



## CITY COUNCIL

October 15, 2018

1. Call to Order - 7:00 P.M. - City Hall Council Chambers
2. Recitation - Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. Public Hearing – Receipt of comments concerning programs and services as proposed by the City's Downtown Management Board for 2019 and recommended for financing by use of the special-assessment method at last year's formula, and consideration of a proposed resolution that would approve programs and services, establish an assessment district and direct that an assessment roll be prepared for subsequent review by the City Council
5. Consent Agenda – Adoption of a proposed resolution that would confirm approval of the following:
  - (a) October 1, 2018 regular session and October 9, 2018 special session City Council meeting minutes
  - (b) Acknowledge receipt of a report concerning certain administrative transactions since October 1, 2018
6. Miscellaneous Public Comments
7. City Manager Updates
8. New Business
  - (a) Hear an informational presentation by the Public Safety Director concerning the state-wide ballot proposal regarding legalizing recreational marijuana
  - (b) Hear an informational presentation by the Public Safety Director concerning the 2019-2024 Capital Improvement Plan as it relates to the Public Safety millage
  - (c) Authorize contracting with Dunkel Excavating Services, Inc., Petoskey, for snowplowing of parking lots in the amount of \$275 per-snowplow event
  - (d) Hear update on MERS 2017 Actuarial Valuation Report concerning retirement plans and unfunded accrued liability
9. City Council Comments
10. Adjournment



## City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**DATE PREPARED:** October 11, 2018

**AGENDA SUBJECT:** Special-Assessment Public Hearing and Resolution

**RECOMMENDATION:** That the City Council conduct this scheduled public hearing and consider adopting a resolution as required by City Code provisions

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**Background** On October 1, City Council adopted a resolution at the request of the City's Downtown Management Board that the City Council again arrange for financing of downtown-area programs and services for 2019. The City Council, by adoption of the resolution, determined that such programs and services should be financed by the levying of a single special assessment, designated the Board's territory as the proposed assessment district, approved a square-footage assessment formula at the same rate as last year, and scheduled an October 15 public hearing to receive comments concerning these recommended programs and services. Public-hearing notices were mailed on October 2. Although budgeted at \$91,400, the proposed special assessment would provide \$89,880 in revenues based on recent updates. Total budgeted revenues for the Downtown Management Fund in 2019 are \$184,685.

**Proposal** The Downtown Management Board is requesting that the City Council levy special assessments on behalf of the Downtown Management Board totaling \$89,880.64. For 2019, the Downtown Management Board proposes to sponsor or support 16 events at \$95,405; marketing and promotions which includes the image campaign at \$58,500; continue with beautification activities that would include purchases of tree-well flowers and fall and holiday decorations at \$29,000; cover other administrative costs for \$100; and economic-enhancement activities including business recruitment and retention of \$1,500 for a total of \$184,505.

**Correspondence** No comments or correspondence has been received.

**Action** If, after conducting the October 15 public hearing, the City Council elects to approve these recommended proposed downtown-area programs and services for financing through a special-assessment levy at the same rate as last year, the City Council then would be asked to adopt the enclosed proposed resolution. The resolution would approve the proposed programs and services for 2019, establish the assessment district, and direct the City staff to prepare a special-assessment roll for presentation to the City Council on November 5. A second public hearing then could be scheduled for November 19 to receive comments concerning proposed special assessments. Revenues and expenditures associated with this program again would be included within the City's Downtown Development and Management Fund as part of the City's 2019 Annual Budget.



WHEREAS, at its meeting of October 1, 2018, the City Council reviewed a report by the City Manager dated September 21, 2018, as required of City Code provisions, that listed proposed programs and services to be provided to property owners and tenants within the Downtown Management Board's territory during 2019 and a proposed roll of special assessments to be spread against properties within the Management Board's district at the same formula rate as last year, as a means of financing such proposed programs and services; and

WHEREAS, following its review of that September 21 report, the City Council scheduled a public hearing for 7:00 P.M., Monday, October 15, 2018, as required of City Code provisions, to receive comments concerning proposed Downtown Management Board programs and services; and

WHEREAS, the City Council now has conducted this October 15 public hearing to receive comments concerning proposed programs and services as recommended by the Downtown Management Board:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby approves proposed programs and services as recommended by the Downtown Management Board and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at the same rate as last year that are coterminous to those of the Management Board's territory; and

BE IT FURTHER RESOLVED that the City staff be and is hereby directed to prepare a special-assessment roll in accordance with the City Council's determination and to provide such a roll with the recommended formula rate for the City Council's review at its regular meeting of November 5, 2018.

**CITY OF PETOSKEY**  
**Downtown Management Board**  
**2019 Programs & Services Budget**  
**Approved by DMB 9/18/18**

	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Budget</b>	<b>2018 Projected</b>	<b>2019 Proposed</b>
<b>REVENUE</b>					
Downtown Assessments	91,400	90,008	91,400	91,400	91,400
Interest Income	38	0	300	0	50
Penalties & Interest	1,768	2,855	2,500	2,000	2,000
Carry Over	0	10,000	0	0	15,000
Holiday Parade Sponsors	3,350	3,400	4,000	4,000	4,000
Petoskey Rocks! Sponsors	3,480	7,850	21,075	12,000	10,000
Winter Carnival Income/sponsors	7,808	6,866	15,925	10,000	13,935
Downtown Trick or Treat	0	0	4,000	0	4,000
Summer Open House	4,277	2,815	3,625	1,254	2,300
Trolley ads & sponsorship	3,000	2,190	4,000	4,000	8,000
Gallery Walk	2,100	3,100	4,000	3,900	4,600
Shopping Scramble	1,047	1,094	5,000	5,000	6,250
Ghost Walk/Haunted Halloween Dinner	0	500	900	900	900
Shop Map Ads	9,000	10,000	8,500	8,700	10,000
New Marketing Activities	950	1,200	5,000	0	1,000
Holiday Catalog	1,925	798	8,250	6,250	7,250
Sidewalk Sales			4,000	0	4,000
<b>Total Revenue</b>	<b>130,144</b>	<b>142,675</b>	<b>182,475</b>	<b>149,404</b>	<b>184,685</b>
<b>EXPENSES</b>					
<b><u>DMB Events</u></b>					
Summer Open House	7,255	9,639	14,250	10,752	9,000
Sidewalk Sales	4,595	6,801	7,000	4,010	8,000
DT Trick or Treat	0	177	6,000	200	6,000
Holiday Parade	7,042	5,874	8,000	7,000	7,000
Christmas Open House	530	500	1,000	1,000	1,000
Winter Carnival	15,002	22,476	22,865	18,118	21,705
Petoskey Rocks!	11,562	20,011	30,725	20,000	25,000
Gallery Walk	2,843	5,984	3,000	3,592	3,500
Shopping Scramble	2,108	4,340	3,500	3,500	4,000
Ladies Opening Night	3,354	4,000	4,000	4,000	4,000
Moveable Feast/Hemingway Harvest Fe	955	0	-	0	-
	<b>55,245</b>	<b>79,800</b>	<b>100,340</b>	<b>72,172</b>	<b>89,205</b>
<b><u>Collaborating Events</u></b>					
Concerts in the Park Pledge	4,000	2,562	2,500	2,500	2,500
Fourth of July Pledge	800	1,000	1,000	0	1,000
Santa's Visit	200	200	200	200	200
Restaurant Week Pledge	0	500	500	500	500
Festival on the Bay Pledge	1,500	1,500	1,500	1,500	1,500
Farmers Market Pledge	500	0	500	500	500
	<b>7,000</b>	<b>5,762</b>	<b>6,200</b>	<b>5,200</b>	<b>6,200</b>
<b><u>Economic Enhancement</u></b>					
Business Recruitment	0	0	500	0	500
Business Retention	1,609	1,977	1,500	1,000	1,000
	<b>1,609</b>	<b>1,977</b>	<b>2,000</b>	<b>1,000</b>	<b>1,500</b>

**Marketing & Promotions**

Image Campaign	39,850	36,319	30,000	25,000	30,000
Shop Map	9,485	9,000	10,000	10,000	10,000
Ghost Walk/Haunted Halloween	0	0	450	450	500
New Marketing Activities	0	0	1,000	0	15,000
Holiday Catalog	5,622	2,500	5,000	3,000	3,000
	<b>54,957</b>	<b>47,819</b>	<b>46,450</b>	<b>38,450</b>	<b>58,500</b>

**Beautification**

Flowers	1,861	7,405	9,000	9,000	9,000
Holiday Decorations	8,274	10,239	9,000	9,000	15,000
Fall Decorations	895	532	1,500	500	5,000
Public Art	500	0	-	0	-
	<b>12,425</b>	<b>18,176</b>	<b>19,500</b>	<b>18,500</b>	<b>29,000</b>

**Administrative**

Insurance & Bonds	0	0	500	0	-
Other	0	100	100	0	100
Capital Outlay	0	0	7,000	7,435	-
	<b>0</b>	<b>100</b>	<b>7,600</b>	<b>7,435</b>	<b>100</b>

<b>Total Expenses</b>	<b>131,236</b>	<b>153,634</b>	<b>182,090</b>	<b>142,757</b>	<b>184,505</b>
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<b>Excess Revenue over Expenditures</b>	<b>-1,093</b>	<b>-10,960</b>	<b>385</b>	<b>6,647</b>	<b>180</b>
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# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**PREPARED:** October 11, 2018

**AGENDA SUBJECT:** Consent Agenda Resolution

**RECOMMENDATION:** That the City Council approve this proposed resolution

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The City Council will be asked to adopt a resolution that would approve the following consent agenda items:

- (1) Draft minutes of the October 1, 2018 regular session and October 9, 2018 special session City Council meetings; and
- (2) Acknowledge receipt of a report from the City Manager concerning all checks that have been issued since October 1, 2018 for contract and vendor claims at \$892,381.56, intergovernmental claims at \$75,973.36, and the October 4 payroll at \$194,713.82 for a total of \$1,163,068.74.

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Enclosures



## CITY COUNCIL

October 1, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 1, 2018. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor  
Kate Marshall, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: Izzy Lyman, City Councilmember

Also in attendance were City Manager Robert Straebel, Executive Assistant Sarah Bek and Parks and Recreation Director Kendall Klingelsmith.

### **Consent Agenda - Resolution No. 19223**

Following introduction of the consent agenda for this meeting of October 1, 2018, City Councilmember Dittmar moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the September 17, 2018 regular session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since September 17, for contract and vendor claims at \$1,344,793.01 intergovernmental claims at \$563,221.71, and the September 20 payroll at \$197,332.85, for a total of \$2,105,347.57 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

### **Public Comment**

Mayor Murphy asked for public comments and there were no comments.

### **City Manager Updates**

The City Manager reported that the Bayfront Drive repaving project began with concrete work scheduled to be completed by October 10 and project completed by October 19 weather dependent; that Public Safety Officer Mike Parker was promoted to Lieutenant; reviewed City Hall masonry work and project progress with approximately 3-4 weeks left until completion; that the City required a new Greenway Corridor arch be manufactured and installed because of shoddy workmanship and staff anticipates the arch will be installed within the next two weeks; that City staff is working on the 2019 Budget and discussions will commence in early November; that the DMB Parking Committee recommended various changes to downtown parking charges that the DMB is currently discussing and will be brought forward to City Council for discussion in the near future;

that the Parks and Recreation staff will be removing overgrown vegetation at Solanus Mission Beach in an effort to create a more visibly attractive beach, better access to the beach area and that the area will be designed for future improvements including landscaping; and that Circuit Court Judge Johnson set a date of November 20, 2018 to hear the case regarding the PUD Agreement for 200 East Lake Street.

City Councilmembers inquired on the time for the hearing concerning 200 East Lake Street; inquired if there had been any more meetings with Mr. McIntyre or his team regarding developing the property; and if there was a purchase agreement for 200 East Lake Street. The City Manager responded that the time for the hearing had not been decided; that City staff and the Mayor met with Mr. McIntyre and recommended that he go back to the Planning Commission with conceptual plans; and that there is no purchase agreement at this time, only a verbal agreement.

**Approve 2019-2024 Capital Improvements Plan – Resolution No. 19224**

The City Manager reviewed that this was the second discussion of the proposed 2019-2024 CIP and that the Planning Commission reviewed the draft plan on August 16, 2018 and unanimously recommended approval. The City Manager further reviewed that the draft CIP was posted on the City's website on September 11 with no comments received from the public. The City Manager reviewed and highlighted proposed 2019 projects and costs.

City Councilmembers inquired if there were any other concerns from the Planning Commission other than sidewalk priorities; inquired on the location of the sidewalk on Washington Street; if pine trees could be eliminated as part of the MDOT widening project to open up view sheds; inquired on what was happening with the retaining wall that was reengineered; and inquired on what type of materials will be used on retaining wall. The City Manager responded that the Planning Commission had no other recommendations; that the sidewalk will be installed on the south side of Washington Street; that City staff will continue to communicate with MDOT to see if view sheds could be opened up; and that the retaining wall will remain and staff is working with Beckett and Raeder on materials and additions to the wall.

Mayor Murphy asked for public comment and heard an inquiry if the Sunset Park Stair Tower was unsafe and at its end of useful life; heard opposition to funding the stair tower; and that staff should use funds toward developing a plan to protect view sheds and removing trees rather than the stair tower.

City Councilmembers further commented on the worthiness of the staircase; that there is wear and tear of boards, slippery when wet and justifiable to replace; that the \$300,000 cost to replace will be funded through TIFA funds, not the General Fund; and that the project has been identified in past years and inquired if there was a possibility to end TIF to get back into General Fund.

City Councilmember Wills moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission August 16, 2018 the City staff's proposed update to the City's six-year capital improvements program; and

WHEREAS, the Planning Commission reviewed this proposed 2019-2024 Capital Improvements Program on August 16, 2018, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on September 17 and October 1, 2018 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2019-2024 Capital Improvements Program as submitted by the City Manager dated October 1, 2018 and approved by the Planning Commission August 16, 2018.



Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

**Accept Special Assessment Report & Schedule Public Hearing – Resolution No. 19225**

The City Manager next reported that at its September 18, 2018 meeting, the City's Downtown Management Board reviewed and approved its proposed budget for downtown area programs and services for 2019 and recommended City Council levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services; and set the amount for proposed special assessment based upon assessment-levy amounts that were used in 2018. The City Manager also reported that the Management Board's budget proposal would be included within the City's recommended 2019 Annual Budget, but City Code provisions required that the special-assessment process be done annually by City Council.

The City Manager further reported that the City Council was being asked to adopt a proposed resolution, a draft of which was included with the report, that would: confirm that costs of proposed downtown-area programs and services would be offset by special-assessment revenues; designate the special-assessment district; approve the recommended special-assessment formula; and schedule an October 15 public hearing to receive comments concerning the proposed programs and services. The City Manager also reported that a second public hearing to receive comments concerning the proposed special-assessment roll was tentatively scheduled for the November 19, 2018, City Council meeting.

City Councilmember Dittmar moved that, seconded by City Councilmember Wills, adoption of the following resolution:

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 18, 2018, meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2019; and

WHEREAS, the City Council has reviewed a report dated September 21, 2018, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as special events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$184,505; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a

district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to set the amount for the proposed special assessment based upon the recommended 2018 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 15, 2018, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 15, 2018, public hearing to receive comments concerning these proposed programs and services.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

#### **Discuss Pennsylvania Park Restroom Renovation Project and Agreement**

The City Manager reviewed that in early 2017, the City submitted a grant to the Land and Water Conservation Fund for financial support to remodel the downtown restrooms in Pennsylvania Park and that funds are filtered to states through programs, in this case the Michigan Department of Natural Resources, who then distributes to local units of government who have been recommended for project funding.

The City Manager reported that in early February, the City was notified by the MDNR that the project was recommended for up to \$150,000 in grant funding, that the DMB and City's General Fund both budgeted \$75,000 each in matching funds; that since then, the City, State and Federal Government have been working hard to expedite the Project Agreement to ensure the demolition and construction is completed by May 1, 2019, with the only way to achieve this deadline is to begin construction this fall; that project bids are due by October 4, 2018; reviewed language in the encumbered boundary map as part of the Project Agreement which reads: *"The existing restroom shares a common wall and roofline with the Chamber of Commerce building. If the building is ever vacated by the Chamber of Commerce, the building is to be used per support facility guidelines in the LWCF grants manual to either support outdoor recreation, developed specifically for outdoor recreation or completely removed from the parcel without modifications to the LWCF recreation boundary."*

The City Manager further reviewed that while this may appear at first glance as an overreach by the National Park Service, this is a unique circumstance, as the City owns the land underneath the Chamber building; that while the City does not own the Chamber building, the City has the authority to revoke the agreement at any time; and that the City may either retain the building or direct the Chamber to completely remove the building restoring the land to the same condition in which the land was found as identified in the original Chamber Agreement and First Amendment to the Land Use Agreement.

