

**WORK SESSION AGENDA  
WYOMING CITY COUNCIL MEETING  
CITY COUNCIL CHAMBERS**

**Monday, December 12, 2022, 5:30 P.M.**

- 1) Call to Order**
- 2) Student Recognition**
- 3) Public Comment on Agenda Items (3 minute limit per person)**
- 4) Michigan Homeowner Assistance Fund**
- 5) Location-Based Analytics with Placer.ai**
- 6) Board and Commission Appointments and Reappointments**
- 7) Pension Plan Valuation Report**
- 8) Water Plant Updates**
- 9) Any Other Matters**
- 10) Acknowledgement of Visitors/Public Comment (3 minute limit per person)**
- 11) Closed Session (Real Estate Acquisition)**

## **Memorandum**

Monday, November 21, 2022

**To:** Curtis Holt  
**From:** Traci Shaffer, Treasurer  
**Re:** Participation in MIHAF Program

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Michigan State Housing Development Authority has asked us to become a Michigan Home Owners Assistance Fund (MIHAF) partner in order to accept funds for payment of delinquent water and sewer bills for customers that have applied for assistance through the program.

This program is similar to the Low-Income Household Water Assistance Program (LIHWAP) that we are currently participating in except that it targets homeowners who have housing related hardships and is not for low-income households only. We have been enrolled in the LIHWAP program since December of 2021.

A program coordinator has informed us that there are currently funds for forty (40) Wyoming customers ready to be disbursed upon our enrollment in the program. In addition, we have had several requests from customers regarding our participation in the program. For these reasons I would recommend becoming a partner in the program.

Attached are documents relating to the program.



CITY COUNCIL

Bill VerHulst    Dan Burrill    Kent Vanderwood    Marissa Postler    Robert Postema    Sam Bolt

**Jack A. Poll, Mayor**

# MICHIGAN HOMEOWNER ASSISTANCE FUND

## Program Overview and FAQ

### ABOUT THE MICHIGAN HOMEOWNER ASSISTANCE FUND (MIHAF)

The Michigan Homeowner Assistance Fund (MIHAF) is a statewide program that uses federal resources to provide financial assistance to homeowners who have fallen behind on homeownership-related expenses because of the COVID-19 pandemic.

Funding for the MIHAF program was established under section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

A total of \$242,812,277 was allocated to the State of Michigan to fund the MIHAF program by the U.S. Treasury, which MSHDA anticipates will help more than 8,300 homeowners across the state. Half of the funds have been allocated by the state Legislature, and the remaining approximately \$121 million must be approved at a later date.

### ABOUT MSHDA

The Michigan State Housing Development Authority (MSHDA), established in 1966, serves the people of Michigan by offering financial and technical assistance through public and private partnerships to provide quality housing that is affordable, a cornerstone of diverse, thriving communities.

MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing and also fund home mortgages and home improvement loans. MSHDA also administers various federal housing programs.

### FREQUENTLY ASKED QUESTIONS – MIHAF

#### Q. Who is eligible for MIHAF?

A. To qualify for financial assistance through MIHAF, applicants must be able to show a qualified pandemic-related financial hardship that occurred on or after January 21, 2020. They must currently own and occupy the home as their primary residence and have a household income equal to or less than 150% of area median income.

#### Q. What qualifies as a “pandemic-related financial hardship”?

A. Applicants must have a material reduction in income or a material increase in living expenses stemming from the COVID-19 pandemic that has increased a risk in mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner, such as:

- Attest to a temporary or permanent loss of earned income on or after January 21, 2020; or
- Attest to an increase in living expenses, such as medical expenses, inadequate medical insurance, increase in household size, or costs to reconnect utility services on or after January 21, 2020

**Q. How much financial assistance does MIHAF provide?**

A. Applicants are eligible to receive up to \$25,000 in financial assistance per household. Financial assistance allocated through the MIHAF program will be paid directly to the lender.

**Q. What types of homeownership-related expenses does MIHAF assist with?**

A. Eligible applicants can use MIHAF assistance for:

- Delinquent mortgage/housing expenses, such as delinquent payments, property tax or insurance escrow shortages
- Delinquent land contract payments, mobile home consumer loan payments or contracted mobile home park lot payments
- Delinquent property taxes
- Delinquent condominium/homeowners' association fees
- Delinquent homeowner's insurances, hazard, flood, or mortgage insurance (if not escrowed)
- Delinquent utilities, such as gas, electric, water, and sewer
- Delinquent internet broadband services

**Q. How do you apply for the MIHAF program?**

A. Homeowners interested in applying for financial assistance through MIHAF can visit MSHDA's online application portal [here](#), or call 844-756-4423 for additional information and assistance in the application process.

**Q. When should I apply for MIHAF?**

A. As soon as possible!

**Michigan Homeowner Assistance Fund  
Michigan State Housing Development Authority  
Provider Participation Agreement**

This Participation Agreement (Agreement) made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the Michigan State Housing Development Authority (MSHDA) and \_\_\_\_\_ (Provider), the undersigned, and hereby confirm their mutual agreement on the following principles relating to the Michigan Homeowner Assistance Fund (MIHAF).

RECITALS:

WHEREAS, MSHDA has created a federally funded program under its Michigan Homeowner Assistance Fund (MIHAF) Program; and

WHEREAS the MIHAF program was established to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities, the Provider(s) as described herein, for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of qualified homeowners (“Homeowners”) experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing, for the benefit of those Homeowners; and

WHEREAS, Provider is mortgage-loan servicer, mortgage holder, County Treasurer, land contract vendor, condominium association, or provider of public utilities, to whom one or more debts are owed that are eligible as Qualified Expenses under the MIHAF; and

WHEREAS, if a mortgage-loan servicer or mortgage-holder, Provider is a State, Federal, or national bank regulated by the Federal Reserve, a national bank or federally chartered bank regulated by the Office of the Comptroller of the Currency (OCC), a state bank regulated by the Federal Deposit Insurance Corporation (FDIC), a state or federal chartered credit union regulated by the National Credit Union Administration (NCUA), a state-chartered bank, credit union, or mortgage servicing organization regulated by the Michigan Department of Insurance and Financial Services (DIFS), or a governmental agency, that own the mortgage servicing rights of mortgage loans and services certain mortgage loans for borrowers who may be eligible to participate in the MIHAF program; or

WHEREAS, if a County Treasurer, Provider is the office of the duly designated receipt of real-property taxes for a county of the State of Michigan, with statutory powers of collection and foreclosure pursuant to the General Property Tax Act, Act 206 of 189; or

WHEREAS, if land-contract vendor, Provider is the vendor of an enforceable land contract governing real property located within the State of Michigan, and possessing legitimate powers of forfeiture and/or foreclosure pursuant to Michigan law; or

WHEREAS, if a condominium association, Provider is a legally recognized entity with authority to administer a condominium project located within the State of Michigan, and possessing a power of foreclosure pursuant to the Michigan Condominium Act, Act 59 of 1978; or

WHEREAS, if a provider of public utilities, Provider is an entity that provides electric, gas, home energy, water, internet service, or related goods and services to one or more residential properties within the State of Michigan, possessing a power to discontinue such services in the event of non-payment by the affected residents; and

WHEREAS, the above-defined Provider is able to document their authority to conduct business within the State of Michigan; where Provider is a company, Provider is able to provide a certified copy of Articles of Incorporation/Organization and certificate of Good Standing from the State of Michigan, or comparable verification of legitimate organization, upon request by MSHDA; where Provider is a County Treasurer, Provider is able to provide confirmation of same on County letterhead; where Provider is a land-contract vendor, Provider is able to provide confirmation that Provider is the person or entity eligible to receive payment under the terms of the land contract. If Provider is a non-Michigan business entity, Provider must upon request provide a certified copy of Articles of Incorporation/Organization filed in the State of Michigan, together with a Certificate of Authority to transact business in Michigan; and

WHEREAS Provider desires to participate in the MIHAF Program; and

WHEREAS Provider understands that participation in the MIHAF Program is voluntary and is distinct from Provider's participation in any other local, state, or federal foreclosure prevention, eviction prevention, or utility-access preservation programs; and

WHEREAS Provider and MSHDA desire to enter into this Agreement to set forth certain premises and mutual covenants:

NOW, WHEREFORE, MSHDA and Provider agree as follows:

1. **Application Process.** Homeowners will access the MIHAF Program through an online MIHAF application, or through a secure phone link, using systems established or designated by MSHDA. Provider understands that it will not be involved in determining eligibility for MIHAF Program, and that MSHDA shall make eligibility determinations according to its sole interpretation of MIHAF program guidelines.
2. **Selection/Qualification of Borrowers.** MSHDA shall be responsible for the selection/qualification of Homeowners to receive MIHAF Program funding. Provider may refer potentially eligible borrowers to MSHDA, and Provider is encouraged but not required to market the MIHAF Program. MSHDA shall make marketing materials available to Provider including web graphics and brochures in pdf format. Providers may refer Homeowners to MIHAF's website at [www.michigan.gov/mihaf](http://www.michigan.gov/mihaf) or MIHAF customer service at 844-756-4423 to apply or for MIHAF Program information.
3. **Point of Contact.** MSHDA shall provide a list of key contacts to Provider. Provider agrees to provide a primary and secondary point of contact, and electronic funds transfer information to MSHDA to facilitate communication and transfer of program funds (**Exhibit A**) and shall provide accessible contacts to MIHAF Program eligible Homeowners to address Provider's participation in the MIHAF Program and the administration of MIHAF payments as to Homeowner's accounts with Provider.

4. **ACH Payments.** Provider shall promptly provide ACH transmission information to MSHDA, as described in **Exhibit A**. Provider agrees that all MIHAF payments will be made via ACH.

5. **Information Sharing/Written Authorization.** MSHDA shall be responsible for procuring written authorization from each Homeowner to share information with Provider. A copy of the signed authorization will be provided to Provider through secured e-mail or web portal. Provider agrees to communicate information about the resolution of the assisted Homeowner's deficiency or default including suspension or termination of foreclosure or forfeiture proceedings, or other resolution options, to MSHDA. MSHDA and Provider agree to use a defined automated and secure process to submit borrowers to Provider for workout consideration.

