adjustments will apply during the term of the Extension:

- a. Contract period – 7/1/2022 – 6/30/2023: \$14.23/home
- b. Contract period – 7/1/2023 – 6/30/2024 (optional on the part of the City): Price determined on the basis of the Consumer Price Index (CPI); i.e., price from previous year, plus CPI adjustment, if any.

3. Yard waste service. Contractor shall provide two additional weeks of yard waste service beyond the service described in the Agreement.

4. All other terms and conditions of the Agreement are ratified and confirmed and shall remain in full force and effect in all other respects.

5. In the event of a conflict between the provisions of the Agreement and the terms of this Extension, however, the provisions of this Extension shall control.

IN WITNESS WHEREOF, the City and Contractor have executed this Extension as of the day and year first written above.

WASTE MANAGEMENT OF MICHIGAN, INC.

By:
Its:

CITY OF FARMINGTON

By: Sara Bowman
Its: Mayor

By: Mary Mullison
Its: Clerk

DRAFT