City staff feels the special condition is acceptable as the Pennsylvania Park area serves the outdoor recreation and open space needs of the City and is already under Land and Water Conservation Fund restrictions. Staff believes that there is no intent to change the scope or use of the area in the distant future and that there is a process to convert the building to something other than outdoor recreation, if the City Council ever decides to go in a different direction.

The City Manager commented that timeliness of the project is imperative and City Council was being asked to discuss the special condition and any other provisions in the Project Agreement to determine if City Council supported the grant moving forward; and that a special meeting should be scheduled for early next week to approve a bid for the project as well as consider approval of the Project Agreement.

City Councilmembers inquired on what the process would be if the City went a different route; inquired if it was an option to have the Downtown office in the Chamber building if the Chamber ever moved; inquired if there were any other grant opportunities that are less restrictive; heard comments that in the past Turcott Field project had restrictions, so the City swapped land to allow changes and needs which is similar to this project; and if a visitor center is considered recreational.

City Councilmembers concurred to schedule a special meeting at 5:30 P.M., Tuesday, October 9, 2018 to further review and discuss the Pennsylvania Park renovation project and agreement.

### **Council Comments**

Mayor Murphy asked for Council comments and City Councilmember Wills reported that he attended the annual MML Conference in Grand Rapids and reviewed major impacts and issues concerning Proposal 1 and recreational marijuana; commented on short term rental issues and that the State is considering regulating; that change in automobile technology is forthcoming by 2030 that will change curbside and downtown parking and parking plans should be made adaptable for the future; and appreciates all that Petoskey has accomplished. City Councilmember Marshall inquired if the City has a stance on recreation marijuana. The City Manager responded that the Public Safety Director would be presenting at the next Council meeting on the matter and staff would concur with legal counsel on labor issues.

There being no further business to come before the City Council, this October 1, 2018, meeting of the City Council adjourned at 8:08 P.M.

John Murphy, Mayor

Sarah Bek, Recording Clerk



## CITY COUNCIL

October 9, 2018

A special meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Tuesday, October 9, 2018. This meeting was called to order at 5:30 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor  
Kate Marshall, City Councilmember  
Izzy Lyman, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry and Parks and Recreation Director Kendall Klingelsmith.

### **Approve Land and Water Conservation Fund Project Agreement for Pennsylvania Park Restroom Expansion Project – Resolution No. 19226**

The City Manager reviewed that at the October 1, 2018 meeting, City Council discussed the proposed Land and Water Conservation Fund Project Agreement that includes provisions that Pennsylvania Park be dedicated to outdoor recreation. The City Manager further reported that the Chamber building, if ever vacated by the Chamber, would need to be repurposed for outdoor recreation purposes and that the current use of the Chamber building is grandfathered in with no grant requirement to change the usage of the building.

City Councilmember Marshall moved that, seconded by City Councilmember Wills adoption of the following resolution:

"RESOLVED, that the City of Petoskey, Michigan, does hereby accept the terms of the Agreement as received from the Michigan Department of Natural Resources, and that the City of Petoskey does hereby specifically agree, but not by way of limitation, as follows:

1. To appropriate all funds necessary to complete the project during the project period and to provide two hundred twenty one thousand dollars (\$221,000) dollars to match the grant authorized by the DEPARTMENT.
2. To maintain satisfactory financial accounts, documents, and records to make them available to the DEPARTMENT for auditing at reasonable times.
3. To construct the project and provide such funds, services, and materials as may be necessary to satisfy the terms of said Agreement.
4. To regulate the use of the facility constructed and reserved under this Agreement to assure the use thereof by the public on equal and reasonable terms.

5. To comply with any and all terms of said Agreement including all terms not specifically set forth in the foregoing portions of this Resolution."

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

**Authorize Contract for Pennsylvania Park Restroom Expansion Project – Resolution No. 19227**

The City Manager reviewed that in early 2017 the City submitted a \$150,000 grant to the Land and Water Conservation Fund for financial support to remodel the downtown restrooms in Pennsylvania Park and since the project will restrict use of the restrooms until May 2019, it is imperative to begin work this fall. The City Manager further reviewed that \$300,000 was earmarked in the 2018 CIP Plan, with a \$150,000 Land and Water Conservation Fund grant, \$75,000 from both the DMB and City's General Fund; that since the original submission, a "family bathroom" was added to the plan per code resulting in more square footage and additional cost; that the remaining \$71,000 will be split between the Downtown Parking Fund and the City's General Fund Reserves (\$35,000 each); reviewed that the General Fund Reserves balance is \$4,150,291; that local architect Richard Neumann prepared detailed bid specifications that were advertised and available and that three bids were received on October 4. City staff and Mr. Neumann reviewed bids and recommended the low bidder, Freshwater Charch, Charlevoix, is capable of performing the specified work.

City Councilmembers inquired on the project start date and discussed the plans for the bathroom expansion. Mr. Neumann responded that the project will commence very quickly due to timelines and weather with an anticipated completion date of May 1, 2019.

City Councilmember Lyman then moved that, seconded by City Councilmember Wills to authorize contracting with Freshwater Charch, Charlevoix, for the Pennsylvania Park restroom expansion project in the amount of \$371,000.

Said motion was approved by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

There being no further business to come before the City Council, this October 9, 2018, meeting of the City Council adjourned at 5:48 P.M.

John Murphy, Mayor

Alan Terry, City Clerk-Treasurer

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
09/18	09/28/2018	81921	ROYAL TIRE	661-598-932.000	25.00- V
10/18	10/03/2018	81956	5H Irrigation & Maintenance	101-770-802.000	200.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	202-467-802.000	200.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	203-467-802.000	200.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	592-537-802.000	200.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	271-790-802.000	100.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	101-754-802.000	100.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	101-770-802.000	500.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	271-790-802.000	100.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	202-467-802.000	300.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	592-537-802.000	271.25
10/18	10/03/2018	81956	5H Irrigation & Maintenance	514-587-802.000	100.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	514-587-802.000	100.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	202-467-802.000	85.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	202-467-802.000	75.00
10/18	10/03/2018	81956	5H Irrigation & Maintenance	203-467-802.000	77.00
10/18	10/03/2018	81957	ACH-CHILD SUPPORT	701-000-230.160	160.23
10/18	10/03/2018	81958	ACH-EFTPS	701-000-230.100	18,669.13
10/18	10/03/2018	81958	ACH-EFTPS	701-000-230.200	11,711.13
10/18	10/03/2018	81958	ACH-EFTPS	701-000-230.200	11,711.13
10/18	10/03/2018	81958	ACH-EFTPS	701-000-230.200	2,738.85
10/18	10/03/2018	81958	ACH-EFTPS	701-000-230.200	2,738.85
10/18	10/03/2018	81959	ACH-ICMA 457	701-000-230.700	2,222.24
10/18	10/03/2018	81959	ACH-ICMA 457	701-000-230.700	5,542.00
10/18	10/03/2018	81960	AIRWAY OXYGEN INC.	101-345-802.000	12.00
10/18	10/03/2018	81961	ALL-PHASE ELECTRIC SUPPLY	101-770-775.000	16.74
10/18	10/03/2018	81961	ALL-PHASE ELECTRIC SUPPLY	582-586-775.000	63.19
10/18	10/03/2018	81961	ALL-PHASE ELECTRIC SUPPLY	101-770-775.000	147.06
10/18	10/03/2018	81962	APX INC.	582-588-915.000	56.97
10/18	10/03/2018	81963	ASPLUNDH TREE EXPERT CO.	582-586-802.000	4,940.00
10/18	10/03/2018	81963	ASPLUNDH TREE EXPERT CO.	582-586-802.000	4,940.00
10/18	10/03/2018	81964	AT&T	101-172-850.000	359.26
10/18	10/03/2018	81964	AT&T	101-201-850.000	191.60
10/18	10/03/2018	81964	AT&T	101-208-850.000	119.75
10/18	10/03/2018	81964	AT&T	101-257-850.000	119.75
10/18	10/03/2018	81964	AT&T	101-215-850.000	95.80
10/18	10/03/2018	81964	AT&T	101-345-850.000	263.48
10/18	10/03/2018	81964	AT&T	101-400-850.000	119.75
10/18	10/03/2018	81964	AT&T	101-756-850.000	143.70
10/18	10/03/2018	81964	AT&T	101-441-850.000	215.56
10/18	10/03/2018	81964	AT&T	204-481-850.000	71.85
10/18	10/03/2018	81964	AT&T	204-481-850.000	71.85
10/18	10/03/2018	81964	AT&T	582-588-850.000	239.51
10/18	10/03/2018	81964	AT&T	582-593-850.000	95.80
10/18	10/03/2018	81964	AT&T	592-549-850.000	143.70
10/18	10/03/2018	81964	AT&T	592-560-850.000	143.70
10/18	10/03/2018	81964	AT&T	592-560-850.000	156.71
10/18	10/03/2018	81964	AT&T	592-560-850.000	138.43
10/18	10/03/2018	81964	AT&T	592-558-920.000	156.78
10/18	10/03/2018	81964	AT&T	592-538-850.000	153.29
10/18	10/03/2018	81964	AT&T	592-538-850.000	153.29
10/18	10/03/2018	81965	Axon Enterprises, Inc.	101-345-775.000	1,524.00

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10/18	10/03/2018	81965	Axon Enterprises, Inc.	101-345-775.000	294.00
10/18	10/03/2018	81966	BALLARD'S PLUMBING & HEATING	592-547-802.000	125.00
10/18	10/03/2018	81967	BARRETTE, TERRY	204-481-850.000	120.00
10/18	10/03/2018	81968	BECKETT & RAEDER INC.	101-265-970.000	2,312.50
10/18	10/03/2018	81968	BECKETT & RAEDER INC.	101-770-802.000	720.00
10/18	10/03/2018	81969	BENCHMARK ENGINEERING INC.	592-020-342.000	152.75
10/18	10/03/2018	81970	BREED, MATTHEW	101-345-850.000	120.00
10/18	10/03/2018	81971	C2AE	204-481-802.000	22,687.70
10/18	10/03/2018	81971	C2AE	204-481-802.000	4,915.92
10/18	10/03/2018	81972	CHAR-EM UNITED WAY	701-000-230.800	77.00
10/18	10/03/2018	81973	CINTAS CORP #729	101-268-930.000	14.79
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-265-920.000	1,302.52
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-268-920.000	2,164.22
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-345-920.000	3,341.13
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-345-920.100	610.57
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-754-920.000	460.99
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-770-920.000	9,561.02
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-773-920.000	4,669.83
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	101-789-920.000	2,967.61
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	202-475-920.000	371.53
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	204-448-920.000	2,600.00
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	271-790-920.000	4,154.62
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	514-587-802.100	49.11
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	514-587-920.000	202.39
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	582-586-920.000	43.97
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	582-593-920.000	1,641.21
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	592-538-920.000	12,534.80
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	592-542-920.000	43.98
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	592-551-920.000	18,605.70
10/18	10/03/2018	81974	CITY TREAS. FOR UTILITY BILLS	592-555-920.000	1,059.19
10/18	10/03/2018	81975	Colors By Sherri	101-345-775.000	199.50
10/18	10/03/2018	81976	CONSORT DISPLAY GROUP	101-770-775.000	1,200.35
10/18	10/03/2018	81977	CONTI, JOSEPH	101-268-850.000	120.00
10/18	10/03/2018	81978	DAVIS, JEFF	582-588-850.000	120.00
10/18	10/03/2018	81979	DELL MARKETING L.P.	101-228-775.000	262.49
10/18	10/03/2018	81980	DEMCO	271-790-751.000	61.22
10/18	10/03/2018	81981	Dinges Fire Company	101-345-775.000	405.97
10/18	10/03/2018	81982	ELLIOTT, SHERRIE	592-560-850.000	120.00
10/18	10/03/2018	81983	Empiric Solutions Inc.	101-228-802.000	5,889.00
10/18	10/03/2018	81984	ENGLEBRECHT, ROBERT	101-257-802.100	3,750.00
10/18	10/03/2018	81985	FACTOR SYSTEMS INC.	101-208-803.000	1,000.00
10/18	10/03/2018	81986	FLYNN, MARTIN	592-549-850.000	120.00
10/18	10/03/2018	81987	FRATERNAL ORDER OF POLICE	701-000-230.400	814.00
10/18	10/03/2018	81988	GIBSON EXCAVATING LLC	592-544-775.000	1,715.00
10/18	10/03/2018	81989	GORDON FOOD SERVICE	101-268-775.000	30.23
10/18	10/03/2018	81989	GORDON FOOD SERVICE	101-345-775.000	45.61
10/18	10/03/2018	81989	GORDON FOOD SERVICE	101-345-775.000	141.51
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	101-773-775.000	24.04
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	582-593-785.000	19.11
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	592-554-775.000	67.28
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	101-268-775.000	57.42
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	592-542-775.000	41.33

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10/18	10/03/2018	81990	Great Lakes Pipe & Supply	592-554-775.000	42.84
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	592-537-775.000	15.40
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	101-268-930.000	50.60
10/18	10/03/2018	81990	Great Lakes Pipe & Supply	101-268-930.000	40.48
10/18	10/03/2018	81991	GRP ENGINEERING INC.	582-588-802.000	853.06
10/18	10/03/2018	81991	GRP ENGINEERING INC.	582-588-802.000	3,711.31
10/18	10/03/2018	81991	GRP ENGINEERING INC.	582-588-802.000	1,887.01
10/18	10/03/2018	81991	GRP ENGINEERING INC.	582-588-802.000	269.52
10/18	10/03/2018	81991	GRP ENGINEERING INC.	101-789-970.000	1,000.00
10/18	10/03/2018	81992	HALEY'S PLUMBING & HEATING	592-545-802.000	1,536.27
10/18	10/03/2018	81993	HOFFMAN ROTO-ROOTER	582-020-360.000	280.00
10/18	10/03/2018	81994	HUMMEL, JON	101-754-920.000	120.00
10/18	10/03/2018	81995	JOHNSTONE SUPPLY #234	101-268-775.000	4.08
10/18	10/03/2018	81996	K & J SEPTIC SERVICE LLC	592-551-806.000	600.00
10/18	10/03/2018	81997	KARR, ADRIAN	101-345-850.000	120.00
10/18	10/03/2018	81998	Kiesler's Police Supply, Inc.	101-345-775.000	1,527.12
10/18	10/03/2018	81999	KlingelSmith, Kendall	101-770-850.000	120.00
10/18	10/03/2018	82000	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	617.82
10/18	10/03/2018	82000	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	224.33
10/18	10/03/2018	82000	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	41.55
10/18	10/03/2018	82001	KRUSKIE, DAVID	101-770-850.000	120.00
10/18	10/03/2018	82002	LENNEMANN, MARK	101-773-850.000	120.00
10/18	10/03/2018	82003	LEXISNEXIS RISK DATA MGT	101-208-802.000	50.00
10/18	10/03/2018	82004	LOWERY UNDERGROUND SERVICE	582-020-360.000	11,450.00
10/18	10/03/2018	82004	LOWERY UNDERGROUND SERVICE	582-598-802.000	4,507.50
10/18	10/03/2018	82005	MCLEAN & EAKIN BOOKSELLERS	271-790-760.400	180.00
10/18	10/03/2018	82005	MCLEAN & EAKIN BOOKSELLERS	271-790-760.000	24.00
10/18	10/03/2018	82006	MICHIGAN ASSOCIATION OF	101-345-915.000	100.00
10/18	10/03/2018	82007	MICHIGAN OFFICEWAYS INC.	271-790-751.000	46.41
10/18	10/03/2018	82007	MICHIGAN OFFICEWAYS INC.	271-790-751.000	73.64
10/18	10/03/2018	82008	Midwest Tape	271-790-761.000	39.99
10/18	10/03/2018	82008	Midwest Tape	271-790-761.000	113.96
10/18	10/03/2018	82009	MOORE MEDICAL LLC	101-345-775.000	319.47
10/18	10/03/2018	82010	Musik Haus	271-790-958.100	600.00
10/18	10/03/2018	82011	NORTH CENTRAL LABORATORIES	592-553-775.000	581.64
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	248-540-882.140	178.75
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	248-540-882.140	178.75
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	248-739-880.200	178.75
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	248-739-880.200	178.75
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	248-540-882.200	178.75
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	582-588-802.000	280.00
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	101-345-802.000	121.50
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	514-587-802.000	59.44
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	204-481-802.000	59.44
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	101-400-802.000	81.50
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	101-770-850.000	237.50
10/18	10/03/2018	82012	NORTHERN MICHIGAN REVIEW INC.	101-770-850.000	47.55
10/18	10/03/2018	82013	Northland Self Storage LLC	592-554-802.000	147.00
10/18	10/03/2018	82014	NYE UNIFORM	101-345-775.000	30.96
10/18	10/03/2018	82015	P.C. LAWN CARE	101-770-802.000	651.00
10/18	10/03/2018	82015	P.C. LAWN CARE	202-470-802.000	231.00
10/18	10/03/2018	82015	P.C. LAWN CARE	203-470-802.000	168.00