6. **Transmission of Non-Public Personal Information.** All communication that includes a Homeowner's **Nonpublic Personal Information** (as defined below) between MSHDA and Provider shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MSHDA and Provider agree that they will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal information it received from the other party, (b) protect against any anticipated threats or hazards to the security or integrity of such information, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of the Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e ) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act and generally recognized industry standards.

"Nonpublic Personal Information" means any information received from or provided by the other party which pertains to or identifies an individual, such as name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, financial data, medical or health records, personal, gender, political profile, account, and password information.

7. **Homeowner Assistance.** Once a Homeowner is accepted to the MIHAF Program, Provider shall not initiate foreclosure, forfeiture, nor collections, and if the Homeowner is already in the foreclosure, forfeiture, or collections process, shall not continue such process during the term of assistance. In the case of utility assistance, utility service shall be restored. Where a Homeowner's obligations to Provider exceed the maximum assistance that the MIHAF Program will pay on Homeowner's behalf, the MIHAF Program may still pay such benefits for the benefit of the Homeowner, but any agreement addressing the remaining deficiency will be strictly between Provider and Homeowner; neither MSHDA nor the MIHAF Program shall have any further obligation as to such a deficiency, nor shall MSHDA participate in the resolution of, nor be a party to, any agreement resolving such a deficiency. Providers are encouraged but not required to consider mechanisms for addressing such a deficiency that will delay the risk of additional default, such as amortizing the deficiency into future payments due from Homeowner.

MSHDA and Provider agree that all MIHAF Program Homeowner assistance options will be conducted in accordance with the MIHAF program descriptions and requirements detailed in the respective program term sheet(s), which are attached as **Exhibit B** and incorporated herein. Although Homeowner may be eligible for more than one type of relief under the MIHAF Program, Homeowner may only receive such relief one time, and once per home address: there shall be no duplication of relief within the MIHAF program, or between the MIHAF program and any other federal assistance programs. Provider recognizes that the MIHAF program is a federal program administered by the U.S. Treasury, may be subject to program guideline changes issued after the date of this agreement, and agrees to abide by the terms of subsequent or superseding federal guidance.

Provider agrees the program guidelines may be amended by MSHDA from time to time. Provider has reviewed the program term sheet and agrees to comply with all Program guidelines as outlined by MSHDA. MSHDA will notify the primary contact provided by Provider of any program amendments and/or changes. Provider is responsible to obtain any required investor and mortgage insurer approval.

**8. MIHAF Program Approval.** Upon notification by MSHDA that a Homeowner has been conditionally approved for MIHAF, Provider agrees to promptly accept or deny each Homeowner's participation in the MIHAF Program. Provider agrees that denial shall be only for good cause such as pending litigation, potential fraud, bankruptcy restrictions, and foreclosure status or if denied by investor or mortgage insurer for good cause.

**9. MIHAF Program.** Provider agrees to provide timely communication of Homeowner's deficiency status to the MSHDA, including sufficient information to identify that the correct deficiency matched to the correct Homeowner, and the amount owed. Provider agrees to apply MIHAF funds towards principal, interest, taxes, and insurance (collectively PITI). MSHDA agrees Provider may apply such funds towards attorney's fees, late charges and NSF fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked, and other fees and expenses if they are deemed an advance on Program funds towards delinquent property taxes.

**10. Timing.** Provider acknowledges that it is responsible for timely application of MIHAF Program funds. Provider shall hold the Homeowner harmless if payments are not applied timely. Provider agrees that it will timely provide MSHDA with written reports documenting application of MIHAF Program funds or alternatively to provide MSHDA an exception report for any funds that could not be applied. All remaining delinquencies identified after MIHAF funding must be resolved between Homeowner and Provider. The period of performance for MIHAF Program awards begins on the date hereof and ends on September 30, 2026, unless otherwise extended by U.S. Treasury. Provider shall not be eligible to receive MIHAF Program funds after such period of performance ends.

**11. Repayment of Funds.** Where the Homeowner has an ongoing obligation to the Provider that will continue after application of program funds to the deficiency, such as with an ongoing mortgage loan, MSHDA agrees that Provider will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible. If the Provider is eligible to

retain excess funds and overages, those may be retained by Provider and applied for the benefit of the Homeowner's ongoing obligation. Provider may be required by MSHDA to demonstrate how retained excess funds will be applied for the benefit of the homeowner, in such format as MSHDA shall require. If Provider is not eligible to retain and apply excess assistance due to the lack of an ongoing obligation or shall otherwise fail to apply Grant funds to the Homeowner's housing delinquencies, such unapplied funds are the property of MSHDA and shall be promptly returned to Grantor within thirty (30) days of determination of excess funding, but in any event shall not be paid directly to the Homeowner.

**12. Homeowner Actions/Fraud.** Provider agrees to promptly notify MSHDA in writing of any ongoing legal action against a Homeowner, including fraud-related activities.

**13. Cessation of Mortgage Payments.** MSHDA agrees it will promptly provide notice before it ceases payment of MIHAF Program funds to allow Provider time to evaluate the Homeowner for other loss mitigation options.

**14. MIHAF Program Eligibility.** Provider agrees that it is not authorized or empowered to determine and/or communicate to the Homeowner eligibility for MIHAF Program funds. MSHDA agrees that it is not authorized or empowered to determine and/or communicate to the Homeowner eligibility for foreclosure, forfeiture, or shut-off prevention programs of Provider. MSHDA retains sole authority for its MIHAF Program eligibility determination and communication to the Homeowner and Provider. Provider will communicate with Homeowner and MSHDA regarding modification and other Provider-driven approvals.

**15. Provider Legal Compliance Obligations.** Provider recognizes and accepts that the MIHAF Program is a federally funded grant program and acknowledges that failure to abide by MIHAF Program terms may result in recapture of grant funds or other sanctions.

Provider will comply with local, state, and federal laws pertaining to discrimination, including, but not limited to: the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations; Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) and implementing regulations; Title VIII of the Civil Rights Act of 1968 (as amended by the Fair Housing Amendments Act of 1988) and implementing regulations; the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations; Title II of the Americans with Disabilities Act (42 U.S.C. 12101, et seq); the Elliott-Larsen Civil Rights Act; and the Michigan Persons With Disabilities Civil Rights Act.

**16. Termination.** Participation in the MIHAF Program is voluntary, and either Provider or Homeowner may terminate their respective participation agreement without cause, with 30 days written notice, unless or until MIHAF Program funds have been paid to Provider by MSHDA and accepted by Provider for the benefit of the Homeowner. Either party may terminate immediately upon material breach from the other party; in event of such termination, Provider shall accept and apply payments as agreed on behalf of a Homeowner already approved prior to the immediate termination, or shall return applicable assistance funds to MSHDA, at Provider's discretion.

Accepted and agreed to by:

Provider: \_\_\_\_\_

By: \_\_\_\_\_

Print: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Michigan State Housing Development Authority

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**

Provider Contact and ACH Instructions

**EXHIBIT B**

MIHAF Program Term Sheet

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**735 E Michigan Avenue  
Lansing, Michigan 48912**

**Michigan Homeowner Assistance Fund (MIHAF) Provider Contact  
Information  
and ACH Instructions**

MiEncrypt is used to exchange secure communication. The State of Michigan Data Exchange (DEG) is used to send records back and forth. When your MSHDA MIHAF Advisor reaches out to the contacts below, the Provider will be assigned a username and password to access the site. MIHAF will communicate case level detail to the individual listed below using the Common Data File (CDF) or Excel or encrypted email. Approved funds will be deposited into the Depository Financial Institution (DFI) account provided.

**Service Provider Name:**

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**Primary/Management Contact Information:**

(name, phone number, email address)

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**Case Level Contact Information:**

(name, phone number, email address)

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**ACH Instructions for Provider's Depository Financial Institution (DFI):**

DFI Routing-Transit Number \_\_\_\_\_

DFI Name: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Type of Account: \_\_\_\_\_ Checking \_\_\_\_\_ Savings

## STAFF REPORT

Date: December 6, 2022  
To: John McCarter, Deputy City Manager  
From: Paul G. Smith, Planner II  
CC: Nicole Hofert, Director of Community and Economic Development  
Subject: Placer.ai  
Meeting Date: December 12, 2022

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### **RECOMMENDATION:**

It is recommended that City Council authorize the City Manager to enter into a contract with Placer.ai for location-based analytics for a price of \$28,000.

### **COMMUNITY, SAFETY, STEWARDSHIP:**

Placer provides location-based analytics using anonymized cellphone location data. Additionally, place.ai provides census data, psychographic data, and national/state comparisons of tenants. Analysis can be performed by property, tenant, road segment, or custom geofence. This allows staff to collect visitor counts for both properties and events to understand both economic impacts and development opportunities.

Whenever considering location-based data, privacy concerns are understandable. Placer collects location data from user of mobile apps that require opt in, complies with privacy laws both in the US and in Europe, uses a four-step process to ensure that property information cannot be tied back to individuals, and does not offer location data for sensitive locations (e.g. churches, schools, and military facilities).

Staff negotiated a discounted annual fee of \$28,000 that includes unlimited seats and unlimited custom reports.

### **DISCUSSION:**

While Placer was clearly designed for commercial real estate brokers, a growing number of municipalities—including Grand Rapids—use the service. A sample summary report for Roger's Plaza is attached, but there are a number of possible use cases. Community and Economic Development staff will immediately be able to use Placer data to support economic development, to understand the economic impact of events in the City, and to bolster grant applications. Placer data will also be made available to other departments, such as Parks and Recreation or Public Works.

Placer.ai seems to be somewhat unique in offering unlimited queries, unlimited seats, and custom geofences. It does not have the same demographic information on visitors as competitors, but that is due to an emphasis on privacy protection. This also means that its feature seat has been stable even as California and the European Union expand privacy protections.

Staff looks forward to joining with you in presenting this information at the December 12, 2022 City Council Work Session.

**BUDGET IMPACT:**

The necessary funds for this service will require a budget amendment to account 101.400.40000.956 (Planning – Other Services). In the future, it may be possible to share this expense with other departments, but Planning will assume the cost for the first year.