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10/18	10/03/2018	82016	Peterson McGregor of Cadillac	592-560-937.000	172.00
10/18	10/03/2018	82017	Petoskey Emmet USBC	101-756-808.020	1,380.00
10/18	10/03/2018	82018	PETOSKEY URGENT CARE	592-549-915.000	98.00
10/18	10/03/2018	82019	Plath, Audrey	101-215-850.000	120.00
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-593-785.000	84.00
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-586-775.000	115.88
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-586-775.000	129.60
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-586-775.000	51.50
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-586-775.000	9.75
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-010-111.000	2,310.00
10/18	10/03/2018	82020	POWER LINE SUPPLY	582-586-775.000	184.90
10/18	10/03/2018	82021	PRESTON FEATHER	582-593-785.000	28.98
10/18	10/03/2018	82021	PRESTON FEATHER	204-010-111.000	259.98
10/18	10/03/2018	82021	PRESTON FEATHER	101-268-930.000	14.97
10/18	10/03/2018	82021	PRESTON FEATHER	582-593-785.000	2.90-
10/18	10/03/2018	82021	PRESTON FEATHER	101-268-930.000	1.50-
10/18	10/03/2018	82021	PRESTON FEATHER	204-010-111.000	26.00-
10/18	10/03/2018	82022	PROCLEAN NORTH	592-545-802.000	726.00
10/18	10/03/2018	82022	PROCLEAN NORTH	592-537-802.000	225.00
10/18	10/03/2018	82023	QUALITY SERVICED TOOLS	101-268-930.000	63.58
10/18	10/03/2018	82024	RASMUSSEN, DEREK	101-770-850.000	120.00
10/18	10/03/2018	82025	RICHTER, MEREDITH	101-728-802.000	38.16
10/18	10/03/2018	82026	ROBBINS, MICHAEL	101-441-850.000	120.00
10/18	10/03/2018	82027	Rotary Multiforms Inc.	101-345-751.000	299.74
10/18	10/03/2018	82028	RS TECHNICAL SERVICES INC.	592-554-802.000	6,084.09
10/18	10/03/2018	82029	SCHULTZ, DAVID	101-345-850.000	120.00
10/18	10/03/2018	82030	SMITH, DANIEL	101-345-850.000	120.00
10/18	10/03/2018	82031	SMITH, EDWARD J	101-756-850.000	120.00
10/18	10/03/2018	82032	Spectrum Business	592-560-850.000	34.92
10/18	10/03/2018	82033	STANDARD ELECTRIC COMPANY	582-010-111.000	203.12
10/18	10/03/2018	82033	STANDARD ELECTRIC COMPANY	582-010-111.000	375.93
10/18	10/03/2018	82033	STANDARD ELECTRIC COMPANY	582-010-111.000	61.76
10/18	10/03/2018	82033	STANDARD ELECTRIC COMPANY	582-590-775.000	363.33
10/18	10/03/2018	82034	STAPLES ADVANTAGE	101-345-751.000	101.98
10/18	10/03/2018	82034	STAPLES ADVANTAGE	101-268-775.000	105.36
10/18	10/03/2018	82034	STAPLES ADVANTAGE	101-268-775.000	15.75
10/18	10/03/2018	82034	STAPLES ADVANTAGE	582-588-751.000	5.96
10/18	10/03/2018	82034	STAPLES ADVANTAGE	101-345-751.000	167.79
10/18	10/03/2018	82034	STAPLES ADVANTAGE	101-268-775.000	84.27
10/18	10/03/2018	82035	Straebel, Robert	101-172-850.000	120.00
10/18	10/03/2018	82036	SWEEP SHOP, THE	271-790-752.000	99.80
10/18	10/03/2018	82037	TAILOR SHOP, THE	101-345-775.000	36.00
10/18	10/03/2018	82038	Team Elmers	592-544-802.000	6,254.70
10/18	10/03/2018	82039	TEAMSTERS LOCAL #214	701-000-230.400	978.00
10/18	10/03/2018	82040	TERRY, ALAN	101-215-850.000	120.00
10/18	10/03/2018	82041	TETRA TECH INC	592-554-802.000	2,030.00
10/18	10/03/2018	82041	TETRA TECH INC	592-554-802.000	290.00
10/18	10/03/2018	82042	Trace Analytics LLC	101-345-802.000	79.20
10/18	10/03/2018	82042	Trace Analytics LLC	101-345-802.000	79.20
10/18	10/03/2018	82043	TROXEL, TODD	101-345-850.000	120.00
10/18	10/03/2018	82044	TWOGLOSSGENTS	582-590-802.000	1,825.00
10/18	10/03/2018	82045	USA BLUE BOOK	592-551-775.000	227.45

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10/18	10/03/2018	82045	USA BLUE BOOK	592-542-775.000	141.93
10/18	10/03/2018	82046	VAN'S BUSINESS MACHINES	271-790-751.000	110.28
10/18	10/03/2018	82047	VOSS LIGHTING	582-590-775.000	252.60
10/18	10/03/2018	82047	VOSS LIGHTING	582-590-775.000	50.52
10/18	10/03/2018	82048	GIBBY'S GARAGE	582-593-930.000	170.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	592-547-802.000	34.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	661-598-931.000	272.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	661-598-932.000	1,258.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	582-593-930.000	34.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	661-598-931.000	68.00
10/18	10/03/2018	82048	GIBBY'S GARAGE	661-598-932.000	476.00
10/18	10/10/2018	82059	24/7 SEWER & DRAIN CLEANING	592-556-802.000	355.00
10/18	10/10/2018	82060	5H Irrigation & Maintenance	101-528-802.000	6,480.00
10/18	10/10/2018	82061	ABLE 2 PRODUCT COMPANY	661-598-932.000	254.67
10/18	10/10/2018	82062	AIRGAS USA LLC	661-598-785.000	35.68
10/18	10/10/2018	82062	AIRGAS USA LLC	592-545-775.000	20.13
10/18	10/10/2018	82063	ALL SCAPES LLC	101-345-802.100	400.00
10/18	10/10/2018	82063	ALL SCAPES LLC	202-470-802.000	2,830.00
10/18	10/10/2018	82063	ALL SCAPES LLC	592-537-802.000	960.00
10/18	10/10/2018	82063	ALL SCAPES LLC	592-554-802.000	580.00
10/18	10/10/2018	82063	ALL SCAPES LLC	592-543-802.000	160.00
10/18	10/10/2018	82063	ALL SCAPES LLC	592-558-802.000	1,140.00
10/18	10/10/2018	82064	Alliance Entertainment	271-790-761.000	141.46
10/18	10/10/2018	82064	Alliance Entertainment	271-790-761.000	43.72
10/18	10/10/2018	82064	Alliance Entertainment	271-790-761.000	287.42
10/18	10/10/2018	82064	Alliance Entertainment	271-790-761.000	229.48
10/18	10/10/2018	82065	ALL-PHASE ELECTRIC SUPPLY	582-586-775.000	44.76
10/18	10/10/2018	82065	ALL-PHASE ELECTRIC SUPPLY	592-542-775.000	4.26
10/18	10/10/2018	82066	AT&T	582-593-850.000	126.64
10/18	10/10/2018	82067	BALLARD'S PLUMBING & HEATING	592-020-342.000	74,684.20
10/18	10/10/2018	82068	BEK, SARAH	101-101-751.000	13.63
10/18	10/10/2018	82069	BRADFORD MASTER DRY CLEANERS	101-345-775.000	333.80
10/18	10/10/2018	82070	CENTER POINT LARGE PRINT	271-790-760.000	27.27
10/18	10/10/2018	82071	CINTAS CORP #729	582-588-767.000	35.20
10/18	10/10/2018	82071	CINTAS CORP #729	592-560-767.000	22.71
10/18	10/10/2018	82071	CINTAS CORP #729	592-549-767.000	22.72
10/18	10/10/2018	82071	CINTAS CORP #729	204-481-767.000	45.77
10/18	10/10/2018	82071	CINTAS CORP #729	582-593-802.000	29.77
10/18	10/10/2018	82071	CINTAS CORP #729	204-481-767.000	43.78
10/18	10/10/2018	82071	CINTAS CORP #729	582-588-767.000	35.20
10/18	10/10/2018	82071	CINTAS CORP #729	592-560-767.000	22.71
10/18	10/10/2018	82071	CINTAS CORP #729	592-549-767.000	22.72
10/18	10/10/2018	82071	CINTAS CORP #729	101-268-802.000	14.79
10/18	10/10/2018	82071	CINTAS CORP #729	592-554-802.000	43.28
10/18	10/10/2018	82072	CINTAS CORPORATION	592-551-775.000	5.76
10/18	10/10/2018	82072	CINTAS CORPORATION	592-544-775.000	79.80
10/18	10/10/2018	82072	CINTAS CORPORATION	592-560-915.000	1,208.00
10/18	10/10/2018	82073	CONSUMERS ENERGY	582-584-802.000	2,700.00
10/18	10/10/2018	82074	DEMCO	271-790-802.000	726.50
10/18	10/10/2018	82075	DERRER OIL CO.	661-598-759.000	2,258.36
10/18	10/10/2018	82076	Dinon Law PLLC	101-266-802.000	2,916.00
10/18	10/10/2018	82077	EMMET COUNTY TREASURER	703-040-222.218	23,213.68

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/18	10/10/2018	82077	EMMET COUNTY TREASURER	703-040-228.218	28,716.22
10/18	10/10/2018	82078	EYES ONLY MEDIA LLC	248-540-882.250	299.70
10/18	10/10/2018	82079	FACTOR SYSTEMS INC.	101-208-803.000	754.23
10/18	10/10/2018	82080	FASTENAL COMPANY	582-590-775.000	41.66
10/18	10/10/2018	82080	FASTENAL COMPANY	204-481-775.000	16.94
10/18	10/10/2018	82080	FASTENAL COMPANY	661-598-785.000	16.02
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	11.12-
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-931.000	19.16
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-931.000	98.64
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	592-556-775.000	32.14
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-010-111.000	4.51
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	101-268-775.000	7.53
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	592-547-775.000	1,074.00
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	582-590-775.000	13.04
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-785.000	45.53
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	87.06
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	592-547-775.000	5.87
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	582-590-775.000	21.57
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-785.000	69.99
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	101-345-775.000	39.98
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	256.98
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	6.24
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	43.29
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-010-111.000	93.26
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	35.00
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	153.88
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	3.42
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	661-598-932.000	72.00-
10/18	10/10/2018	82081	FOCHTMAN'S AUTO & TRUCK PARTS	101-345-775.000	5.00
10/18	10/10/2018	82082	GALE/CENGAGE LEARNING	271-790-760.000	54.38
10/18	10/10/2018	82083	GIBSON EXCAVATING LLC	592-556-802.000	2,965.00
10/18	10/10/2018	82084	Great Lakes Pipe & Supply	592-556-775.000	6.83
10/18	10/10/2018	82085	GRULER'S FARM SUPPLY INC.	582-586-775.000	40.00
10/18	10/10/2018	82085	GRULER'S FARM SUPPLY INC.	582-586-775.000	91.98
10/18	10/10/2018	82086	HART, TYLER	101-756-808.040	125.00
10/18	10/10/2018	82087	HOFFMAN NURSERY INC, LOUIS A.	582-584-802.000	1,814.00
10/18	10/10/2018	82088	HYDE SERVICES LLC	101-770-775.000	5.40
10/18	10/10/2018	82088	HYDE SERVICES LLC	661-020-142.000	5,350.00
10/18	10/10/2018	82089	ICMA-ROTH	701-000-230.900	335.00
10/18	10/10/2018	82090	INTEGRITY BUSINESS SOLUTIONS	514-587-802.100	226.51
10/18	10/10/2018	82091	Jones, Terence	271-790-958.100	130.00
10/18	10/10/2018	82092	Krenz & Company Inc.	582-586-775.000	246.01
10/18	10/10/2018	82093	KSS ENTERPRISES	101-268-775.000	24.68
10/18	10/10/2018	82093	KSS ENTERPRISES	101-268-775.000	24.68
10/18	10/10/2018	82093	KSS ENTERPRISES	101-789-775.000	150.56
10/18	10/10/2018	82093	KSS ENTERPRISES	101-773-775.000	7.68
10/18	10/10/2018	82093	KSS ENTERPRISES	592-554-775.000	48.87
10/18	10/10/2018	82094	MARSHALL CONCRETE INC.	202-469-802.000	331.20
10/18	10/10/2018	82095	MCCARDEL CULLIGAN	514-587-802.100	8.00
10/18	10/10/2018	82096	MEYERSON, VALERIE	271-790-955.000	50.00
10/18	10/10/2018	82097	MICHIGAN GOVERNMENT FINANCE	101-215-915.000	120.00
10/18	10/10/2018	82098	MICHIGAN OFFICEWAYS INC.	271-790-752.000	14.76

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/18	10/10/2018	82098	MICHIGAN OFFICEWAYS INC.	271-790-958.200	90.34
10/18	10/10/2018	82099	MICHIGAN PUBLIC POWER AGENCY	582-576-920.000	291,989.39
10/18	10/10/2018	82100	MICHIGAN RURAL WATER ASSOCIATION	592-560-915.000	280.00
10/18	10/10/2018	82101	Midwest Tape	271-790-761.000	119.97
10/18	10/10/2018	82102	MUNICIPAL CODE CORPORATION	101-215-802.000	500.00
10/18	10/10/2018	82103	NORTH CENTRAL LABORATORIES	592-553-775.000	1,472.78
10/18	10/10/2018	82104	OMG National	101-345-775.000	583.00
10/18	10/10/2018	82105	ON DUTY GEAR LLC	101-345-775.000	189.93
10/18	10/10/2018	82106	P.C. LAWN CARE	582-593-930.000	500.00
10/18	10/10/2018	82106	P.C. LAWN CARE	582-584-802.000	145.00
10/18	10/10/2018	82107	Penguin Random House	271-790-761.000	30.00
10/18	10/10/2018	82108	Peninsula Fiber Network LLC	101-228-850.000	500.00
10/18	10/10/2018	82109	PERFORMANCE PAINTING	592-554-802.000	725.00
10/18	10/10/2018	82110	PETOSKEY PUBLIC SCHOOLS	703-040-236.218	41,598.13
10/18	10/10/2018	82110	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	8,854.60
10/18	10/10/2018	82110	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	6,210.13
10/18	10/10/2018	82110	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	2,632.35
10/18	10/10/2018	82111	PETOSKEY REGIONAL CHAMBER	248-540-882.250	75.00
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	927.50
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	2,712.50
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	337.50
10/18	10/10/2018	82112	PLUNKETT COONEY	101-257-802.000	1,785.00
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	5,151.00
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	6,817.50
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	685.99
10/18	10/10/2018	82112	PLUNKETT COONEY	204-481-802.000	685.99
10/18	10/10/2018	82112	PLUNKETT COONEY	582-588-802.000	685.99
10/18	10/10/2018	82112	PLUNKETT COONEY	592-549-802.000	685.99
10/18	10/10/2018	82112	PLUNKETT COONEY	592-560-802.000	685.99
10/18	10/10/2018	82112	PLUNKETT COONEY	101-266-802.000	7,458.76
10/18	10/10/2018	82113	POLICE AND FIREMEN'S INSURANCE	701-000-230.185	307.79
10/18	10/10/2018	82114	PONTIUS FLOWER SHOP, A. R.	514-587-802.100	86.00
10/18	10/10/2018	82115	QUILL CORPORATION	271-790-958.100	67.85
10/18	10/10/2018	82115	QUILL CORPORATION	271-790-958.100	55.35
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	101-756-850.000	40.00
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	204-481-850.000	75.00
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	582-593-850.000	100.00
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	592-549-850.000	100.00
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	592-560-850.000	100.00
10/18	10/10/2018	82116	RANGE TELECOMMUNICATIONS	661-598-850.000	47.10
10/18	10/10/2018	82117	RASMUSSEN, DEREK	101-756-808.040	125.00
10/18	10/10/2018	82118	RIETH-RILEY CONSTRUCTION CO	592-556-775.000	296.74
10/18	10/10/2018	82119	SiteOne Landscape Supply	101-770-775.000	9.86
10/18	10/10/2018	82119	SiteOne Landscape Supply	101-754-775.000	27.11
10/18	10/10/2018	82119	SiteOne Landscape Supply	101-754-775.000	64.36
10/18	10/10/2018	82120	SMITH, EDWARD J	101-756-808.040	125.00
10/18	10/10/2018	82121	Spectrum Business	101-172-850.000	126.90
10/18	10/10/2018	82121	Spectrum Business	101-201-850.000	67.69
10/18	10/10/2018	82121	Spectrum Business	101-208-850.000	42.31
10/18	10/10/2018	82121	Spectrum Business	101-257-850.000	42.31
10/18	10/10/2018	82121	Spectrum Business	101-215-850.000	33.85
10/18	10/10/2018	82121	Spectrum Business	101-345-850.000	93.08

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/18	10/10/2018	82121	Spectrum Business	101-400-850.000	42.31
10/18	10/10/2018	82121	Spectrum Business	101-441-850.000	76.15
10/18	10/10/2018	82121	Spectrum Business	101-756-850.000	50.77
10/18	10/10/2018	82121	Spectrum Business	204-481-850.000	25.39
10/18	10/10/2018	82121	Spectrum Business	204-481-850.000	25.39
10/18	10/10/2018	82121	Spectrum Business	582-588-850.000	84.62
10/18	10/10/2018	82121	Spectrum Business	582-593-850.000	33.85
10/18	10/10/2018	82121	Spectrum Business	592-549-850.000	50.77
10/18	10/10/2018	82121	Spectrum Business	592-560-850.000	50.77
10/18	10/10/2018	82121	Spectrum Business	101-770-850.000	145.89
10/18	10/10/2018	82121	Spectrum Business	582-593-850.000	34.92
10/18	10/10/2018	82122	STANDARD ELECTRIC COMPANY	582-010-111.000	1,226.92
10/18	10/10/2018	82122	STANDARD ELECTRIC COMPANY	582-010-111.000	61.75
10/18	10/10/2018	82123	Team Elmers	592-556-802.000	6,417.50
10/18	10/10/2018	82124	Terex Services	661-598-786.000	2,454.18
10/18	10/10/2018	82125	TETRA TECH INC	592-549-802.000	2,970.00
10/18	10/10/2018	82125	TETRA TECH INC	592-560-802.000	2,970.00
10/18	10/10/2018	82126	T-Mobile	271-790-850.000	188.40
10/18	10/10/2018	82127	Traffic & Safety Control	514-587-802.000	81.00
10/18	10/10/2018	82128	TROPHY CASE, THE	271-790-752.000	24.00
10/18	10/10/2018	82129	T-SHIRT EXPRESS	101-345-781.000	813.00
10/18	10/10/2018	82130	UPS STORE, THE	592-553-802.000	101.35
10/18	10/10/2018	82130	UPS STORE, THE	592-545-802.000	20.48
10/18	10/10/2018	82131	WALTERS SHARPENING SERVICE INC	661-598-931.000	34.99
10/18	10/10/2018	82131	WALTERS SHARPENING SERVICE INC	514-587-802.100	20.60
10/18	10/10/2018	82132	WESCO RECEIVABLES CORP.	582-010-111.000	15,435.00
10/18	10/10/2018	82133	WINDEMULLER	592-554-802.000	220.00
10/18	10/10/2018	82134	WINGSTER, MARION	101-756-808.040	50.00
10/18	10/10/2018	82135	Winter, Joe	101-756-808.040	100.00
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-400-912.000	247.60
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-728-802.000	28.64
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-400-751.000	31.75-
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	592-560-751.000	139.95
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-728-802.000	97.50
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-756-880.000	25.79
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-756-808.010	519.13
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-905.000	109.95
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-912.000	758.43
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-958.100	764.98
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-958.200	47.50
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-762.000	200.00
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	271-790-880.000	18.00
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-345-912.000	544.50
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-345-751.000	107.94
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-345-775.000	289.73
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-345-915.000	25.00
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	592-556-775.000	42.57
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-215-915.000	60.00
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	514-587-775.000	469.69
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	661-598-759.000	49.06
10/18	10/10/2018	82136	FIRST NATIONAL BANK OMAHA	101-101-860.000	421.83
10/18	10/10/2018	82137	MICHIGAN WATER ENVIRONMENT ASSOC.	592-560-915.000	135.00

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/18	10/10/2018	82137	MICHIGAN WATER ENVIRONMENT ASSOC.	592-560-915.000	135.00
10/18	10/10/2018	82138	True Pest Control	592-537-802.000	105.60
10/18	10/10/2018	82138	True Pest Control	592-555-802.000	246.53
10/18	10/10/2018	82138	True Pest Control	592-558-802.000	492.87
Grand Totals:					844,724.48

## Report Criteria:

Check.Date = 09/27/2018-10/10/2018

Check Number	Date	Name	GL Account	Amount
81938	10/03/2018	Agadean Properties LLC	582081642300	25.46
81939	10/03/2018	Bach, Merionna	582081642300	4.28
81940	10/03/2018	Baker, Christopher	582081642300	29.32
81941	10/03/2018	BLAKE, JAMES H.	582081642300	56.06
81942	10/03/2018	Blarney Castle	582081642300	99.45
81943	10/03/2018	CMS Land Co.	701040274000	43,317.83
81944	10/03/2018	Cole, David	582588803000	300.00
81945	10/03/2018	Dare Development	582081642300	20.80
81946	10/03/2018	Dumez, Tammy	582588803000	150.00
81947	10/03/2018	Gavin, Justine	582040285000	7.00
81948	10/03/2018	Hansen, Diane	582588803000	42.76
81949	10/03/2018	HOFFMAN, ANDREA	582081642300	26.26
81950	10/03/2018	Kiogima, Cheyenne	582081642300	46.45
81951	10/03/2018	Leestma, Brandon	582040285000	16.43
81952	10/03/2018	Linda Michael Jewelry	582588803000	165.00
81953	10/03/2018	Malecek, Josephine	582081642300	2.70
81954	10/03/2018	Odawa Casino Hotel	582588803000	65.00
81955	10/03/2018	Rudolph, James	582081642300	39.41
82049	10/10/2018	Anderson, Raynie	582040285000	18.87
82050	10/10/2018	City of Petoskey	582588803000	2,500.00
82051	10/10/2018	Cole, Thomas	582588803000	40.00
82052	10/10/2018	Cole, Thomas	582588803000	100.00
82053	10/10/2018	Frederick, Michael	271790760000	24.00
82054	10/10/2018	Kieswetter, Carol	582588803000	100.00
82055	10/10/2018	Lightfoot, Randy	582588803000	15.00
82056	10/10/2018	Peterson, Frederick	582588803000	100.00
82057	10/10/2018	Plummer, Roger	582588803000	300.00
82058	10/10/2018	Schmit, Elizabeth	101756808110	45.00
Grand Totals:				47,657.08



# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**DATE PREPARED:** October 11, 2018

**AGENDA SUBJECT:** Recreational Marihuana Presentation

**RECOMMENDATION:** That City Council hear presentation

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**Background** Public Safety Director Breed received a request from a Councilmember to provide information on the upcoming proposal to legalize recreational use of marihuana in the State of Michigan. The State of Michigan currently prohibits the recreational use of marihuana and has restrictions in place regarding medicinal marihuana.

Director Breed will provide an overview of the ballot proposal and how it may impact the City. The proposal includes certain options for local government which will be discussed along with the potential revenue distribution.

**Action** Informational only. No action requested

mb  
Enclosure



# State

## Proposal 18-1

**A proposed initiated law to authorize and legalize possession, use and cultivation of marijuana products by individuals who are at least 21 years of age and older, and commercial sales of marijuana through state-licensed retailers**

This proposal would:

- Allow individuals 21 and older to purchase, possess and use marijuana and marijuana-infused edibles, and grow up to 12 marijuana plants for personal consumption.
- Impose a 10-ounce limit for marijuana kept at residences and require amounts over 2.5 ounces be secured in locked containers.
- Create a state licensing system for marijuana businesses and allow municipalities to ban or restrict them.
- Permit retail sales of marijuana and edibles subject to a 10% tax, dedicated to implementation costs, clinical trials, schools, roads, and municipalities where marijuana businesses are located.
- Change several current violations from crimes to civil infractions.

Should this proposal be adopted?

Yes ☐

No ☐



# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**DATE PREPARED:** October 11, 2018

**AGENDA SUBJECT:** Capital Improvement Plan as it relates to the Public Safety Millage

**RECOMMENDATION:** That City Council hear presentation

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**Background** Public Safety Director Breed will provide additional information in reference to the recently approved 2019-2024 Capital Improvement Plan as it relates to the purchase of fire apparatus. This portion of the CIP is directly related to the Public Safety millage and staff feels this plan is the most fiscally responsible use of the remaining millage revenues. This plan, along with a planned “refurbish” of the City’s 70-foot ladder truck will significantly push out the date for replacement of apparatus. These additional years will allow staff to build a fund specifically geared toward apparatus replacement.

Please see attached CIP under Motor Pool for years 2019 (Rescue Pumper Truck Replacement) and 2021 (70-foot Ladder Truck Refurbish).

**Action** No action requested of City Council. Informational only.

mb  
Enclosures

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2019**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<b><u>STREETS AND DRAINAGE</u></b>										
Lewis Street Realignment	This project will be in conjunction with MDOT's realignment and reconstruction of US-31 from north of Mitchell Bridge to approximately Boulder Lane. This project would reconfigure the Lewis Street intersection and parking lot in Arlington Park, including landscaping, sidewalks and lighting.	Right-of-Way			200,000					200,000
Miscellaneous Pavement Preservation, Paving and Repair	The purpose of this project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			50,000					50,000
<b><u>WATER AND WASTEWATER SYSTEM</u></b>										
Water - US-31 - Lewis Street to Boulder Lane	Utility upgrades include highway water main crossings and water main between Lewis and Boulder Lane. Potential MDOT funding.	Operating Revenue					250,000		100,000 MDOT	350,000
Sanitary - US-31 - Lewis Street to Boulder Lane	Utility upgrades include sanitary main highway crossings and sanitary main between MacDonald Drive and Boulder Lane.	Operating Revenue					350,000		173,000 MDOT	523,000
<b><u>SIDEWALKS</u></b>										
Sidewalk and Crosswalk Repairs	New sidewalk - Washington from Howard to Petoskey as a top priority sidewalk section. Also spot repairs and additions.	Operating Revenue			75,000					75,000
<b><u>ELECTRIC SYSTEM</u></b>										
Substation Animal Deterrent System	Installation of secondary internal substation fence system to block animals from entering energized portions of substations. Prevents outages that affect a significant number of customers and protects large capital equipment.	Operating Revenue				50,000				50,000
US-31 Bypass Lighting Replacement and MacDonald Drive Traffic Signal Upgrade	Replacement of the street lighting system along US-31 Bypass from Mitchell Street to Boulder Lane in conjunction with MDOT roadway reconstruction, along with new mast arm traffic signal at MacDonald Drive.	Operating Revenue				190,000				190,000
Residential Conversion Project - Valley View, Spruce, Sunset, Karamol Court, Regent and Highland	Conversion of the existing overhead distribution circuit to underground within residential corridors and inaccessible rear lot areas. Removes very old overhead system, converts to more reliable underground and moves equipment to accessible location.	Operating Revenue				410,000				410,000
Mitchell Road Substation Oil Containment Update	Addition of an oil-water separator system to the existing oil containment system to eliminate need for manual pumping of the containment tank under the transformer.	Operating Revenue				50,000				50,000
<b><u>MOTOR POOL</u></b>										
Patrol Vehicle - Replacement	Replace patrol vehicle #447 (2013) with 2019 model. Convert and/or replace equipment from old unit to 2019 unit. Painting and lettering required.	Operating Revenue						45,000		45,000

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2019**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Pickup Truck 1/2 Ton 4x4 - Replacement	Replace Parks and Rec Unit #72 (2007).	Operating Revenue						30,000		30,000
1 Ton Dump Truck - Streets - Replacement	Replace Streets Unit #64 (2000).	Operating Revenue						40,000		40,000
1 Ton Dump Truck - Parks and Rec - Replacement	Replace Parks and Rec Unit #68 (2000).	Operating Revenue						40,000		40,000
Bucket Truck - Electric - Replacement	Replace bucket truck #82 (1995).	Operating Revenue						210,000		210,000
Out-front Mower - Parks and Rec - Replacement	Replace Parks and Rec Unit #146 (2007).	Operating Revenue						25,000		25,000
Staff Vehicle - Streets - Replacement	Replace Streets Unit #37 (2005).	Operating Revenue						30,000		30,000
Rescue Pumper Truck Replacement	Trade-in Public Safety Unit #4502 (2007) Rescue Pumper Truck for latest production demo unit. Trade-in value and millage combined will fund purchase. A 10% contingency through the Motor Pool Fund is also included due to cost of steel and components. Delivery expected in 2020.	Millage	416,500					50,000	81,500 Trade Value	548,000
Rescue Pumper Truck Replacement	Trade-in Public Safety Unit #4505 (2007) Rescue Pumper Truck for latest production demo unit. Trade-in value and millage combined will fund purchase. A 10% contingency through the Motor Pool Fund is also included due to cost of steel and components. Delivery expected in 2020.	Millage	416,500					50,000	81,500 Trade Value	548,000
<b><u>DOWNTOWN AREA</u></b>										
Parking Deck Engineering	Engineering of a parking deck on an existing parking lot.	Parking		150,000					150,000	300,000
<b><u>BUILDINGS AND GROUNDS</u></b>										
Fire Station Maintenance - East Lake Street	Replace glass overhead and 3 exterior doors at Fire Station.	Operating Revenue	40,000							40,000
City Hall Window Replacement	Phase I replacement of wood frame windows second floor that were installed 1988-1989 to improve energy efficiency and end water intrusion.	Operating Revenue	75,000							75,000
<b><u>PARKS AND SPECIAL FACILITIES</u></b>										
Bayfront Stair Tower Replacement	Replacement of the existing all-wood tower that connects Bayfront Park to Sunset Park with a steel/concrete structure similar to the Michigan Street tower in the Bear River Valley but without a roof.	TIFA							315,000 TIFA Capture	315,000
Little Traverse Wheelway Upgrades in Bayfront Park	The section of LTW through Bayfront Park will be 29 years old. In conjunction with the stair tower replacement and MDOT work, the section from the waterfall to the tunnel will be reconstructed as a 10 foot path to meet current AASHTO standards.	Operating Revenue			75,000					75,000

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2019**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Color Coating - Lower Tennis Courts	Last color coated and sealed in 2011, maintenance needed every 7 years to maintain surface integrity. Schools 50% cost share.	General Fund/ Other	15,000						15,000 Pet School	30,000
Riverbend Skate Park Equipment Replacement	Original skate park equipment was purchased in 2002 when a temporary skate facility was developed at Riverbend Park. A portion of this equipment is showing signs of wear and will need replacement.	Grants/Other							30,000	30,000
Sunset Park, Solanus Beach and Magnus Park Master Plans	Master Plans for the three parks within the TIFA.	Operating Revenue							10,000 TIFA	10,000
River Road Sports Complex - Bear River Pedestrian Bridge Construction - Iron Belle/North Country Trail	As identified in the 2013-2017 Parks and Recreation Master Plan, the project would connect the River Road Complex Trail System to the NCMC trail system with a pedestrian bridge over the Bear River. An agreement between the City and college will need to be established for joint project funds.	Grants/Other							172,000 Grants	172,000
Little Traverse Wheelway Resurfacing Engineering	Engineering for resurfacing of one-mile of LTW.	Operating Revenue	13,200							13,200
<b>Grand Totals</b>			<b>\$976,200</b>	<b>\$150,000</b>	<b>\$400,000</b>	<b>\$700,000</b>	<b>\$600,000</b>	<b>\$520,000</b>	<b>\$1,128,000</b>	<b>4,474,200</b>