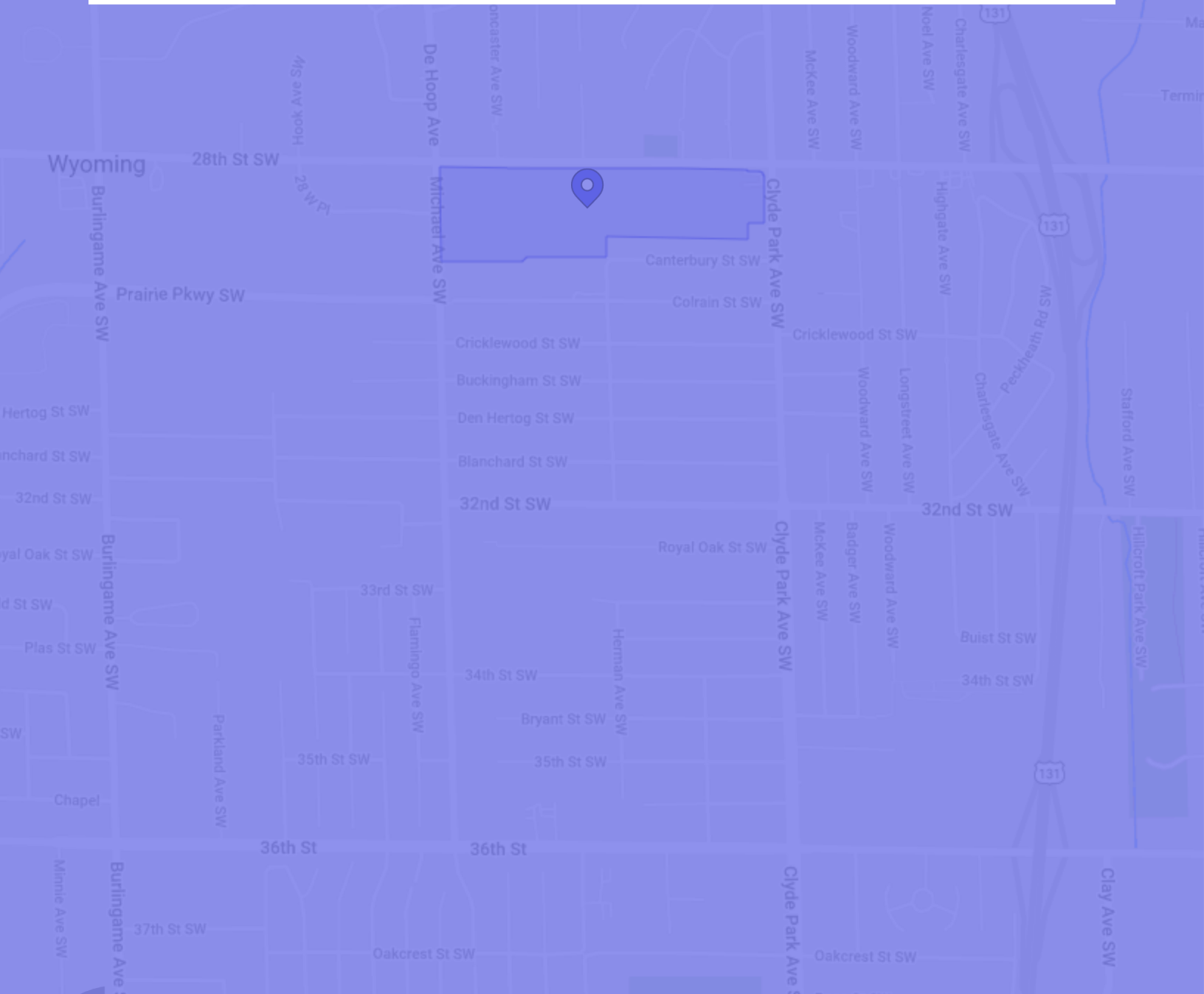
# Property Overview

Aug 1, 2021 - Jul 31, 2022

Property:

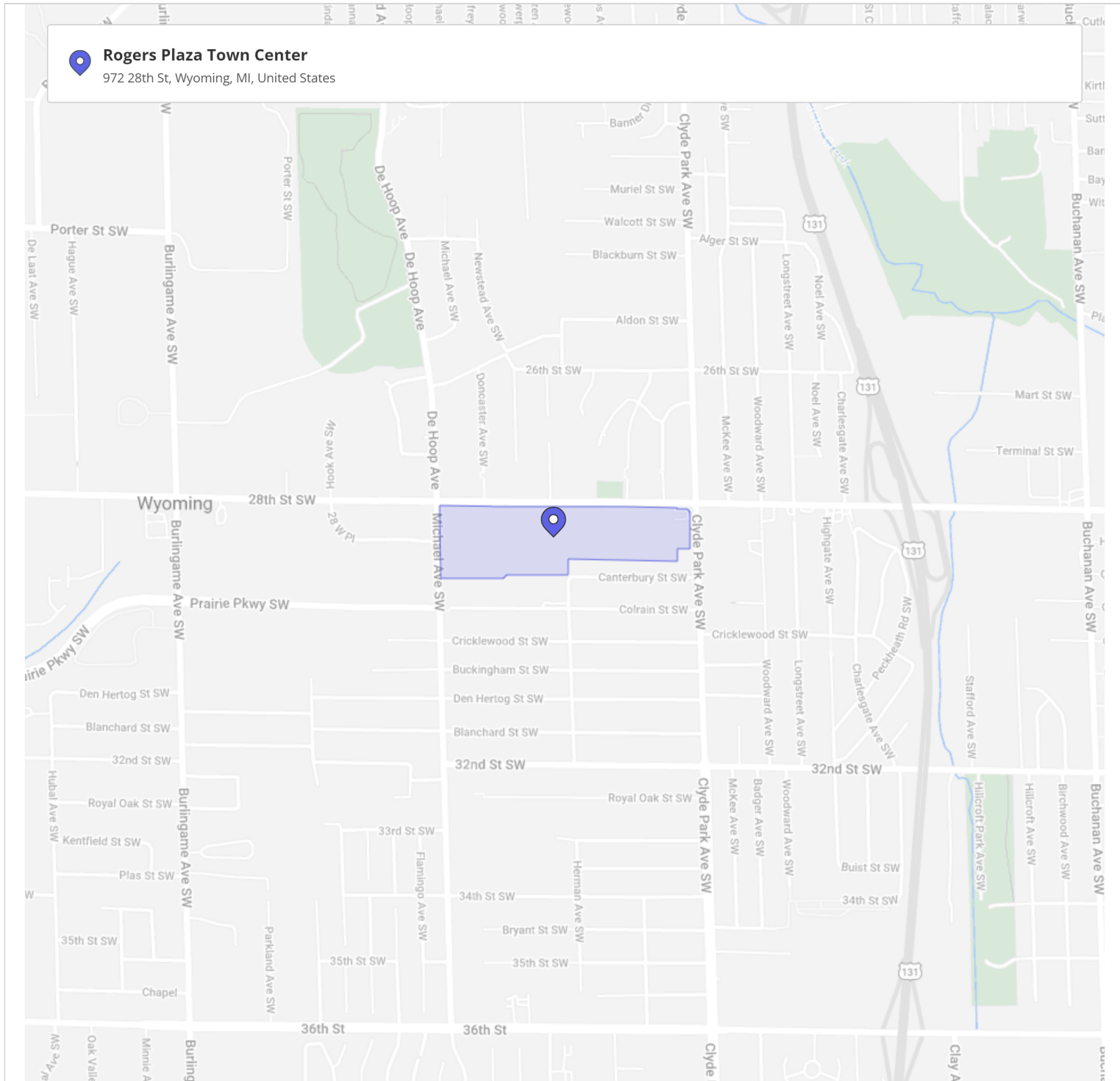


**Rogers Plaza Town Center**  
972 28th St, Wyoming, MI 49509



# Property Overview

Aug 1, 2021 - Jul 31, 2022



# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Metrics

### Rogers Plaza Town Center

972 28th St, Wyoming, MI 49509

|                |      |                 |       |
|----------------|------|-----------------|-------|
| Visits         | 1.7M | Visit Frequency | 4.91  |
| Visits / sq ft | 4.79 | Panel Visits    | 37.4K |
| Visitors       | 357K |                 |       |

Aug 1st, 2021 - Jul 31st, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



## Visits Trend

### Rogers Plaza Town Center

28th St, Wyoming, MI



Daily | Visits | Aug 1st, 2021 - Jul 31st, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))

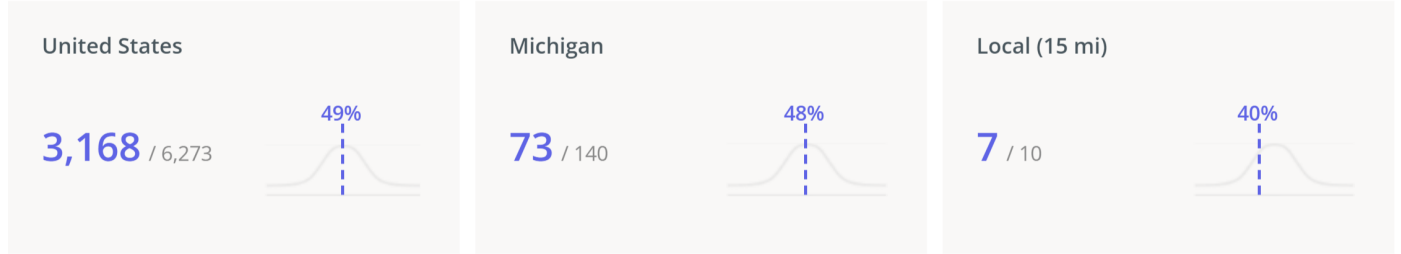


# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Ranking Overview - Category: Community Shopping Centers

Rogers Plaza Town Center / 28th St



Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



















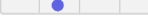







# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Tenants Overview

### Rogers Plaza Town Center

972 28th St, Wyoming, MI 49509


















| Tenants / Category   | Visits        | Visits<br>Chain Rank, Nationwide   | Visits<br>Chain Rank, State   |
|--|---------------|--|---|
|  <b>Planet Fitness</b>   Fitness<br>958 28th St SW, Wyoming, MI, United States                        | 439.7K (+22%) | 598/1.9K (-218)<br> 68% | 39/72 (-13)<br> 47%  |
|  <b>Citi Trends</b>   Clothing<br>1058 28th St SW, Wyoming, MI, United States                         | 139.5K (+16%) | 25/492 (-1)<br> 95%     | 1/17<br> 100%        |
|  <b>Goodwill</b>   Clothing<br>870 28th St SW, Wyoming, MI, United States                             | 135.9K (+14%) | 827/2.1K (-27)<br> 60%  | 14/61<br> 78%        |
|  <b>Mobil</b>   Gas Stations & Convenience Stores<br>800 28th St SW, Wyoming, MI, United States       | 102.9K (+8%)  | 1/3K (+1)<br> 100%      | 1/286<br> 100%       |
|  <b>China Buffet</b>   Restaurants<br>1038 28th St SW, Wyoming, MI, United States                    | 95.2K (+77%)  | 3/5 (-1)<br> 60%       | 1/1<br> 100%        |
|  <b>Harbor Freight Tools</b>   Home Improvement<br>950 28th St SW, Wyoming, MI, United States       | 92.2K (+17%)  | 624/1K (+81)<br> 38%  | 15/35 (+7)<br> 60% |
|  <b>MAYA Mexican Grill &amp; Bar</b>   Restaurants<br>1020 28th St SW, Wyoming, MI, United States   | 86K (+40%)    | N/A  | N/A   |
|  <b>Shoe Show</b>   Clothing<br>1080 28th St SW, Wyoming, MI, United States                         | 78.8K (+8%)   | 11/234 (-2)<br> 95%   | 1/1<br> 100%       |
|  <b>B2 Outlet Stores</b>   Discount & Dollar Stores<br>962-A 28th St SW, Wyoming, MI, United States | 58K           | N/A  | N/A   |
|  <b>Destiny Dental</b>   Doctors' Clinics<br>1124 28th St SW, Wyoming, MI, United States            | 42.8K (+55%)  | N/A  | N/A   |

# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Rogers Plaza Town Center

972 28th St, Wyoming, MI 49509

| Tenants / Category  | Visits          | Visits<br>Chain Rank, Nationwide   | Visits<br>Chain Rank, State  |
|---|-----------------|--|--|
|  <b>AutoZone</b>   Car Shops & Services<br>1148 28th St SW, Wyoming, MI, United States                             | 36.7K (+6,910%) | 2.3K/5.3K (+2686)<br> 55% | 45/184 (+127)<br> 76% |
|  <b>Fifth Third Bank &amp; ATM</b>   Banks & Financial Services<br>2828 Michael Ave SW, Wyoming, MI, United States | 27.8K (+38%)    | 55/737 (+76)<br> 92%      | 9/132 (+3)<br> 93%    |
|  <b>Jet's Pizza</b>   Fast Food & QSR<br>952 28th St SW, Wyoming, MI, United States                                | 25.5K (+3%)     | 20/175 (-4)<br> 89%       | 13/82 (-2)<br> 85%    |
|  <b>Ollie's Bargain Outlet</b>   Discount & Dollar Stores<br>1070 28th St SW, Wyoming, MI, United States           | 25.5K (-2%)     | 395/395 (-59)<br> 0%      | 14/14 (-1)<br> 0%     |
|  <b>SUBWAY</b>   Fast Food & QSR<br>800 28th St SW, Wyoming, MI, United States                                     | 17.8K (+37%)    | 7.8K/10.6K (+605)<br> 26% | 271/386 (+4)<br> 30%  |
|  <b>Queen Latrese Hair and Bundle Factory</b>   Beauty & Spa<br>1072 28th St SW, Wyoming, MI, United States       | 15.5K (+382%)   | N/A  | N/A  |
|  <b>Noble Appliance</b>   Home Improvement<br>830 28th St SW, Wyoming, MI, United States                         | 15.1K           | N/A  | N/A  |

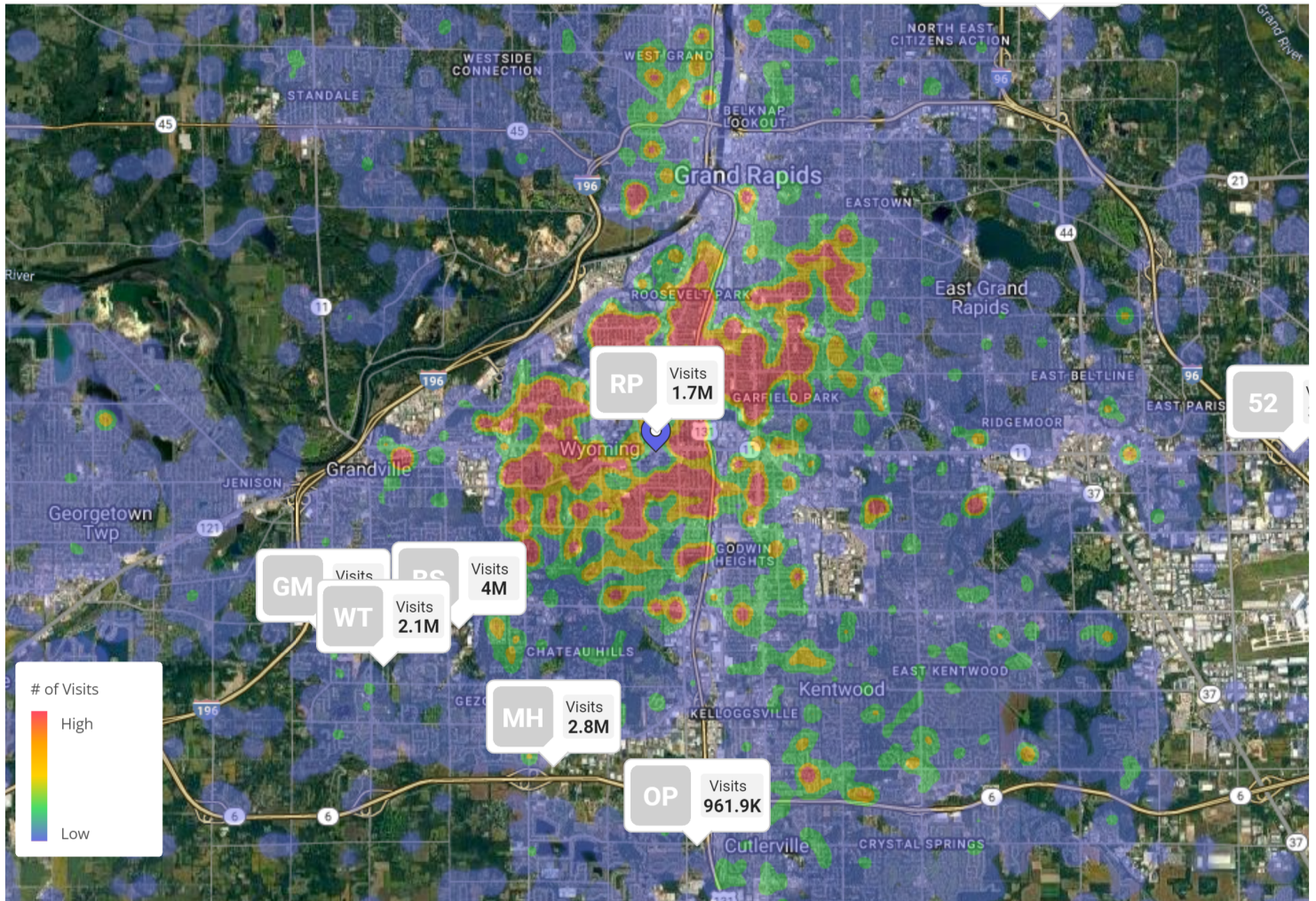
All | Compared to: Aug 1st, 2020 - Jul 31st, 2021 | Aug 1st, 2021 - Jul 31st, 2022  
 Data provided by Placer Labs Inc. (www.placer.ai)



# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Market Landscape



The locations shown are obfuscated for privacy and randomly placed within a census block. They do not represent actual home addresses.

Rogers Plaza Town Center | Aug 1st, 2021 - Jul 31st, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Typical Visitor Persona

Rogers Plaza Town Center



Ethnicity White

Income \$75K - \$100K

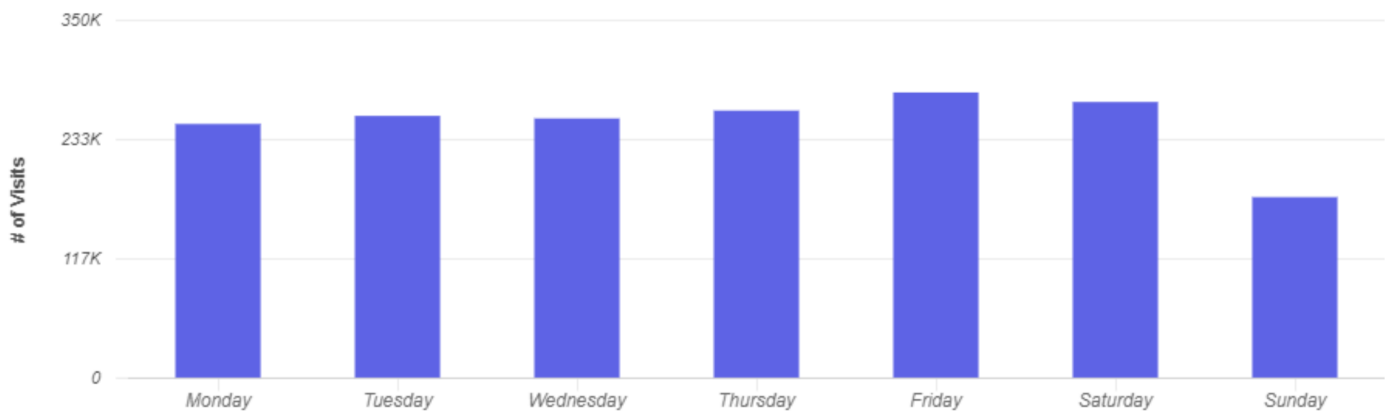
Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



## Daily Visits

### Rogers Plaza Town Center

972 28th St, Wyoming, MI 49509



Visits | Aug 1st, 2021 - Jul 31st, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