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2021**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<b><u>STREETS AND DRAINAGE</u></b>										
Miscellaneous Pavement Preservation, Paving and Repair	The purpose of this project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			100,000					100,000
CBD - East Mitchell Street and Petoskey Street Intersection	To replace the concrete intersection that was removed previously and not replaced.	Right-of-Way							150,000 TIF	150,000
CBD - Petoskey Street - East Mitchell Street to Michigan Street	All utility work was completed in this block in 2007, anticipating a proposed expansion of the parking facilities (Michigan Street parking lot), with the pavement being applied in a temporary manner in 2007.	Right-of-Way			25,000				72,000 TIF	97,000
Greenwood Road Reconstruction Sheridan Street to Charlevoix Avenue	This project will replace pavement and curb lines on Greenwood Road in conjunction with water main replacement. There has been indication that the Tribe could contribute Bureau of Indian Affairs funding.	Right-of-Way			150,000				325,000 LTBBOI	475,000
<b><u>WATER AND WASTEWATER SYSTEM</u></b>										
Miscellaneous Water Main Spot Repairs and Upgrades	Water main work will take place in conjunction with street resurfacing projects.	Right-of-Way					150,000			150,000
Miscellaneous Sanitary Sewer Main Spot Repairs and Upgrades	Sanitary sewer main work will take place in conjunction with street resurfacing projects.	Right-of-Way					150,000			150,000
Water - Greenwood Road - Sheridan to Charlevoix Avenue	Utility upgrade to include water main replacement along Greenwood Road.	Operating Revenue					275,000			275,000
Sanitary - Greenwood Road - Sheridan to Charlevoix Avenue	Utility upgrade to include sanitary main rehabilitation along Greenwood Road.	Operating Revenue					125,000			125,000
Lime Kiln Well and Control Building Improvements	The Lime Kiln Well was developed 35 years ago. Improvements would include conversion from a t-vertical turbine pump system to a submersible pump system, updated chlorine feed systems and renovations to control and monitoring systems.	Operating Revenue					250,000			250,000
<b><u>SIDEWALKS</u></b>										
Miscellaneous Sidewalk Construction and Replacement	Sidewalk replacements will take place in conjunction with Greenwood Road reconstruction as well as Lockwood Avenue from Spruce to Jennings as identified in the Non-motorized Facilities Plan as top priority.	Right-of-Way			150,000					150,000
<b><u>ELECTRIC SYSTEM</u></b>										
Residential Conversion Project - Howard, Rush, Beech and Pearl Streets	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2kV.	Operating Revenue				473,000				473,000
Petoskey Sub 46kV, PET6 & PET8 Underground	Conversion of the 46kV transmission line and circuits PET6 & PET8 to underground from Petoskey Substation to the south side of the salt shed. Improves reliability of the transmission service into the substation, prepares for voltage conversion of circuit PET8, and creates required space for expansion of the DPW Building.	Operating Revenue				500,000				500,000

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2021**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<b><u>MOTOR POOL</u></b>										
Patrol Vehicle - Replacement	Replace patrol vehicle #443 (2013) with 2021 model. Convert and/or replace equipment from old unit to 2021 unit. Painting and lettering required.	Operating Revenue						40,000		40,000
Staff Vehicle - Replacement	Replace Motor Pool Vehicle Unit #29 (2010).	Operating Revenue						30,000		30,000
Pickup Truck 3/4 Ton with Plow 4x4 - Replacement	Replace Streets Unit #60 (2007).	Operating Revenue						34,000		34,000
1 Ton Dump Truck - Streets - Replacement	Replace Streets Unit #63 (2004).	Operating Revenue						45,000		45,000
Flusher Truck - Streets - Replacement	To replace truck #97 (2000).	Operating Revenue						75,000		75,000
Toro Workman Rescue Cart - Public Safety - Replacement	Replace Rescue Utility Cart Unit #441 (2006).	Operating Revenue						25,000		25,000
Bobcat Toolcat with Attachments, Snow Blower, Forks, Rotating Broom & Box - Replacement	Replace Utility Vehicle Unit #112 (2006).	Operating Revenue						75,000		75,000
70 Foot Ladder Truck Refurbish	Refurbish the ladder truck #4503 (2002) to meet NFPA guidelines. Work to be performed and certified by the manufacturer, will extend the life of the unit an additional 10 years.	Operating Revenue						200,000		200,000
<b><u>DOWNTOWN AREA</u></b>										
Parking Lot Paving	Maintenance and paving of a parking lot (lot TBD), with possible pay station installation.	Parking		75,000						75,000
<b><u>BUILDINGS AND GROUNDS</u></b>										
City Hall Carpet	Replacement of carpet upper level.	Operating Revenue	15,000							15,000
Curtis Avenue Department of Parks and Recreation Facility Improvements	Improvements to include cold storage facility for DPW and Parks and Recreation and service drive improvements to connect facility to DPW facility.	Revenue Bonds				2,600,000				2,600,000
<b><u>PARKS AND SPECIAL FACILITIES</u></b>										
Pennsylvania Park Upgrades	As part of the Downtown Greenway Corridor site amenities from Bay Street to East Mitchell Street, Park Avenue sidewalk widening and landscaping improvements will be constructed in accordance with design and engineering plans completed in 2018.	Operating Revenue	10,000		62,000	68,000			10,000 Local Grant	150,000
Winter Sports Park Building Interior Renovations	The Winter Sports Park Building in 2021 will be 31 years old and interior renovations are anticipated and will include painting, concession and restroom sink and counter replacements, and replacement of the skate proof flooring on main level and door replacement at air lock entryway. These repairs are necessary and in particular the skate proof flooring. Failure of the flooring will jeopardize main level floor and underlying decking and joists.	Operating Revenues	70,000						20,000 Local Grant	90,000
Winter Sports Park Building Siding and Decking	The existing Winter Sports Park building will be 31 years old in 2021 and exterior siding and decking will be needed to maintain structure.	Operating Revenue	60,000							60,000

**City of Petoskey  
Capital Improvement Plan  
Project Funding Source  
2021**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Marina Fuel System Replacement	Tanks and piping will be 25 years old and in need of replacement or reconditioning and to increase diesel storage capacity.	Operating Revenue	100,000						100,000 State Grant	200,000
Little Traverse Wheelway Resurfacing	Resurfacing of a one-mile segment of the LTW. Asphalt trail is deteriorating after 11-30 years.	Operating Revenue	130,000						130,000 State Grant	260,000
River Bend Park Pickle Ball Court Development	Development of three Pickle Ball courts adjacent to restroom facility.	Operating Revenue	60,000						120,000	180,000
Bayfront Park West Boat Storage	As identified in the 2018-2022 Parks and Recreation Master Plan, create storage for kayaks, canoes, SUPS in Bayfront Park West.	TIFA							25,000	25,000
<b>Grand Totals</b>			<b>\$445,000</b>	<b>\$75,000</b>	<b>\$487,000</b>	<b>\$3,641,000</b>	<b>\$950,000</b>	<b>\$524,000</b>	<b>\$952,000</b>	<b>\$7,074,000</b>





# City of Petoskey

## Agenda Memo

**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**DATE PREPARED:** October 9, 2018

**AGENDA SUBJECT:** Snowplowing Service Contract

**RECOMMENDATION:** That City Council authorize contracting with Dunkel Excavating Services, Inc., Petoskey

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**Background** The City's current three-year-long service contract for snowplowing of parking lots within the downtown area, at parks, and at various other City-owned facilities is scheduled to expire prior to the 2018-19 winter season. The current contract is held by Paulben, LLC, Petoskey, for a per-event cost of \$326.00.

**Quotations** Availability of detailed specifications was advertised on August 29, 2018. Seven potential bidders were invited on August 29, 2018 to submit cost-quotations on September 19 for such services, with unit costs based upon per-snowplow event, which were defined as accumulations of 1.5 inches or more. The following bid was accepted:

<u>Bidder</u>	<u>Event Cost</u>
Dunkel Excavating Services, Inc. Petoskey	\$275.00

**Review** Following its review of proposals, Department of Public Works staff has asked that the City Manager recommend that City Council authorize contracting with Dunkel Excavating Services, Inc., for \$275.00 per snowfall occurrence.

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**BOARD:** City Council

**MEETING DATE:** October 15, 2018

**PREPARED:** September 17, 2018

**AGENDA SUBJECT:** MERS Retirement Plan Update

**RECOMMENDATION:** That City Council Review Information

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**Background** The City provides retirement benefits through the Michigan Municipal Employees' Retirement System (MMERS), which has four separate divisions; General Nonunion, DPW Teamsters union, Public Safety Officers union and Public Safety Lieutenants union.

In late 2015 MMERS announced several changes to the actuarial assumptions used in determining required contributions for defined benefit retirement programs, with the changes taking effect in 2017. The new assumptions have significantly increased the City's Unfunded Accrued Liability (UAL), along with required annual contributions. In response to these changes the City took several steps to mitigate the increase in contributions as well as reduce the unfunded accrued liability (UAL).

Please find enclosed a copy of the MERS 2017 Actuarial Valuation Report and a summary of the City's UAL.

**Retirement Plan Changes** The City and the Teamsters Union, representing Department of Public Works unionized employees, negotiated a change to their retirement plan from a 2.50% multiplier to a 2.25% multiplier for all current employees. New employees will be covered by a defined contribution plan with the City paying up to a 5% contribution, if the employee contributes 2%. These changes became effective on January 1, 2017 and were made to the General Nonunion employees as well.

The City and the Public Safety Lieutenants (FOPLC) agreed to close their current plan for all active employees (2.5%), with new hires from outside the City covered by the same defined contribution plan as General Nonunion and DPW Teamster employees. Vacancies filled by a current Public Safety Officer would maintain their existing pension plan.

Public Safety Officers (FOPLC) closed their 2.5% defined benefit plan in 2015, with new employees covered by a 2.00% defined contribution plan. Both Public Safety collective bargaining agreements expired on December 31, 2017 and discussions regarding retirement benefits are currently in the negotiation process.

As a result of these changes, all new employees of the General Nonunion, DPW Teamsters and Public Safety Lieutenants retirement divisions now belong to a defined contribution plan, closing the defined benefit plans to new employees. These retirement plan revisions have helped minimize the effects of changes in assumptions implemented by MMERS.

All employees belonging to a defined benefit plan are required to contribute 3% of their wage to the retirement plan, except for Public Safety Officers belonging to the B-2 plan, which is funded completely by the City.

**Unfunded Accrued Liability (UAL)** The City's UAL went from \$7,461,522 on 12/31/15 to \$6,007,888 on 12/31/16. The \$1,453,634 reduction is due mainly to the change in defined benefit plans for the General Nonunion and DPW Teamsters divisions. The annual contributions to the retirement system include two components; normal costs based on active employees and accrued costs based mainly on inactive employees and makes up the unfunded accrued liability. The UAL approximates one half of the annual contribution amount and by reducing the UAL portion sooner rather than later, future annual contributions would be greatly reduced and make normal costs much more manageable.

In 2017 the City made a \$1,000,000 payment to MMERS towards the UAL of the DPW Teamsters division, which almost eliminated the UAL for that division. The payment, was funded through the Streets, Electric and Water and Sewer Funds. This payment helped to reduce the UAL in 2017 down to \$5,503,913 for a reduction of \$503,975.

The additional payment was offset by an increase in the UAL for 2017 in the Nonunion division by \$102,000, Teamster Division of \$90,000 and Public Safety Divisions of \$312,000, which is based on investment rate of return, mortality tables, etc. for 2017. The Public Safety Divisions increases are larger since they have the higher 2.50% multiplier.

The City made another \$1,000,000 payment in 2018 this time towards the UAL of the Nonunion Staff. Based on the UAL at 12/31/17 of \$5,503,913, a reduction of \$1,000,000 would result in a funded amount of 84% in 2018. The actual percent funded at year end will fluctuate based on the return on investments and mortality adjustments similar to 2017.

**Summary** Among the 727 members belonging to MMERS only 36% are funded at 80% or more, which includes the City of Petoskey. MMERS announcement in late 2015 of these new assumptions resulted in a decreased City funding level to 73%. The City's actions have increased the funding level to an estimated 84% in 2018. The City has set a goal of working to achieve a funding level of 90%, which may take several more years to achieve. Future budget proposals, including the 2019 budget, will continue to include additional funding towards the unfunded accrued liability, which will work towards this goal.

at  
Enclosures

## CITY OF PETOSKEY

Valuation Date December 31	Accrued Liability	Asset Valuation	Percent Funded	Unfunded Accrued Liab	Remarks
2013	\$23,527,097	\$19,038,281	81%	\$4,488,816	
2014	24,773,659	19,640,585	79%	5,133,074	
2015	27,618,333	20,156,811	73%	7,461,522	New actuarial assumptions took affect
2016	26,647,962	20,640,074	78%	6,007,888	DPW Teamsters and Nonunion Staff Plans change from 2.50% to 2.25% multiplier Reduction of over \$1,400,000
2017	27,793,179	22,289,266	80%	5,503,913	Additional \$1,000,000 payment towards Teamsters UAL, offset by increase in UAL for nonunion \$102,000, Teamsters \$90,000 & Public Safety \$312,000 (no plan change) Net effect 580,00 reduction
2018	27,793,179	23,289,266	84% estimate	4,503,913	Estimated reduction of 12/31/17 UAL based on additional \$1,000,000 payment made in 2018. Actual % funded will be different since based on several other factors (rate of return, mortality, etc.) $23,289,266 / 27,793,179 = 84 \%$

Defined Benefit Divisions	Multiplier	UAL	% UAL	Members	% Members
Nonunion Staff *	2.25%	\$ 2,294,489	42%	30	45%
Department of Public Works - Teamsters	2.25%	161,304	3%	18	27%
Public Safety:					
Lieutenants	2.50%	740,980		4	
Officers	2.50%	2,289,019		10	
Officers - hired after 1/1/2012	2.00%	18,121		4	
		3,048,120	55%	18	27%
Total		\$ 5,503,913	100%	66	100%

\*Nonunion Staff divison was reduced by \$1,000,000 payment in 2018 which changes this amount to \$1,294,489.



**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN**  
ANNUAL ACTUARIAL VALUATION REPORT DECEMBER 31, 2017  
PETOSKEY, CITY OF (2402)



Spring, 2018

Petoskey, City of

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

This report presents the results of the Annual Actuarial Valuation, prepared as of December 31, 2017. The report includes the determination of liabilities and contribution rates resulting from the participation of Petoskey, City of (2402) in the Municipal Employees' Retirement System of Michigan ("MERS"). MERS is an independent, professional retirement services company that was created to administer retirement plans for Michigan municipalities on a not-for-profit basis. This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Documents, funding policy and Michigan Constitution. Petoskey, City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees under the Michigan Constitution and the MERS Plan Document.

The purpose of the December 31, 2017 annual actuarial valuation is to:

- Measure funding progress
- Establish contribution requirements for the fiscal year beginning January 1, 2019
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements

This valuation report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The valuation uses financial data, plan provision data, and participant data as of December 31, 2017 furnished by MERS. In accordance with Actuarial Standards of Practice No. 23, the data was checked for internal and year to year consistency as well as general reasonableness, but was not otherwise audited. CBIZ Retirement Plan Services does not assume responsibility for the accuracy or completeness of the data used in this valuation.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The most recent study was completed in 2015. Please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

[www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2017AnnualActuarialValuation-Appendix.pdf](http://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2017AnnualActuarialValuation-Appendix.pdf).



The actuarial assumptions used for this valuation produce results that we believe are reasonable.