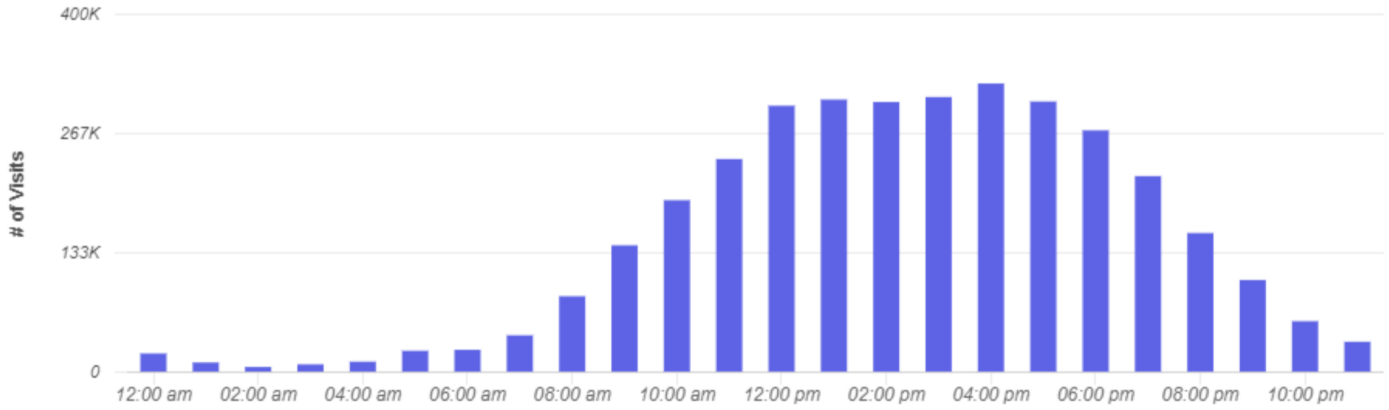
# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Hourly Visits

### Rogers Plaza Town Center

972 28th St, Wyoming, MI 49509



Visits | Aug 1st, 2021 - Jul 31st, 2022

Data provided by Placer Labs Inc. ([www.placer.ai](http://www.placer.ai))



# Property Overview

Aug 1, 2021 - Jul 31, 2022

## Favorite Places

Rogers Plaza Town Center / 28th St, Wyoming, MI

| Rank | Name   | Distance | Visitors       |
|------|--|----------|----------------|
| 1    | RiverTown Crossings / 3700 Rivertown Pkwy, Grandville, MI 49418    | 4.1 mi   | 212K (59.4%)   |
| 2    | Woodland Mall / 3195 28th St SE, Grand Rapids, MI 49512            | 5.1 mi   | 192.2K (53.8%) |
| 3    | The Shops at Centerpoint / 3665 28th St SE, Grand Rapids, MI 49512 | 5.7 mi   | 178.7K (50.1%) |
| 4    | Bucktown / 3048 44th St SW, Grandville, MI 49418                   | 3.2 mi   | 152.8K (42.8%) |
| 5    | Walmart / 355 54th St SW, Wyoming, MI 49548                        | 3.2 mi   | 130.9K (36.7%) |



## STAFF REPORT

Date: December 7, 2022  
Subject: Board and Commission Reappointments  
From: Kelli A. Vandenberg, City Clerk  
Meeting Date: December 12, 2022

---

### BACKGROUND:

City Council Policy requires all board and commission appointments and reappointments to be reviewed at a work session prior to the City Council acting on those appointments and reappointments.

### RECOMMENDATION:

It is recommended the City Council appoint and reappoint the members presented for positions on boards and commissions and recognize those members whose service has concluded.

### COMMUNITY, SAFETY, STEWARDSHIP:

Community – Community is served when (i) community members serve on city boards and commissions, (ii) when board and commission members have needed qualifications and desired abilities and characteristics, and (iii) when boards and commissions broadly reflect the community.

Safety – These actions will have no impact on safety.

Stewardship – These actions will have no impact on stewardship.

### DISCUSSION:

The following board and commission members have been recommended for appointment and reappointment and those being reappointed have expressed interest in continuing in their service:

| Board/Commission                 | Appt/Reappt | Member           | Initial Appt. | Appt'd by: |
|----------------------------------|-------------|------------------|---------------|------------|
| Board of Review                  | Appt        | Jack Poll        | NA            | Mayor      |
| Downtown Development Authority   | Reappt      | Keith Morgan     | 12/20/2021    | Mayor      |
| GWCR                             | Appt        | Krashawn Martin  | NA            | Council    |
| Housing Commission               | Appt        | Diana Ames       | NA            | City Mgr   |
| Housing Commission               | Appt        | Margarita Harris | NA            | City Mgr   |
| Officers Compensation Commission | Appt        | Jack Poll        | NA            | Mayor      |
| Retirement Board                 | Appt        | Robert Arnoys    | NA            | Council    |

Mayor Vanderwood is recommending appointment of Jack Poll to the Board of Review and the Officers Compensation Commission and the reappointment of Keith Morgan to the DDA. The remaining appointees are supported by the staff associated with each board and their applications are attached for your review. Also, while it will be necessary to make several

appointments of councilmembers to various internal and external boards, the appointment of Councilmember Arnoys to the Retirement Board is being presented for consideration now to ensure his participation in that board's annual meeting in January.

The following commission members will not be reappointed and a resolution of appreciation will be prepared for the December 19 City Council meeting to acknowledge their service:

| Board/Commission               | Member          | Appointed on: |
|--------------------------------|-----------------|---------------|
| Board of Review                | James Hake      | 02/20/2012    |
| Downtown Development Authority | Steven Harkema  | 01/11/1999    |
| GWCR                           | Casey VanHattum | 10/19/2020    |
| Housing Board of Appeals       | Carol Lomonaco  | 12/17/2012    |

I look forward to discussing these with you at the City Council Work Session on Monday, December 12 and addressing any questions or concerns that you might have.

ATTACHMENT: Applications

# City of **Wyoming** Michigan

## BOARD/COMMISSION APPLICATION

Board(s) or Commission(s) applying for:

Name: Jack A Poll Home phone: \_\_\_\_\_ Cell phone: [REDACTED]

Home Address: 1035 36th Street Apt A Wyoming Mi 49509

Email Address: [REDACTED]

Business/Occupation: Retired Position: \_\_\_\_\_

Business Address: \_\_\_\_\_

Business Phone: \_\_\_\_\_

Name of Immediate Supervisor: \_\_\_\_\_

Work Experience:

Volunteer Experience and Involvement:

Educational Background:

Reason(s) for wanting to serve on this board or commission:

Board of review  
Officers compensation

Are you able to take time off from your business/occupation to attend a meeting or meetings of a City Board or Commission if it is scheduled during your regular working hours (Y/N)? Yes

Are you a registered voter in the City of Wyoming (Y/N)? Yes

I have resided continuously in the City of Wyoming since: 02/01/1980

What school district do you reside in? Wyoming Public Schools

I agree my application will be reviewed against City records for dues owed and I may be ineligible? YES

Signature: Jack Poll Date: 11/28/2022

*This application will be active for no more than two (2) years. Any applicant wishing to be considered for appointment beyond this time must complete a new application.*

RESUME/APPLICATION

Name: Diana Ames Telephone: [REDACTED]

Home Address: 6659 DEN HERTOG S.W., Wyoming - MI 49519

E-mail Address: [REDACTED]

Applicant for: Housing Commission Board or Commission

Name of your Business/Firm/Occupation: /

Address of Business/Firm/Occupation: /

Business Telephone Number: /

Position: /

Name of Immediate Supervisor: /

Work Experience: Dept. of Social Services, 35 yrs.

Educational Background: 12<sup>th</sup>

Volunteer Experience and Involvement: Wyoming election, WSC

Why would you like to serve on this Board?

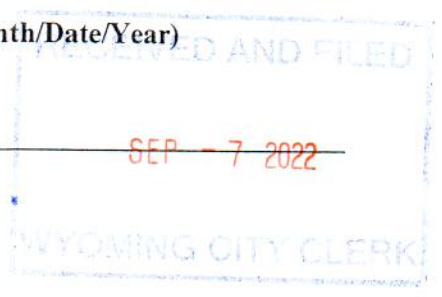
Would you be able to take time off from your business, work or occupation to attend a meeting or meetings of a City Board or Commission if it is scheduled during your regular working hours?  
 Yes  No

Are you a registered elector (voter) in the City of Wyoming?  
 Yes  No

I have resided continuously in the City of Wyoming since: 1972 1985 (Month/Date/Year)

Date: 9-7-22 Signed: Diana Ames

Please return to: Wyoming City Clerk's Office  
1155 - 28th Street, S.W.  
P.O. Box 905  
Wyoming, MI 49509-0905



# City of **Wyoming** Michigan

## BOARD/COMMISSION APPLICATION

**Board(s) or Commission(s) applying for:**

Housing Commission

**Name:** Margarita Faye Harris **Home phone:** [REDACTED] **Cell phone:** \_\_\_\_\_

**Home Address:** 2450 36th St SW Wyoming MI 49519

**Email Address:** [REDACTED]

**Business/Occupation:** NA **Position:** \_\_\_\_\_

**Business Address:** \_\_\_\_\_

**Business Phone:** \_\_\_\_\_

**Name of Immediate Supervisor:** \_\_\_\_\_

**Work Experience:**

Nurse Tech - Mary Freebed - Currently Retired

**Volunteer Experience and Involvement:**

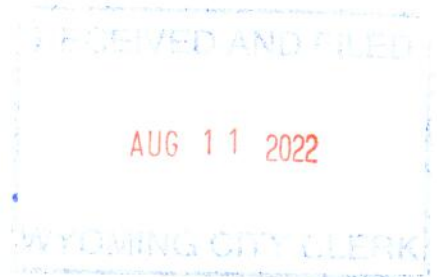
Regularly at Local Church

**Educational Background:**

Associates Degree in Business

**Reason(s) for wanting to serve on this board or commission:**

Enjoy Community Involvement



**Are you able to take time off from your business/occupation to attend a meeting or meetings of a City Board or Commission if it is scheduled during your regular working hours (Y/N)?** Yes

**Are you a registered voter in the City of Wyoming (Y/N)?** Yes

**I have resided continuously in the City of Wyoming since:** 04/02/2021

**What school district do you reside in?** Wyoming Public Schools

**I agree my application will be reviewed against City records for dues owed and I may be ineligible?** YES

**Signature:** Margarita Harris **Date:** 08/11/2022

*This application will be active for no more than two (2) years. Any applicant wishing to be considered for appointment beyond this time must complete a new application.*

City of Wyoming  
Employees Retirement System  
Annual Actuarial Valuation  
as of June 30, 2022





December 2, 2022

Retirement Board  
City of Wyoming Employees Retirement System  
Wyoming, Michigan

**Re: City of Wyoming Employees Retirement System Actuarial Valuation as of June 30, 2022**

Dear Board Members:

The results of the June 30, 2022 Annual Actuarial Valuation of the City of Wyoming Employees Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress and to determine the employer contribution amount for the fiscal year ending June 30, 2024. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The computed contributions shown on page A-2 may be considered as minimum contribution amounts that comply with City ordinance. Users of this report should be aware that contributions made at that level do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the System in excess of those presented in this report be considered.

The contribution amounts shown in this report are determined using the actuarial assumptions and methods disclosed in Section C of this report. This report includes risk metrics in the Appendix, but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment.

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

The findings in this report are based on data and other information through June 30, 2022. The valuation was based upon information furnished by the City of Wyoming, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Wyoming.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Summary of Valuation Methods and Actuarial Assumptions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

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

James D. Anderson and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation and report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



James D. Anderson, FSA, EA, FCA, MAAA



Richard C. Koch Jr., ASA, EA, MAAA

JDA/RCK:ah

C0272



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## **SECTION A**

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### **VALUATION RESULTS, COMMENTS, RECOMMENDATIONS AND CONCLUSION**

## Funding Objective

Per the plan document, the financial objective of the Defined Benefit Plan is to require Employer contributions to the Defined Benefit Plan each year which shall be sufficient to fully fund the actuarial cost of benefits likely to be paid on account of services rendered by participants during the current year and finance the unfunded actuarial cost of benefits likely to be paid on account of services rendered by Participants prior to the current year over a period of years. The contributions shall be computed by the Actuary as level dollar amounts in accordance with generally recognized actuarial principles. The contributions shall be appropriated by Employer and paid to the Defined Benefit Plan.

The annual actuarial valuations determine how well the objective is being met.

## Actuarially Determined Contributions

The Retirement System is supported by City contributions, the investment income obtained on System assets and employee contributions (for certain groups). The City contributes actuarially determined contributions to provide the amount needed to meet the funding objective.

City contributions cover both: (i) normal cost; and (ii) financing of Unfunded Actuarial Accrued Liability over a period of future years. Normal cost is the portion of System costs allocated to the current year by the actuarial cost method described in Section C. The Unfunded Actuarial Accrued Liability (UAAL) is the portion of System costs not covered by present System assets and future normal costs.

The contribution requirements for the fiscal year ending June 30, 2024 are presented on page A-2.

## Computed Contributions for the Fiscal Year Ending June 30, 2024

| City's Contributions for                | Other Funds A | Other Funds B | General    | Police       | Fire       | Total        |
|---|---------------|---------------|------------|--------------|------------|--------------|
| Normal Cost                             |               |               |            |              |            |              |
| Service pensions                        | 12.98 %       | 12.51 %       | 14.38 %    | 15.94 %      | 15.59 %    | 14.36 %      |
| Disability pensions                     | 1.61          | 1.63          | 1.65       | 2.66         | 2.33       | 2.04         |
| Survivor pensions                       | 0.39          | 0.38          | 0.36       | 0.27         | 0.26       | 0.33         |
| Refunds of Member Contributions         | 0.09          | 0.16          | 0.09       | 0.30         | 0.34       | 0.20         |
| Total Normal Cost                       | 15.07         | 14.68         | 16.48      | 19.17        | 18.52      | 16.93        |
| Member Contributions (weighted average) | 1.48          | 1.94          | 1.61       | 5.59         | 6.00       | 3.39         |
| Total Employer Normal Cost %            | 13.59 %       | 12.74 %       | 14.87 %    | 13.58 %      | 12.52 %    | 13.54 %      |
| Total Employer Normal Cost \$           | \$ 141,336    | \$ 239,242    | \$ 207,100 | \$ 344,166   | \$ 69,740  | \$ 1,001,584 |
| Unfunded Actuarial Accrued Liability    |               |               |            |              |            |              |
| Retired members and beneficiaries       | \$ 0          | \$ 0          | \$ 0       | \$ 0         | \$ 0       | \$ 0         |
| Active and vested terminated members    | 199,688       | 330,917       | 329,538    | 722,227      | 105,560    | 1,687,930    |
| Total Unf'd. Actuarial Accr. Liab.      | \$ 199,688    | \$ 330,917    | \$ 329,538 | \$ 722,227   | \$ 105,560 | \$ 1,687,930 |
| City's Projected \$ Requirement         | \$ 341,024    | \$ 570,159    | \$ 536,638 | \$ 1,066,393 | \$ 175,300 | \$ 2,689,514 |

Unfunded Actuarial Accrued Liabilities were amortized as a level dollar amount over a closed 17-year period.

## Determining Dollar Contributions

The City's Projected Dollar Requirement can be used as the only basis for determining contributions throughout the fiscal year. The method of determining dollar contributions should be reviewed periodically for consistency with reporting.



## Determination of Unfunded Accrued Liability as of June 30, 2022

|  | <u>Other Funds A</u> | <u>Other Funds B</u> | <u>General</u> | <u>Police</u> | <u>Fire</u>  | <u>Total</u>  |
|--|----------------------|----------------------|----------------|---------------|--------------|---------------|
| A. Accrued Liability                             |                      |                      |                |               |              |               |
| 1. For retirees and beneficiaries                | \$29,393,199         | \$31,316,674         | \$27,331,176   | \$48,877,503  | \$15,468,249 | \$152,386,801 |
| 2. For vested terminated members                 | 1,936,475            | 1,951,239            | 2,658,009      | 1,614,450     | 820,139      | 8,980,312     |
| 3. For present active members                    |                      |                      |                |               |              |               |
| a. Value of expected future benefit payments     | 7,845,379            | 13,071,886           | 10,680,106     | 20,823,395    | 4,963,363    | 57,384,129    |
| b. Value of future normal costs                  | 953,178              | 1,950,996            | 1,306,931      | 2,979,117     | 663,667      | 7,853,889     |
| c. Active member accrued liability: (a) - (b)    | 6,892,201            | 11,120,890           | 9,373,175      | 17,844,278    | 4,299,696    | 49,530,240    |
| 4. Total accrued liability                       | 38,221,875           | 44,388,803           | 39,362,360     | 68,336,231    | 20,588,084   | 210,897,353   |
| B. Present Assets (Funding Value)                | 36,224,750           | 40,993,497           | 36,028,359     | 60,965,909    | 19,485,564   | 193,698,079   |
| C. Unfunded Accrued Liability: (A.4) - (B)       | 1,997,125            | 3,395,306            | 3,334,001      | 7,370,322     | 1,102,520    | 17,199,274    |
| D. Funding Ratio: (B) / (A.4)                    | 94.8%                | 92.4%                | 91.5%          | 89.2%         | 94.6%        | 91.8%         |
| E. Market Value of Assets <sup>(1)</sup>         | \$34,028,336         | \$38,548,569         | \$33,825,555   | \$57,190,154  | \$18,300,810 | \$181,893,424 |
| F. Funding Ratio: Market Value Basis (E) / (A.4) | 89.0%                | 86.8%                | 85.9%          | 83.7%         | 88.9%        | 86.2%         |

<sup>(1)</sup> Allocation to divisions provided by the City.

## Funding Progress Indicators

Testing how well the financial objective is being met can be done in many ways. There is no single all-encompassing test. The following indicators provide measures of funding achievement.

- (1) ***The actuarial present value of gains or losses realized in the operation of the Retirement System*** - an experience indicator. Gains and losses are expected to cancel each other over a period of years (in the absence of double-digit inflation) but sizable year-to-year fluctuations are common. Further details on the derivation of the gain (loss) are shown on page A-15.

| Valuation<br>Date<br>June 30 | Dollar Amounts in Thousands |                                       |
|------------------------------|-----------------------------|---------------------------------------|
|                              | Valuation<br>Assets         | Experience Indicator                  |
|                              |                             | Experience Gain<br>or (Loss) for Year |
| 2005 (27)*                   | \$ 110,582                  | \$ (2,668)                            |
| 2006 (28)*                   | 113,663                     | (5,307)                               |
| 2007 (29)*                   | 121,400                     | 5,829                                 |
| 2008 (30)*                   | 129,496                     | 1,161                                 |
| 2009 (31)*                   | 129,667                     | (4,089)                               |
| 2010 (32)*                   | 129,277                     | (3,876)                               |
| 2011                         | 131,248                     | (999)                                 |
| 2012 (33)*                   | 129,191                     | (8,336)                               |
| 2013 (34)*                   | 130,037                     | (1,288)                               |
| 2014 (35)*                   | 139,935                     | 3,949                                 |
| 2015 (36)*                   | 149,882                     | 8,086                                 |
| 2016                         | 154,872                     | (594)                                 |
| 2017 (37)*                   | 164,083                     | 4,931                                 |
| 2018                         | 172,671                     | 4,097                                 |
| 2019                         | 177,350                     | 268                                   |
| 2020 (38)*                   | 181,047                     | (820)                                 |
| 2021                         | 191,647                     | 6,082                                 |
| <b>2022</b>                  | <b>193,698</b>              | <b>(3,695)</b>                        |

\* Refer to notes on pages A-6 through A-10.