To the best of our knowledge, this report is complete and accurate, was prepared in conformity with generally recognized actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and is in compliance with Act No. 220 of the Public Acts of 1996, as amended, and the MERS Plan Document as revised. All of the undersigned are members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

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

**This report was prepared at the request of the Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). CBIZ Retirement Plan Services is not responsible for the consequences of any unauthorized use.**

You should notify MERS if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us. If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

Sincerely,

Cathy Nagy, MAAA, FSA  
Jim Koss, MAAA, ASA  
Curtis Powell, MAAA, EA

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## Executive Summary

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### Funded Ratio and Required Employer Contributions

The MERS Defined Benefit Plan is an agent multiple-employer plan, meaning that assets are pooled for investment purposes but separate accounts are maintained for each individual employer. Each municipality is responsible for their own plan liabilities; MERS does not borrow from one municipality's account to pay for another.

The funded ratio of a plan is the percentage of the dollar value of the accrued benefits that is covered by the actuarial value of assets.

#### Your Funded Ratio:

	12/31/2017 *	12/31/2016
<b>Funded Ratio</b>	80%	78%

\* Reflects assets from Surplus divisions, if any.

Michigan Law requires that pension plans be pre-funded, meaning money is set aside now to pay for future benefits. Pension plans are usually funded by employer and employee contributions, and investment income.

How quickly a plan attains the 100% funding goal depends on many factors such as:

- The current funded ratio
- The future experience of the plan
- The amortization period

It is more important to look at the trend in the funded ratio over a period of time than at a particular point in time.

## Your Required Employer Contributions:

Your computed employer contributions are shown in the following table. Employee contributions, if any, are in addition to the computed employer contributions. Changes to the assumptions and methods based on the 2015 Experience Study were first reflected in the December 31, 2015 valuations. The impact of these changes is being phased-in over a 5 year period. The phase-in allows the employer to spread the impact of the new assumptions over 5 fiscal years. This valuation reflects the third year of the phase-in.

Your minimum required contribution is the amount in the "Phase-in" columns. By default, MERS will invoice you the phased-in contribution amount, but strongly encourages you to contribute more than the minimum required contribution. If for 2018 your municipality is making employer contributions based on rates without the phase-in applied, contact MERS to ensure the No Phase-in rate is used again for 2019 and not the defaulted phase-in rates.

	Percentage of Payroll				Monthly \$ Based on Projected Payroll			
	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in
<b>Valuation Date:</b>	12/31/2017	12/31/2017	12/31/2016	12/31/2016	12/31/2017	12/31/2017	12/31/2016	12/31/2016
<b>Fiscal Year Beginning:</b>	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2018	January 1, 2019	January 1, 2019	January 1, 2018	January 1, 2018
<b>Division</b>								
01 - Gnrl Tmstr	-	-	13.16%	14.06%	\$ 6,851	\$ 7,405	\$ 12,194	\$ 13,025
02 - Public Safety/Union	-	-	-	-	18,989	20,019	17,013	18,558
10 - Gnrl NonUnio	-	-	-	-	25,197	26,539	23,241	25,254
11 - Public Safety Un-Lieut	21.96%	22.92%	20.10%	21.70%	7,570	7,900	6,202	6,697
20 - Public Sfty Union aft	10.82%	10.84%	10.18%	10.21%	2,884	2,888	2,414	2,420
<b>Municipality Total</b>					<b>\$ 61,491</b>	<b>\$ 64,751</b>	<b>\$ 61,064</b>	<b>\$ 65,954</b>

Employee contribution rates reflected in the valuations are shown below:

Valuation Date:	Employee Contribution Rate	
	12/31/2017	12/31/2016
<b>Division</b>		
01 - Gnrl Tmstr	3.00%	3.00%
02 - Public Safety/Union	3.00%	3.00%
10 - Gnrl NonUnio	3.00%	3.00%
11 - Public Safety Un-Lieut	3.00%	3.00%
20 - Public Sfty Union aft	0.00%	0.00%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. Employers making contributions in excess of the minimum requirements may elect to apply the excess contribution immediately to a particular division, or segregate the excess into one or more of what

MERS calls "Surplus" divisions. An election in the first case would immediately reduce any unfunded accrued liability and lower the amortization payments throughout the remaining amortization period. An election to set up Surplus divisions would not immediately lower future contributions, however the assets from the Surplus divisions could be transferred to an unfunded division in the future to reduce the unfunded liability in future years, or to be used to pay all or a portion of the minimum required contribution in a future year. For purposes of this report, the assets in any Surplus division have been included in the municipality's total assets, unfunded accrued liability and funded status, however, these assets are not used in calculating the minimum required contribution.

**MERS strongly encourages employers to contribute more than the minimum contribution shown above.**

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the fiscal year beginning in 2019 for the entire employer would be \$87,069, instead of \$64,751.

If you are interested in making additional contributions, please contact MERS and they can assist you with evaluating your options.

**How and Why Do These Numbers Change?**

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

- Changes in benefit provisions (see Table 2)
- Changes in actuarial assumptions and methods (see the [Appendix](#))
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions. For example:
  - o Lower actual investment returns would result in higher required employer contributions, and vice-versa.
  - o Smaller than assumed pay increases would lower required employer contributions.
  - o Reductions in the number of active employees would lower required contribution dollars, but would usually increase the contribution rate expressed as a percentage of (the now lower) payroll.
  - o Retirements at earlier ages than assumed would usually increase required employer contributions.
  - o More non-vested terminations of employment than assumed would decrease required contributions.
  - o More disabilities or survivor (death) benefits than assumed would increase required contributions.
  - o Longer lifetimes after retirement than assumed would increase required employer contributions.

Actuarial valuations do not affect the ultimate cost of the plan; the benefit payments (current and future) determine the cost of the plan. Actuarial valuations only affect the timing of the contributions into the plan. Because assumptions are for the long term, plan experience will not match the actuarial assumptions in any given year (except by coincidence). Each annual actuarial valuation will adjust the required employer contributions up or down based on the prior year's actual experience.

## Comments on Investment Return Assumption and Asset Smoothing

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

The MERS Investment Return Assumption is **7.75%** per year. This, along with all of our other actuarial assumptions, is reviewed every five years in an Experience Study that compares the assumptions used against actual experience and recommends adjustments if necessary. If your municipality would like to explore contributions at lower investment return assumptions, please review the budget projection scenarios later in this report.

To avoid dramatic spikes and dips in annual contribution requirements due to short term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. The (smoothed) **actuarial rate of return for 2017 was 6.08%, while the actual market rate of return was 13.07%**. To see historical details of the market rate of return, compared to the smoothed actuarial rate of return, refer to this report's [Appendix](#), or visit our [Defined Benefit resource page](#) on the MERS website.

As of December 31, 2017 the actuarial value of assets is 101% of market value due to asset smoothing. This means that meeting the actuarial assumption in the next few years will require average annual market returns that exceed the 7.75% investment return assumption, or contribution requirements will continue to increase.

If the December 31, 2017 valuation results were based on market value instead of the actuarial value:

- The funded percent of your entire municipality would be 79% (instead of 80%); and
- Your total employer contribution requirement for the fiscal year starting January 1, 2019 would be \$797,148 (instead of \$777,012).

## Risk Characteristics of Defined Benefit Plans

It is important to understand that Defined Benefit retirement plans, the plan sponsor, and the plan participants are exposed to certain risks. While risks cannot be eliminated entirely, they can be managed through various strategies. Below are a few examples of risk (this is not an all-inclusive list):

- Economic - investment return, wage inflation, etc.
- Demographic - longevity, disability, retirement, etc.
- Plan Sponsor and Employees - contribution volatility, attract/retain employees, etc.

The MERS Retirement Board adopts certain assumptions and methods to manage the economic and demographic risks, and the contribution volatility risks. For example, the investment risk is the largest economic risk and is managed by having a balanced portfolio and a clearly defined investment strategy. Demographic risks are managed by preparing special studies called experience studies on a regular basis to determine if the assumptions used are reasonable compared to the experience. An Experience Study is completed every five years to review the assumptions and methods. The next Experience Study will be completed in 2020.

Risk can also be managed through a plan design that provides benefits that are sustainable in the long run.

The Actuarial Standards Board has issued Actuarial Standards of Practice (ASOP) No. 51. This standard will be effective for any actuarial work with a measurement date on or after November 1, 2018. This means, the December 31, 2018 and later annual actuarial valuation reports for MERS will have to comply with this standard. This standard will require the actuary to identify risks that, in the actuary's professional judgment may significantly impact the plan's future financial condition. The actuary will have to assess the potential effects of the identified risks on the plan's future financial condition. The assessment may or may not be based on numerical calculations. However, the assessment should reflect the specifics of the plan (i.e. funded status, plan demographics, funding policy, etc.). If the actuary concludes that numerical calculations are necessary to assess the risk, the actuary can use various methods to quantify the risk such as scenario tests, sensitivity tests, stress tests, etc.

Some of these risk assessment measures have already been incorporated in the MERS annual valuation reports. For example, the projections of funded percentage and employer contributions shown on the following pages could be used to gauge the risk associated with long term investment rates of return different than the assumed 7.75% annual rate. A history of the municipality's funded percentage as shown in Table 7, could indicate the trend in funded status over time.

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

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore

the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

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

The analysis in this section is intended to review the potential volatility of the actuarial valuation results. It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size.

Many assumptions are important in determining the required employer contributions. In the table below, we show the impact of varying the Investment Return Assumption. Lower investment returns would result in higher required employer contributions, and vice-versa.

The relative impact of each investment return scenario below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2017 valuation, and are for the municipality in total, not by division. These results do not reflect a 5-year phase in of the impact of the new actuarial assumptions.

	Assumed Future Annual Smoothed Investment Return Assumption			
	Lower Future Annual Returns		Valuation Assumption	Higher Returns
	5.75%	6.75%	7.75%	8.75%
<b>12/31/2017 Valuation Results</b>				
Accrued Liability	\$ 34,578,006	\$ 30,899,864	\$ 27,793,179	\$ 25,150,871
Valuation Assets <sup>1</sup>	\$ 22,289,266	\$ 22,289,266	\$ 22,289,266	\$ 22,289,266
Unfunded Accrued Liability	\$ 12,288,740	\$ 8,610,598	\$ 5,503,913	\$ 2,861,605
<b>Funded Ratio</b>	65%	72%	80%	89%
Monthly Normal Cost	\$ 55,497	\$ 41,619	\$ 31,008	\$ 22,848
Monthly Amortization Payment	\$ 64,215	\$ 48,881	\$ 33,743	\$ 17,303
<b>Total Employer Contribution<sup>2</sup></b>	\$ 119,712	\$ 90,500	\$ 64,751	\$ 40,151

<sup>1</sup> The Valuation Assets include assets from Surplus divisions, if any.

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

## Projection Scenarios

The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate assumed long-term investment return assumption scenarios. All four projections take into account the past investment losses that will continue to affect the actuarial rate of return in the short term. Under the 7.75% scenarios in the table on the next page, two sets of projections are shown:

- Based on the phase-in over 5 fiscal years (beginning in 2017) of the increased contribution requirements associated with the new actuarial assumptions. This projects your minimum required contribution.
- Based on no phase-in of the increased contribution requirements.

The 7.75% scenarios provide an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.75% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 6.75% and 5.75% projections provide an indication of the potential required employer contribution if MERS were to realize annual investment returns of 6.75% and 5.75% over the long-term.

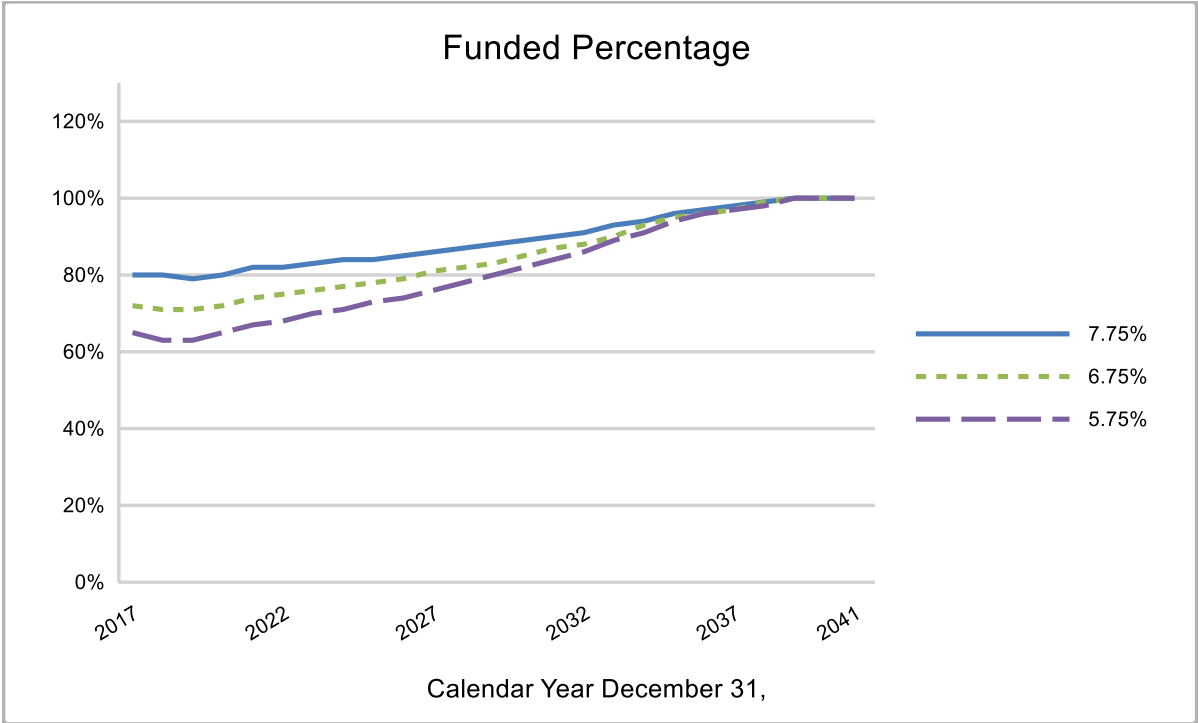
The projections are shown both in tabular and graphical form in total for the employer. The tables show projections for six years. The graphs show projections for twenty five years.

Valuation Year Ending 12/31	Fiscal Year Beginning 1/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Computed Annual Employer Contribution
<b>7.75%<sup>1</sup></b>					
<b>WITH 5-YEAR PHASE-IN</b>					
2017	2019	\$ 27,793,179	\$ 22,289,266	80%	\$ 737,892
2018	2020	28,700,000	22,900,000	80%	806,000
2019	2021	29,600,000	23,300,000	79%	881,000
2020	2022	30,500,000	24,400,000	80%	870,000
2021	2023	31,300,000	25,500,000	81%	862,000
2022	2024	32,100,000	26,400,000	82%	877,000
<b>NO 5-YEAR PHASE-IN</b>					
2017	2019	\$ 27,793,179	\$ 22,289,266	80%	\$ 777,012
2018	2020	28,700,000	22,900,000	80%	822,000
2019	2021	29,600,000	23,300,000	79%	876,000
2020	2022	30,500,000	24,400,000	80%	865,000
2021	2023	31,300,000	25,600,000	82%	857,000
2022	2024	32,100,000	26,400,000	82%	871,000
<b>6.75%<sup>1</sup></b>					
<b>NO 5-YEAR PHASE-IN</b>					
2017	2019	\$ 30,899,864	\$ 22,289,266	72%	\$ 1,086,000
2018	2020	31,900,000	22,700,000	71%	1,160,000
2019	2021	32,900,000	23,200,000	71%	1,220,000
2020	2022	33,800,000	24,400,000	72%	1,220,000
2021	2023	34,700,000	25,600,000	74%	1,220,000
2022	2024	35,500,000	26,600,000	75%	1,240,000
<b>5.75%<sup>1</sup></b>					
<b>NO 5-YEAR PHASE-IN</b>					
2017	2019	\$ 34,578,006	\$ 22,289,266	65%	\$ 1,436,544
2018	2020	35,700,000	22,500,000	63%	1,540,000
2019	2021	36,700,000	23,100,000	63%	1,610,000
2020	2022	37,700,000	24,500,000	65%	1,620,000
2021	2023	38,600,000	25,900,000	67%	1,620,000
2022	2024	39,500,000	27,000,000	68%	1,650,000

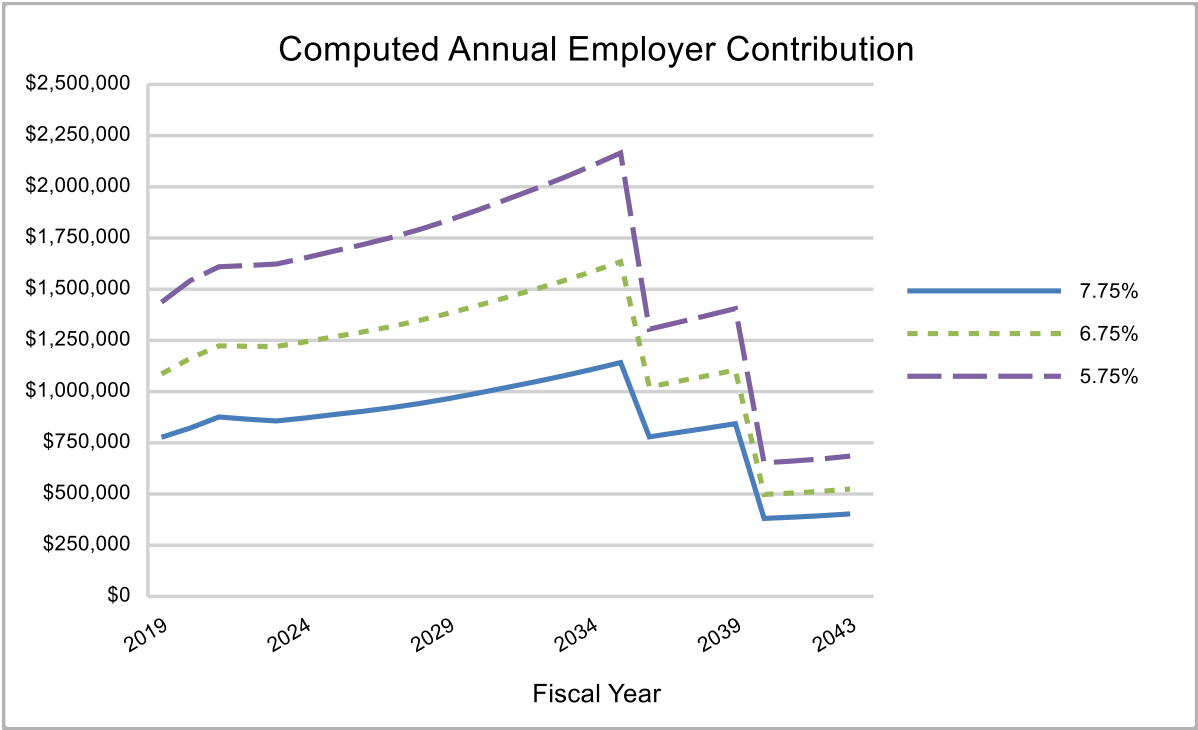
<sup>1</sup> Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

<sup>2</sup> Valuation Assets do not include assets from Surplus divisions, if any.





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



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

## Employer Contribution Details For the Fiscal Year Beginning January 1, 2019

Table 1

Division	Total Normal Cost	Employee Contribut. Rate	Employer Contributions <sup>1</sup>			Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In <sup>5</sup>	Blended ER Rate With Phase-In <sup>5</sup>	Employee Contribut. Conversion Factor <sup>2</sup>
			Employer Normal Cost	Payment of the Unfunded Accrued Liability <sup>4</sup>	Computed Employer Contribut. No Phase-In				
Percentage of Payroll									
01 - Gnrl Tmstr	10.58%	3.00%	-	-	-	-			
02 - Public Safety/Unio	12.82%	3.00%	-	-	-	-	24.82%	23.70%	
10 - Gnrl NonUnio	11.93%	3.00%	-	-	-	-			
11 - Public Safety Un-L	13.11%	3.00%	10.11%	12.81%	22.92%	21.96%			0.87%
20 - Public Sfty Union	10.43%	0.00%	10.43%	0.41%	10.84%	10.82%	24.82%	23.70%	0.92%
Estimated Monthly Contribution <sup>3</sup>									
01 - Gnrl Tmstr			\$ 6,784	\$ 621	\$ 7,405	\$ 6,851			
02 - Public Safety/Unio			6,450	13,569	20,019	18,989			
10 - Gnrl NonUnio			11,512	15,027	26,539	25,197			
11 - Public Safety Un-L			3,484	4,416	7,900	7,570			
20 - Public Sfty Union			2,778	110	2,888	2,884			
Total Municipality			\$ 31,008	\$ 33,743	\$ 64,751	\$ 61,491			
Estimated Annual Contribution <sup>3</sup>			\$ 372,096	\$ 404,916	\$ 777,012	\$ 737,892			

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

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

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

<sup>4</sup> If projected assets exceed projected liabilities as of the beginning of the January 1, 2019 fiscal year, the negative unfunded accrued liability is treated as overfunding credit and is used to reduce the contribution. This amortization is used to reduce the employer contribution rate. Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions to not add across.

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

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

## Benefit Provisions

Table 2

### 01 - Gnrl Tmstr: Closed to new hires

	2017 Valuation	2016 Valuation
<b>Benefit Multiplier:</b>	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; to 2.25% Multiplier (80% max)	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; to 2.25% Multiplier (80% max)
<b>Bridged Benefit Date:</b>	12/31/2016	12/31/2016
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	6 years	6 years
<b>Early Retirement (Unreduced):</b>	55/25	55/25
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	3%	3%
<b>DC Plan for New Hires:</b>	12/31/2016	
<b>Act 88:</b>	Yes (Adopted 2/19/2007)	Yes (Adopted 2/19/2007)

### 02 - Public Safety/Union: Closed to new hires, linked to Division 20

	2017 Valuation	2016 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	3%	3%
<b>Act 88:</b>	Yes (Adopted 2/19/2007)	Yes (Adopted 2/19/2007)

### 10 - Gnrl NonUnio: Closed to new hires

	2017 Valuation	2016 Valuation
<b>Benefit Multiplier:</b>	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; to 2.25% Multiplier (80% max)	Bridged Benefit: 2.50% Multiplier (80% max) Frozen FAC; to 2.25% Multiplier (80% max)
<b>Bridged Benefit Date:</b>	12/31/2016	12/31/2016
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	6 years	6 years
<b>Early Retirement (Unreduced):</b>	55/25	55/25
<b>Early Retirement (Reduced):</b>	50/25	50/25
	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	3%	3%
<b>DC Plan for New Hires:</b>	1/1/2017	1/1/2017
<b>Act 88:</b>	Yes (Adopted 2/19/2007)	Yes (Adopted 2/19/2007)

**Table 2** (continued)**11 - Public Safety Un-Lieut: Open Division**

	<b>2017 Valuation</b>	<b>2016 Valuation</b>
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	3%	3%
<b>Act 88:</b>	Yes (Adopted 2/19/2007)	Yes (Adopted 2/19/2007)

**20 - Public Sfty Union aft 01/01/12: Open Division, linked to Division 02**

	<b>2017 Valuation</b>	<b>2016 Valuation</b>
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>Employee Contributions:</b>	0%	0%
<b>Act 88:</b>	Yes (Adopted 2/19/2007)	Yes (Adopted 2/19/2007)

## Participant Summary

**Table 3**

Division	2017 Valuation		2016 Valuation		2017 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
01 - Gnrl Tmstr							
Active Employees	18	\$ 1,080,566	18	\$ 1,032,958	41.4	9.4	9.5
Vested Former Employees	2	25,040	3	43,954	57.6	10.8	15.1
Retirees and Beneficiaries	27	448,892	28	436,803	73.7		
02 - Public Safety/Union							
Active Employees	10	\$ 777,694	11	\$ 812,749	42.8	16.6	17.3
Vested Former Employees	2	36,249	2	36,249	57.0	15.0	15.0
Retirees and Beneficiaries	13	410,559	12	363,377	67.5		
10 - Gnrl NonUnio							
Active Employees	30	\$ 1,745,168	33	\$ 1,862,402	51.2	13.8	14.5
Vested Former Employees	8	110,802	6	76,663	45.9	11.2	13.7
Retirees and Beneficiaries	35	673,852	35	617,372	69.1		
11 - Public Safety Un-Lie							
Active Employees	4	\$ 384,214	4	\$ 344,087	45.8	18.4	19.8
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	1	58,535	1	58,535	60.0		
20 - Public Sfty Union af							
Active Employees	4	\$ 251,488	3	\$ 194,810	31.4	1.7	4.6
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	0	0	0	0	0.0		
<b>Total Municipality</b>							
<b>Active Employees</b>	<b>66</b>	<b>\$ 4,239,130</b>	<b>69</b>	<b>\$ 4,247,006</b>	<b>45.7</b>	<b>12.6</b>	<b>13.3</b>
<b>Vested Former Employees</b>	<b>12</b>	<b>172,091</b>	<b>11</b>	<b>156,866</b>	<b>49.7</b>	<b>11.8</b>	<b>14.2</b>
<b>Retirees and Beneficiaries</b>	<b>76</b>	<b>1,591,838</b>	<b>76</b>	<b>1,476,087</b>	<b>70.3</b>		
<b>Total Participants</b>	<b>154</b>		<b>156</b>				

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

<sup>2</sup> Description can be found under Miscellaneous and Technical Assumptions in the [Appendix](#).

## Reported Assets (Market Value)

**Table 4**

Division	2017 Valuation		2016 Valuation	
	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>
01 - Gnrl Tmstr	\$ 5,827,432	\$ 99,219	\$ 4,506,538	\$ 65,959
02 - Public Safety/Union	5,021,189	113,535	4,543,874	97,970
10 - Gnrl NonUnio	9,141,863	245,572	8,385,077	195,602
11 - Public Safety Un-Lieut	1,504,430	45,978	1,315,235	33,856
20 - Public Sfty Union aft 01/01/12	40,536	0	18,613	0
<b>Municipality Total</b>	<b>\$ 21,535,450</b>	<b>\$ 504,304</b>	<b>\$ 18,769,337</b>	<b>\$ 393,387</b>
<b>Combined Assets</b>	<b>\$22,039,754</b>		<b>\$19,162,724</b>	

<sup>1</sup> Reserve for Employer Contributions and Benefit Payments

<sup>2</sup> Reserve for Employee Contributions

The December 31, 2017 valuation assets (actuarial value of assets) are equal to 1.011321 times the reported market value of assets (compared to 1.077095 as of December 31, 2016). The derivation of valuation assets is described, and detailed calculations of valuation assets are shown, in the [Appendix](#).

## Flow of Valuation Assets

**Table 5**

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2007	\$ 1,264,795		\$ 0	\$ 1,127,809	\$ (753,062)	\$ 0	\$ 6,232	\$ 15,676,883
2008	571,638		0	719,141	(752,567)	0	0	16,215,095
2009	532,954		0	758,044	(785,890)	0	0	16,720,203
2010	591,892		0	933,988	(847,280)	0	40,623	17,439,426
2011	598,942	\$ 0	0	899,557	(958,651)	0	0	17,979,274
2012	626,341	0	9,423	824,613	(1,016,207)	0	0	18,423,444
2013	661,564	2,223	20,249	1,091,317	(1,160,516)	0	0	19,038,281
2014	633,455	0	95,756	1,087,101	(1,214,008)	0	0	19,640,585
2015	700,093	0	123,315	976,984	(1,284,166)	0	0	20,156,811
2016	711,755	0	121,927	1,036,993	(1,387,412)	0	0	20,640,074
2017	710,721	1,000,000	124,070	1,335,213	(1,520,812)	0	0	22,289,266

**Notes:**

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

Additional employer contributions, if any, are shown separately starting in 2011. Prior to 2011, additional contributions are combined with the required employer contributions.

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

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



## Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2017

Table 6

Division	Actuarial Accrued Liability	Valuation Assets <sup>1</sup>	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
01 - Gnrl Tmstr				
Active Employees	\$ 1,622,920	\$ 1,461,616	90.1%	\$ 161,304
Vested Former Employees	215,651	215,651	100.0%	0
Retirees And Beneficiaries	4,316,480	4,316,480	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 6,155,051	\$ 5,993,747	97.4%	\$ 161,304
02 - Public Safety/Union				
Active Employees	\$ 2,888,105	\$ 599,086	20.7%	\$ 2,289,019
Vested Former Employees	287,146	287,146	100.0%	0
Retirees And Beneficiaries	4,306,622	4,306,622	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 7,481,873	\$ 5,192,854	69.4%	\$ 2,289,019
10 - Gnrl NonUnio				
Active Employees	\$ 4,873,825	\$ 2,579,336	52.9%	\$ 2,294,489
Vested Former Employees	389,902	389,902	100.0%	0
Retirees And Beneficiaries	6,523,740	6,523,740	100.0%	0
Pending Refunds	732	732	100.0%	0
Total	\$ 11,788,199	\$ 9,493,710	80.5%	\$ 2,294,489
11 - Public Safety Un-Lieut				
Active Employees	\$ 1,607,067	\$ 866,087	53.9%	\$ 740,980
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	701,873	701,873	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 2,308,940	\$ 1,567,960	67.9%	\$ 740,980
20 - Public Sfty Union aft 01/01/12				
Active Employees	\$ 59,116	\$ 40,995	69.3%	\$ 18,121
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 59,116	\$ 40,995	69.3%	\$ 18,121
<b>Total Municipality</b>				
Active Employees	\$ 11,051,033	\$ 5,547,120	50.2%	\$ 5,503,913
Vested Former Employees	892,699	892,699	100.0%	0
Retirees and Beneficiaries	15,848,715	15,848,715	100.0%	0
Pending Refunds	732	732	100.0%	0
Total	\$ 27,793,179	\$ 22,289,266	80.2%	\$ 5,503,913
The following results show the combined accrued liabilities and assets for each set of linked divisions. These results are already included in the table above.				

**Table 6** (continued)

<b>Division</b>	<b>Actuarial Accrued Liability</b>	<b>Valuation Assets<sup>1</sup></b>	<b>Percent Funded</b>	<b>Unfunded (Overfunded) Accrued Liabilities</b>
Linked Divisions 20, 02				
Active Employees	\$ 2,947,221	\$ 640,081	21.7%	\$ 2,307,140
Vested Former Employees	287,146	287,146	100.0%	0
Retirees and Beneficiaries	4,306,622	4,306,622	100.0%	0
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 7,540,989</b>	<b>\$ 5,233,849</b>	<b>69.4%</b>	<b>\$ 2,307,140</b>

<sup>1</sup> Includes both employer and employee assets.

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

## Actuarial Accrued Liabilities - Comparative Schedule

**Table 7**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2003	\$ 15,315,903	\$ 12,032,164	79%	\$ 3,283,739
2004	15,717,408	12,658,761	81%	3,058,647
2005	16,754,274	13,218,519	79%	3,535,755
2006	17,043,215	14,031,109	82%	3,012,106
2007	17,859,846	15,676,883	88%	2,182,963
2008	18,714,070	16,215,095	87%	2,498,975
2009	19,635,919	16,720,203	85%	2,915,716
2010	20,477,432	17,439,426	85%	3,038,006
2011	21,606,074	17,979,274	83%	3,626,800
2012	22,432,165	18,423,444	82%	4,008,721
2013	23,527,097	19,038,281	81%	4,488,816
2014	24,773,659	19,640,585	79%	5,133,074
2015	27,618,333	20,156,811	73%	7,461,522
2016	26,647,962	20,640,074	78%	6,007,888
2017	27,793,179	22,289,266	80%	5,503,913

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.  
The Valuation Assets include assets from Surplus divisions, if any.

## Division 01 - Gnrl Tmstr

**Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2007	\$ 4,889,758	\$ 4,569,139	93%	\$ 320,619
2008	5,001,520	4,613,301	92%	388,219
2009	5,138,143	4,641,985	90%	496,158
2010	5,109,850	4,799,662	94%	310,188
2011	5,441,257	4,903,150	90%	538,107
2012	5,581,594	4,820,830	86%	760,764
2013	5,676,528	4,865,737	86%	810,791
2014	5,966,982	4,920,410	83%	1,046,572
2015	6,471,081	4,930,130	76%	1,540,951
2016	6,004,479	4,925,014	82%	1,079,465
2017	6,155,051	5,993,747	97%	161,304

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-01: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2007	16	\$ 821,352	11.90%	0.00%
2008	16	831,937	12.93%	0.00%
2009	16	844,081	13.97%	0.00%
2010	16	856,815	12.79%	0.00%
2011	17	879,834	14.51%	0.00%
2012	16	888,982	16.27%	0.00%
2013	17	937,659	16.36%	0.00%
2014	17	979,715	16.29%	1.50%
2015	17	1,033,046	18.19%	3.00%
2016	18	1,032,958	14.06%	3.00%
2017	18	1,080,566	\$ 7,405	3.00%

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

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

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 6.