## Funding Progress Indicators

- (2) **The ratio of valuation assets to the actuarial present value of credited projected benefits (APVCPB)** allocated in the proportion accrued service is to projected total service – an ongoing plan indicator. The ratio is expected to increase in the absence of benefit enhancements. Beginning with the 6/30/98 valuation the accrued liability computed for funding purposes is used in place of the APVCPB.
- (3) **The ratio of the unfunded actuarial present value of credited projected benefits to member payroll** – an ongoing plan indicator. In a soundly financed retirement system, the amount of the unfunded actuarial present value of credited projected benefits will be controlled and prevented from increasing in the absence of benefit enhancements. However, in an inflationary environment it is seldom practical to impose this control on dollar amounts which are depreciating in value. The ratio is a relative index of condition where inflation is present in both items. The ratio is expected to decrease in the absence of benefit enhancements.

| Valuation<br>Date<br>June 30 | Dollar Amounts in Thousands               |                 |   |                            |
|------------------------------|---|-----------------|---|----------------------------|
|                              | Continuation Tests                        |                 |   |                            |
|                              | Actuarial P.V. of<br>Cred. Proj. Benefits | Funded<br>Ratio | Unf'd. Act. P.V. of<br>Cred. Proj. Benefits | Ratio to<br>Member Payroll |
| 2005 (27)*                   | \$ 106,174                                | 104.2 %         | \$ (4,408)                                  | -                          |
| 2006 (28)*                   | 115,225                                   | 98.6            | 1,563                                       | 6.8                        |
| 2007 (29)*                   | 118,313                                   | 102.6           | (3,087)                                     | -                          |
| 2008 (30)*                   | 126,166                                   | 102.6           | (3,330)                                     | -                          |
| 2009 (31)*                   | 130,793                                   | 99.1            | 1,126                                       | 5.5                        |
| 2010 (32)*                   | 135,611                                   | 95.3            | 6,333                                       | 32.4                       |
| 2011                         | 138,810                                   | 94.6            | 7,562                                       | 41.9                       |
| 2012 (33)*                   | 150,963                                   | 85.6            | 21,771                                      | 129.8                      |
| 2013 (34)*                   | 153,449                                   | 84.7            | 23,412                                      | 147.3                      |
| 2014 (35)*                   | 158,867                                   | 88.1            | 18,932                                      | 120.2                      |
| 2015 (36)*                   | 182,644                                   | 82.1            | 32,762                                      | 230.0                      |
| 2016                         | 188,855                                   | 82.0            | 33,983                                      | 281.4                      |
| 2018                         | 192,006                                   | 89.9            | 19,335                                      | 169.4                      |
| 2019                         | 195,661                                   | 90.6            | 18,311                                      | 169.2                      |
| 2020 (38)*                   | 202,000                                   | 89.6            | 20,953                                      | 212.7                      |
| 2021                         | 206,237                                   | 92.9            | 14,590                                      | 165.8                      |
| <b>2022</b>                  | <b>210,897</b>                            | <b>91.8</b>     | <b>17,199</b>                               | <b>218.2</b>               |

\* Refer to notes on pages A-6 through A-10.

The funded status measure shown above is not appropriate for assessing the sufficiency of System assets to cover the estimated cost of settling the System's benefit obligations, nor for assessing the need for, or amount of, future contributions.

## Notes Relating to Funding Progress Indicators

- (1) Includes amendment to Ordinance effective December 1974 (applicable to Police Officers).
- (2) Includes amendment to Ordinance effective July 1, 1977 providing 10-year vesting for Administrative and Supervisory employees.
- (3) Includes amendment to Ordinance providing non-contributory status for Administrative and Supervisory employees, Police Officers and Firefighters.
- (4) Includes amendment to Ordinance providing 10-year vesting and non-contributory status for General employees and an increase in the benefit formulas for General employees and Police Officers. The maximum number of years in the Police Officer formula will be phased-in to 30 years effective July 1, 1988.
- (5) Includes revision of assumed rate of investment return from 5.5% to 6.5%.
- (6) Includes revision of assumed rate of investment return from 6.5% to 7.5%.
- (7) Includes amendment to Ordinance providing 10-year vesting for Firefighters and changes in the benefit formula for all employees.
- (8) Includes change to 2.0% formula factor (from 1.8%) for General members (excluding Dispatchers and Telephone Operators) and Fire Administrative members.
- (9) Includes change from 5-year Final Average Compensation to 3-year Final Average Compensation for General and Fire Administrative members.
- (10) Includes: a) change from 5-year Final Average Compensation to 3-year Final Average Compensation for General members (excluding Dispatchers and Telephone Operators) and Fire members; and b) change to 2.0% formula factor for Fire members.
- (11) Includes: a) change from 10 to 5-year requirement for regular retirement, deferred retirement, non-duty disability and non-duty death benefits for Administrative members in all divisions; and b) increase in formula factor to 2.2% from 2.0% for all Police members and Administrative members in all divisions; to 2.0% from 1.8% for General Dispatchers and Telephone Operators.
- (12) Includes: a) increase in formula factor to 2.2% from 2.0% for all Fire members; increase to 2.1% from 2.0% for General union members; and b) automatic post-retirement increase provision for all Administrative members.

## Notes Relating to Funding Progress Indicators

- (13) Includes: a) early retirement eligibility for Administrative members at age 55 with 5 years of credited service; and b) automatic post-retirement increase provision for Police Command members who retire on or after age 60.
- (14) Includes an increase in formula factor to 2.25% from 2.20% for non-supervisory Police members. The increase in the employer contribution rate for Fire members reflects the retirement of two members whose normal cost had been negligible due to their age and service characteristics.
- (15) Includes an increase in formula factor to 2.2% from 2.1% for General members (excluding Dispatchers and Telephone Operators).
- (16) Includes: a) a change in actuarial cost method from individual attained-age to individual entry-age normal cost; b) an increase in the amortization period for unfunded accrued liability or funding credit to 25 years from 10 years (from 26 years for health); and c) a change in actuarial assumptions, all as recommended in an experience study which covered the period from July 1, 1989 to June 30, 1994. The following benefit provision changes were also included:
- The type of final average salary for General Dispatchers and Telephone Operators changes to the highest 3 consecutive years out of the last 5 years from the highest 5 consecutive years out of the last 10 years; and
  - The Duty Disability benefit for the non-supervisory Police members is now subject to Special Rules as described in an amendment to Schedule D, Section 91.40(6)(c) of the Code of the City of Wyoming.
- (17) Includes the following changes in benefit provisions:
- The formula factor for supervisory Police members increases to 2.25% from 2.20%.
  - The Duty Disability benefit for Police members changes to 50% of final average salary at the time of disability until attaining minimum age for normal retirement. Normal retirement benefit calculations shall include the time the member was receiving disability benefits and will be based on the monthly average the member would have earned during the 36 months preceding normal retirement age if the member was actively employed. The previous Duty Disability benefit for Police members had been computed in the same manner as the regular retirement benefit based on credited service (10-year minimum) and final average salary at time of termination.
- (18) Includes the following changes in benefit provisions:
- The formula factor for all Fire and General members (excluding Dispatchers and Telephone Operators) increases to 2.25% from 2.20%.
  - The early retirement reduction factor for General members changes to .002 from .004.

## Notes Relating to Funding Progress Indicators

- (19) Includes the following changes in benefit provisions:
- The formula factor for all Fire and Administrative members increases to 2.35% from 2.25%.
  - The early retirement reduction factor for Administrative members changes to .002 from .004.
- (20) Includes the following changes in benefit provisions:
- The formula factor for General Dispatchers and Telephone Operators increases to 2.25% from 2.00%.
  - The formula factor for all other General members increases to 2.35% from 2.25%.
  - The formula factor for Police members increases to 2.35% from 2.25%.
  - The premium for post-retirement health insurance payable to age 60 for Police Command members increases to \$10 per month times years of credited service, not to exceed 30 years from \$8 per month times years of credited service, not to exceed 30 years.
- (21) Includes revised demographic and economic assumptions. These assumption changes were adopted by the Retirement Board at their January 22, 2001 meeting.
- (22) Includes new amortization policy as adopted by the Retirement Board specifically at 18-year open period for pension and 30-year open period for post-retirement health costs.
- (23) Includes an increase in the formula factor for Police Patrol to 2.5% from 2.35% and an increase in the contribution rate for Police Patrol to 1.59% from 0%.
- (24) Includes a change in the asset derivation method from a 4-year smoothed market value to a 5-year smoothed market value, along with a change in the amortization period from 18 years to 10 years for pension.
- (25) Includes revision of assumed rate of investment return from 7.5% to 7.75% and closing the amortization period for pension.
- (26) Includes the following changes in benefit provisions:
- Employer right to rehire retirees (Ordinance No. 7-04).
  - Eliminate the early retirement reduction for benefits payable after age 60 if retired under the 2004 Voluntary Retirement Incentive Plan (Ordinance No. 14-04).
  - Establishment of a Deferred Retirement Option Plan (DROP) (Ordinance No. 15-04).
  - Establish separate trust to provide for the funding of retiree medical benefits (Ordinance No. 16-04).

## Notes Relating to Funding Progress Indicators

- (27) Includes the following changes in benefit provisions:
- Changing retirement eligibility for Firefighters from age 55 and 10 years of service to age 50 and 10 years of service.
  - Firefighters must make contributions of 1% of pay.
- (28) Includes the following change in benefit provisions:
- General Administrative members and Firefighters hired after September 6, 2005 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan. As a result, contribution requirements for the General and Fire groups are based on level dollar amortization of unfunded accrued liability. Results for Police continue to be based on level percent of pay amortization.
- (29) Includes the following change in benefit provisions:
- General Non-Administrative members hired after February 6, 2006, Police Command members hired after February 20, 2006, and Police Dispatch members hired after February 7, 2006 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan. Effective July 1, 2007, General Administrative members retiring early after July 1, 2007 will not have their benefit reduced.
- (30) Includes the following changes in benefit provisions:
- The formula factor for Police Patrol increases to 2.7% from 2.5% and the contribution rate for Police Patrol increases to 3.59% from 1.59%.
  - The formula factor for Police Command increases to 2.7% from 2.35% and the contribution rate for Police Command increases to 3.59% from 0%.
  - The formula factor for General Dispatchers and Telephone Operators increases to 2.35% from 2.25%.
  - The automatic post-retirement increases provision is removed for Police Command members retiring after July 1, 2008.
  - Maximum DROP account accumulation period for Police Command members has been reduced to 3 years from 5 years.
  - Police Non-Supervisory members hired after September 4, 2007 will be automatically enrolled in the Defined Contribution plan. They will not participate in this defined benefit plan.
- (31) Includes new amortization policy as adopted by the Retirement Board of 30-year amortization over a closed period.
- (32) The formula factor for Fire increases to 2.7% from 2.35% for a maximum of 30 years, and the member contribution rate increases to 4.00% from 1.00%.
- (33) Includes revised mortality assumptions. These assumption changes were adopted by the Retirement Board. Also includes changes to benefit provisions for non-administrative General members. These changes include reduction of the 2.35% multiplier to 1.95% beginning June 30, 2016.