See the Benefit Provision History on page 36 for past benefit provision changes.

## Division 02 - Public Safety/Union

**Table 8-02: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2007	\$ 4,432,184	\$ 3,595,018	81%	\$ 837,166
2008	4,741,999	3,857,536	81%	884,463
2009	5,177,341	4,125,000	80%	1,052,341
2010	5,580,122	4,386,648	79%	1,193,474
2011	5,999,482	4,625,685	77%	1,373,797
2012	4,752,454	3,866,494	81%	885,960
2013	6,372,574	5,010,415	79%	1,362,159
2014	6,643,303	5,113,133	77%	1,530,170
2015	7,430,940	5,214,454	70%	2,216,486
2016	7,107,789	4,999,707	70%	2,108,082
2017	7,481,873	5,192,854	69%	2,289,019

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-02: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2007	19	\$ 1,303,953	12.96%	0.00%
2008	19	1,322,873	15.02%	0.00%
2009	18	1,317,245	15.91%	0.00%
2010	18	1,338,609	16.63%	0.00%
2011	18	1,337,886	17.53%	0.00%
2012	13	941,058	16.77%	1.00%
2013	13	922,918	19.35%	2.00%
2014	13	920,537	\$ 15,398	3.00%
2015	13	977,172	\$ 20,627	3.00%
2016	11	812,749	\$ 18,558	3.00%
2017	10	777,694	\$ 20,019	3.00%

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

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

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 6.

See the Benefit Provision History on page 36 for past benefit provision changes.

## Division 10 - Gnrl NonUnio

**Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2007	\$ 7,139,773	\$ 6,349,908	89%	\$ 789,865
2008	7,607,783	6,594,980	87%	1,012,803
2009	7,952,591	6,852,619	86%	1,099,972
2010	8,439,189	7,188,839	85%	1,250,350
2011	8,830,935	7,417,734	84%	1,413,201
2012	9,282,601	7,725,976	83%	1,556,625
2013	9,909,548	8,043,244	81%	1,866,304
2014	10,432,868	8,345,814	80%	2,087,054
2015	11,762,887	8,599,423	73%	3,163,464
2016	11,434,335	9,242,206	81%	2,192,129
2017	11,788,199	9,493,710	81%	2,294,489

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-10: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2007	36	\$ 1,645,299	13.78%	0.00%
2008	34	1,643,188	14.99%	0.00%
2009	35	1,769,583	15.16%	0.00%
2010	34	1,705,878	16.02%	0.00%
2011	33	1,633,325	17.07%	0.00%
2012	33	1,675,390	17.87%	0.00%
2013	32	1,690,852	19.20%	0.00%
2014	32	1,793,025	16.73%	3.00%
2015	31	1,837,571	21.50%	3.00%
2016	33	1,862,402	\$ 25,254	3.00%
2017	30	1,745,168	\$ 26,539	3.00%

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

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

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 6.

See the Benefit Provision History on page 36 for past benefit provision changes.

## Division 11 - Public Safety Un-Lieut

**Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2012	\$ 1,506,419	\$ 1,013,110	67%	\$ 493,309
2013	1,568,447	1,118,885	71%	449,562
2014	1,726,327	1,258,412	73%	467,915
2015	1,943,374	1,405,209	72%	538,165
2016	2,071,342	1,453,099	70%	618,243
2017	2,308,940	1,567,960	68%	740,980

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-11: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2012	5	\$ 422,890	18.70%	0.00%
2013	4	328,789	20.34%	0.00%
2014	4	344,872	17.55%	3.00%
2015	4	347,160	19.67%	3.00%
2016	4	344,087	21.70%	3.00%
2017	4	384,214	22.92%	3.00%

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

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

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 6.

See the Benefit Provision History on page 36 for past benefit provision changes.

## Division 20 - Public Sfty Union aft 01/01/12

**Table 8-20: Actuarial Accrued Liabilities - Comparative Schedule**

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	\$ 4,179	\$ 2,816	67%	\$ 1,363
2015	10,051	7,595	76%	2,456
2016	30,017	20,048	67%	9,969
2017	59,116	40,995	69%	18,121

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

**Table 9-20: Computed Employer Contributions - Comparative Schedule**

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2014	1	\$ 44,191	8.69%	0.00%
2015	1	46,111	8.74%	0.00%
2016	3	194,810	10.21%	0.00%
2017	4	251,488	10.84%	0.00%

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

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

**Note:** The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 6.

See the Benefit Provision History on page 36 for past benefit provision changes.



## Division 01 - Gnrl Tmstr

**Table 10-01: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 1/1/2019		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 1,540,951	23	\$ 1,601,214	19	\$ 120,336
(Gain)/Loss	12/31/2016	(27,843)	22	(30,196)	19	(2,268)
Plan Amendments	12/31/2016	(469,615)	22	(509,393)	19	(38,280)
(Gain)/Loss	12/31/2017	(893,249)	19	(962,476)	19	(72,336)
<b>Total</b>				<b>\$ 99,149</b>		<b>\$ 7,452</b>

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

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see [Appendix](#) on MERS website).

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

The unfunded accrued liability (UAL) as of December 31, 2017 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2017 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the [Appendix](#) on the MERS website for a detailed description of the amortization policy.

## Division 02 - Public Safety/Union

**Table 10-02: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 1/1/2019		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 2,216,486	23	\$ 2,332,492	21	\$ 163,932
(Gain)/Loss	12/31/2016	(189,060)	22	(205,072)	21	(14,412)
(Gain)/Loss	12/31/2017	175,754	21	189,375	21	13,308
<b>Total</b>				<b>\$ 2,316,795</b>		<b>\$ 162,828</b>

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

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see [Appendix](#) on MERS website).

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

The unfunded accrued liability (UAL) as of December 31, 2017 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2017 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the [Appendix](#) on the MERS website for a detailed description of the amortization policy.

## Division 10 - Gnrl NonUnio

**Table 10-10: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 1/1/2019		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 3,163,464	23	\$ 3,320,608	18	\$ 259,044
(Gain)/Loss	12/31/2016	(43,926)	20	(47,435)	18	(3,696)
Plan Amendments	12/31/2016	(1,049,633)	20	(1,133,397)	18	(88,416)
(Gain)/Loss	12/31/2017	159,258	18	171,600	18	13,392
<b>Total</b>				<b>\$ 2,311,376</b>		<b>\$ 180,324</b>

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

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see [Appendix](#) on MERS website).

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

The unfunded accrued liability (UAL) as of December 31, 2017 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2017 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the [Appendix](#) on the MERS website for a detailed description of the amortization policy.

## Division 11 - Public Safety Un-Lieut

**Table 10-11: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 1/1/2019		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 538,165	23	\$ 559,701	21	\$ 39,336
(Gain)/Loss	12/31/2016	67,012	22	72,693	21	5,112
(Gain)/Loss	12/31/2017	112,793	21	121,534	21	8,544
<b>Total</b>				<b>\$ 753,928</b>		<b>\$ 52,992</b>

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

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see [Appendix](#) on MERS website).

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

The unfunded accrued liability (UAL) as of December 31, 2017 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2017 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the [Appendix](#) on the MERS website for a detailed description of the amortization policy.

## Division 20 - Public Sfty Union aft 01/01/12

**Table 10-20: Layered Amortization Schedule**

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 1/1/2019		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Initial	12/31/2015	\$ 2,456	23	\$ 2,630	21	\$ 180
(Gain)/Loss	12/31/2016	7,381	22	8,009	21	564
(Gain)/Loss	12/31/2017	7,555	21	8,140	21	576
<b>Total</b>				<b>\$ 18,779</b>		<b>\$ 1,320</b>

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

<sup>2</sup> According to the MERS amortization policy, each type of UAL (layer) is amortized over a specific period (see [Appendix](#) on MERS website).

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

The unfunded accrued liability (UAL) as of December 31, 2017 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2017 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the [Appendix](#) on the MERS website for a detailed description of the amortization policy.

## GASB 68 Information

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

Actuarial Valuation Date: 12/31/2017

Measurement Date of Total Pension Liability (TPL): 12/31/2017

At 12/31/2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	76
Inactive employees entitled to but not yet receiving benefits:	12
Active employees:	<u>66</u>
	154

Covered employee payroll: (Needed for Required Supplementary Information) \$ 4,239,130

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

Total Pension Liability as of 12/31/2016 measurement date: \$ 25,976,381

Total Pension Liability as of 12/31/2017 measurement date: \$ 27,092,732

Service Cost for the year ending on the 12/31/2017 measurement date: \$ 471,169

Change in the Total Pension Liability due to:

- Benefit changes <sup>1</sup> :	\$ 0
- Differences between expected and actual experience <sup>2</sup> :	\$ 129,869
- Changes in assumptions <sup>2</sup> :	\$ 0

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Change in Net Pension Liability as of 12/31/2017:	\$ 2,981,470	-	\$ (2,540,536)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

## GASB 68 Information

This page is for those municipalities who need to “roll-forward” their total pension liability due to the timing of completion of the actuarial valuation in relation to their fiscal year-end.

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

Actuarial Valuation Date:	12/31/2017
Measurement Date of Total Pension Liability (TPL):	12/31/2018

At 12/31/2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	76
Inactive employees entitled to but not yet receiving benefits:	12
Active employees:	66
	154

Covered employee payroll: (Needed for Required Supplementary Information)	\$ 4,239,130
Average expected remaining service lives of all employees (active and inactive):	4

Total Pension Liability as of 12/31/2017 measurement date:	\$ 26,926,917
Total Pension Liability as of 12/31/2018 measurement date:	\$ 28,024,092
Service Cost for the year ending on the 12/31/2018 measurement date:	\$ 472,538
Change in the Total Pension Liability due to:	
- Benefit changes <sup>1</sup> :	\$ 0
- Differences between expected and actual experience <sup>2</sup> :	\$ 179,081
- Changes in assumptions <sup>2</sup> :	\$ 0

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

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

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

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Change in Net Pension Liability as of 12/31/2018:	\$ 3,051,158	-	\$ (2,602,043)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

## Benefit Provision History

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

### 01 - Gnrl Tmstr

1/1/2017	Benefit B-3 (80% max)
12/31/2016	Frozen FAC
12/31/2016	DC Adoption Date 12-31-2016
12/1/2016	Service Credit Purchase Estimates - Yes
4/1/2015	Member Contribution Rate 3.00%
4/1/2014	Member Contribution Rate 1.50%
2/19/2007	Covered by Act 88
1/1/2002	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2002	6 Year Vesting
1/1/2002	Benefit B-4 (80% max)
1/1/2002	Benefit F55 (With 25 Years of Service)
12/1/1993	Temporary Benefit FAC-3 (3 Year Final Average Compensation) (12/01/1993 - 05/03/1994)
1/1/1993	Flexible E 2% COLA Adopted (01/01/1993)
1/1/1992	Flexible E 2% COLA Adopted (01/01/1992)
4/1/1991	Benefit B-3 (80% max)
1/1/1991	Flexible E 2% COLA Adopted (01/01/1991)
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
1/1/1989	Flexible E 2% COLA Adopted (01/01/1989)
4/1/1988	Benefit C-2/Base B-1
1/1/1988	Flexible E 2% COLA Adopted (01/01/1988)
1/1/1987	Flexible E 2% COLA Adopted (01/01/1987)
7/1/1980	Member Contribution Rate 0.00%
1/1/1980	Member Contribution Rate 1.00%
7/1/1979	Member Contribution Rate 2.00%
7/1/1978	Member Contribution Rate 3.00%
1/1/1974	Benefit C-1 (Old)
10/1/1965	Benefit FAC-5 (5 Year Final Average Compensation)
10/1/1965	10 Year Vesting
10/1/1965	Benefit C (Old)
10/1/1965	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
10/1/1965	Fiscal Month - January
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

### 02 - Public Safety/Union

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2014	Member Contribution Rate 3.00%
1/1/2013	Member Contribution Rate 2.00%
1/1/2012	Member Contribution Rate 1.00%
2/19/2007	Covered by Act 88



**02 - Public Safety/Union**

2/1/1998	Benefit FAC-3 (3 Year Final Average Compensation)
2/1/1998	Benefit B-4 (80% max)
2/1/1998	Benefit F50 (With 25 Years of Service)
12/1/1997	Temporary Benefit B-4 (80% max) (12/01/1997 - 01/31/1998)
1/1/1993	Flexible E 2% COLA Adopted (01/01/1993)
4/1/1992	Benefit B-3 (80% max)
4/1/1992	Benefit F55 (With 25 Years of Service)
1/1/1992	Flexible E 2% COLA Adopted (01/01/1992)
1/1/1991	Flexible E 2% COLA Adopted (01/01/1991)
1/1/1990	Member Contribution Rate 0.00%
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
1/1/1989	Flexible E 2% COLA Adopted (01/01/1989)
1/1/1988	Member Contribution Rate 1.00%
1/1/1988	Flexible E 2% COLA Adopted (01/01/1988)
1/1/1987	Flexible E 2% COLA Adopted (01/01/1987)
7/1/1980	Member Contribution Rate 0.00%
1/1/1980	Member Contribution Rate 1.00%
7/1/1979	Member Contribution Rate 2.00%
7/1/1978	Member Contribution Rate 3.00%
1/1/1974	Benefit C-1 (Old)
10/1/1965	Benefit FAC-5 (5 Year Final Average Compensation)
10/1/1965	10 Year Vesting
10/1/1965	Benefit C (Old)
10/1/1965	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
10/1/1965	Fiscal Month - January
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

**10 - Gnrl NonUnio**

1/1/2017	DC Adoption Date 01-01-2017
1/1/2017	Accelerated to 15-year Amortization
1/1/2017	Benefit B-3 (80% max)
12/31/2016	Frozen FAC
12/1/2016	Service Credit Purchase Estimates - Yes
2/1/2014	Member Contribution Rate 3.00%
2/19/2007	Covered by Act 88
1/1/2001	Benefit F55 (With 25 Years of Service)
2/1/1998	6 Year Vesting
2/1/1998	Benefit B-4 (80% max)
1/1/1993	Flexible E 2% COLA Adopted (01/01/1993)
1/1/1992	Flexible E 2% COLA Adopted (01/01/1992)
1/1/1991	Flexible E 2% COLA Adopted (01/01/1991)
1/1/1991	Benefit B-3 (80% max)
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
1/1/1989	Flexible E 2% COLA Adopted (01/01/1989)
1/1/1988	Flexible E 2% COLA Adopted (01/01/1988)

## 10 - Gnrl NonUnio

7/1/1987	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/1987	Benefit C-2/Base B-1
1/1/1987	Flexible E 2% COLA Adopted (01/01/1987)
7/1/1980	Member Contribution Rate 0.00%
7/1/1980	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1980	10 Year Vesting
7/1/1980	Benefit C-1 (Old)
1/1/1980	Member Contribution Rate 1.00%
7/1/1979	Member Contribution Rate 2.00%
7/1/1978	Member Contribution Rate 3.00%
10/1/1965	Fiscal Month - January
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 11 - Public Safety Un-Lieut

12/1/2016	Service Credit Purchase Estimates - Yes
2/1/2014	Member Contribution Rate 3.00%
1/1/2012	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2012	10 Year Vesting
1/1/2012	Benefit B-4 (80% max)
1/1/2012	Benefit F50 (With 25 Years of Service)
1/1/2012	Member Contribution Rate 0.00%
2/19/2007	Covered by Act 88
10/1/1965	Fiscal Month - January
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 20 - Public Sfty Union aft 01/01/12

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2012	Day of work defined as 8 Hours a Day for All employees.
1/1/2012	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2012	10 Year Vesting
1/1/2012	Benefit B-2
1/1/2012	Benefit F50 (With 25 Years of Service)
1/1/2012	Member Contribution Rate 0.00%
2/19/2007	Covered by Act 88
10/1/1965	Fiscal Month - January
	Defined Benefit Normal Retirement Age - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

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

### Increase in Final Average Compensation

Division	FAC Increase Assumption
All Divisions	3.00%

### Withdrawal Rate Scaling Factor

Division	Withdrawal Rate Scaling Factor
All Divisions	100%

### Miscellaneous and Technical Assumptions

Loads – None.

### Amortization Policy for Closed Divisions

Closed Division	Amortization Option
All Closed Divisions	Accelerated to 15-Year Amortization

Please see the [Appendix](#) on the MERS website for a detailed description of the amortization options available for closed divisions within an open municipality.