## Notes Relating to Funding Progress Indicators

- (34) Includes the following changes in benefit provisions:
- General Union members will receive 1.95% of FAS effective June 30, 2016 for all future accrued service, unless they elect to contribute 2% of base wages to keep the 2.35% multiplier.
  - General Union members will no longer count overtime pay as pensionable earnings for purposes of determining benefit amounts.
- (35) Includes the following change in benefit provisions:
- General Administrative members will receive 2.15% of FAS effective July 1, 2016 for accrued service through June 30, 2018 unless they elect to contribute 1% of base wages to keep the 2.35% multiplier, and 1.95% of FAS effective July 1, 2018 for all future accrued service thereafter, unless they elect to contribute 2% of base wages to keep the 2.35% multiplier.
- (36) Includes the following changes in benefit provisions and actuarial assumptions:
- The maximum period of accumulation for benefits in a DROP account was decreased from 5 to 3 years.
  - Actuarial assumptions were updated in accordance with the Experience Study for the period July 1, 2010 to June 30, 2014, including:
    - A decrease in the wage inflation assumption from 4.50% to 3.50%;
    - A decrease in the investment rate of return assumption from 7.75% to 7.25%;
    - Updating the mortality tables to the RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2014 mortality improvement scale; the mortality tables for disabled lives to the RP-2014 Disabled Retirees projected to 2020 using the MP-2014 mortality improvement scale; and the mortality tables for current active employees to the RP-2014 Mortality Tables for Employees projected to 2020 using the MP-2014 mortality improvement scale; and
    - Updating retirement rates for General members.
- (37) Includes the following change in actuarial assumptions:
- The price inflation assumption used was 2.75%. As a result, the COLA rate applied to members eligible for future cost-of-living increases changed from 1.6% annually to 1.1% annually.
- (38) Includes the following changes in actuarial assumptions:
- Actuarial assumptions were updated in accordance with the Experience Study for the period July 1, 2014 to June 30, 2019, including:
    - A decrease in the wage inflation assumption from 3.50% to 3.25%;
    - A decrease in the price inflation assumption from 2.75% to 2.50%;
    - A decrease in the cost-of-living adjustment rate applied to members eligible for future cost-of-living increases from 1.1% to 1.0%;
    - A decrease in the investment rate of return assumption from 7.25% to 7.00%;
    - Updating mortality tables to the Pub-2010 amount-weighted General tables for the General group valuations and the Pub-2010 amount-weighted Safety tables for the Police/Fire groups, in conjunction with the MP-2019 Projection Scale on a fully-generational basis;
    - Updating retirement rates for Police/Fire members;
    - Updating termination rates for General and Police/Fire members; and
    - Updating disability rates for Police/Fire members.

## Comments, Recommendations and Conclusion

**Comment A:** Aggregate experience during the year ending June 30, 2022 was less favorable than assumed, generating an overall experience loss of approximately \$3.7 million as indicated on page A-15. The actuarial loss was approximately 1.8% of the beginning of year Actuarial Accrued Liabilities. The primary sources of the loss include lower than assumed investment returns, cost-of-living adjustments for eligible retirees being higher than assumed and liabilities for new retirees being higher than anticipated.

**Comment B:** The market value of assets and the funding value of assets for each of the employer groups for the June 30, 2022 valuation follow:

|               | Market<br>Value of<br>Assets | Funding<br>Value of<br>Assets |
|---------------|------------------------------|-------------------------------|
| Other Funds A | \$ 34,028,336                | \$ 36,224,750                 |
| Other Funds B | 38,548,569                   | 40,993,497                    |
| General       | 33,825,555                   | 36,028,359                    |
| Police        | 57,190,154                   | 60,965,909                    |
| Fire          | 18,300,810                   | 19,485,564                    |
| Total         | \$ 181,893,424               | \$ 193,698,079                |

**Comment C:** Under Public Act 202 of the State of Michigan, Michigan municipalities are required to report liabilities under uniform assumption guidelines. The recommendations include the following for Fiscal Year 2022:

- Investment return no higher than 6.85%;
- Assumed wage inflation no lower than 3.0%;
- Mortality assumption that uses a version of the Pub-2010 tables with generational mortality improvement using Scale MP-2020; and
- Amortization period no longer than 17 years for Pension Plans and 27 years for Retiree Health Plans.

Separate calculations that satisfy PA 202 reporting requirements for Fiscal Year 2022 were included in the GASB Statements No. 67 and No. 68 valuation provided to the City dated September 8, 2022.

Other Public Act 202 Requirements include:

- The performance of an Experience Study every five years; and
- An actuarial audit every eight years (effective December 20, 2017).

The next scheduled experience study will be performed in 2025 and cover the period from July 1, 2019 to June 30, 2024. GRS will work with the City to ensure compliance with the actuarial audit requirement.

## Comments, Recommendations and Conclusion (Continued)

**Comment D:** As of June 30, 2022, Actuarial Accrued Liability exceeds valuation assets for all groups. Unfunded Actuarial Accrued Liability (UAAL) was amortized as a level dollar amount over a closed 17 year period and added to the computed normal cost.

**Comment E:** Investment income greater than or less than expected based on the investment return assumption is recognized over a five-year period under the current asset valuation method. Due to unfavorable investment performance during prior years, unrecognized investment losses exist that are scheduled to be recognized during each of the next four years. Absent future actuarial gains, this is expected to put upward pressure on the required contribution amounts. The System's funded status would be different if based on the Market Value of Assets instead of the Funding Value of Assets. If the City's required contribution shown on page A-2 (\$2,689,514) had been determined using the Market Value of Assets as of June 30, 2022, the result would have been \$3.9 million.

**Comment F:** The Retirement System has been closed to new members since 2008 and has matured considerably. As such, cash flow needs to be monitored to ensure benefit payments (which are currently about 7% of the market value of assets) can be met. At some point in the future as the System contracts in size, investments will need to be liquidated to cover cash flow shortages – a natural progression of a closed plan. Such liquidations can hamper the plan's ability to earn the same rate of return an ongoing (open) plan could earn. Eventually, the investment return assumption will need to be reviewed.

**Comment G:** Employer contributions were calculated for each of the following five main groupings (subgroups have been included below for informational purposes):

- Other Funds A
  - Motor Pool (MP)
  - Clean Water Plant (CWP)
  - Water Treatment Plan (WTP)
  - Risk
  - Building Inspections (BI)
- Other Funds B
  - Public Works (PW)
  - Parks
  - Housing
- General
- Police
- Fire

**Comment H:** This report reflects the impact of COVID-19 experience through June 30, 2022. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short term. We will continue to monitor these developments and their impact on the System. Actual experience will be reflected in each subsequent funding valuation, as experience emerges.

## Comments, Recommendations and Conclusion (Concluded)

**Ordinance Compliance:** The June 30, 2022 actuarial present value of retirement allowances exceeds the balance in the Reserve for Retired Benefit Payments in total. The Retirement System Ordinance provides for a transfer from the Reserve for Employer Contributions to the Reserve for Retired Benefit Payments to fully fund the retired life liability. Below are the actuarial present values of retirement allowances for each group as of June 30, 2022. This same amount should be shown as a reserve for Retired Benefit Payments in the Retirement System’s accounting.

|               | <b>Reserve for<br/>Retired Benefit Payments<br/>as of June 30, 2022</b> |             |
|---------------|---|-------------|
|               | <hr/>   |             |
| Other Funds A | \$  | 29,393,199  |
| Other Funds B |   | 31,316,674  |
| General       |   | 27,331,176  |
| Police*       |   | 48,877,503  |
| Fire          |   | 15,468,249  |
| Total         | <hr/>   | <hr/>       |
|               | \$  | 152,386,801 |

*\* The reserve for Police Retired Benefit Payments includes \$345,374 in DROP account balance.*

**Conclusion:** It is the actuary’s opinion that the required contribution amounts determined by the most recent actuarial valuation are sufficient to meet the System’s funding objective, presuming continued timely receipt of required contributions.

## Other Observations

### General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets), it is expected that:

- (1) The unfunded actuarial accrued liabilities will be fully amortized after 17 years; and
- (2) The funded status of the plan will increase gradually towards a 100% funded ratio.

### Limitations of Funded Status Measurements

Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the actuarial value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations; in other words, of transferring the obligations to an unrelated third party in an arm's length market value type transaction.
- (2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amounts of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon the actuarial assumptions. A funded status measurement in this report of 100% is not synonymous with no required future contributions. If the funded status were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).
- (3) The measurement would produce a different result if the market value of assets were used instead of the actuarial value of assets, unless the market value of assets is used in the measurement.

### Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

## Pension Experience Gain (Loss) Comparative Schedule

(\$ Amounts in Thousands)

|                                  | Thousands of Dollars |          |          |          |
|----------------------------------|----------------------|----------|----------|----------|
|                                  | Year Ended June 30   |          |          |          |
|                                  | 2022                 | 2021     | 2020     | 2019     |
| (1) UAAL* at start of period     | \$14,590             | \$20,953 | \$18,311 | \$19,335 |
| (2) + Employer Normal cost       | 1,199                | 1,360    | 1,448    | 1,534    |
| (3) + Interest accrual           | 951                  | 1,409    | 1,266    | 1,328    |
| (4) - Employer Contributions     | 3,236                | 3,050    | 3,173    | 3,618    |
| (5) Expected UAAL before changes | 13,504               | 20,672   | 17,852   | 18,579   |
| (6) +/- Change from amendments   | 0                    | 0        | 0        | 0        |
| (7) +/- Change in assumptions    | 0                    | 0        | 2,281    | 0        |
| (8) +/- Change in cost method    | 0                    | 0        | 0        | 0        |
| (9) Expected UAAL after changes  | 13,504               | 20,672   | 20,133   | 18,579   |
| (10) Actual UAAL                 | 17,199               | 14,590   | 20,953   | 18,311   |
| (11) Gain (loss) (9) - (10)      | \$ (3,695)           | \$ 6,082 | \$ (820) | \$ 268   |

\* UAAL: *Unfunded Actuarial Accrued Liability.*

## Unfunded Actuarial Accrued Liability June 30, 2022

|   |    |             |
|---|----|-------------|
| A. Actuarial Accrued Liability          | \$ | 210,897,353 |
| B. Assets allocated to funding          |    | 193,698,079 |
| C. Unfunded Actuarial Accrued Liability | \$ | 17,199,274  |

### City's Computed and Actual Contributions – Comparative Schedule

| Fiscal<br>Year | Valuation<br>Date<br>June 30 | City Dollar Contributions |             | City's Recommended<br>% of Payroll Contributions |
|----------------|------------------------------|---------------------------|-------------|--|
|                |                              | Recommended               | Actual      |  |
| 16/17          | 2015 (36)*                   | \$4,917,556               | \$4,924,584 | 34.52 %  |
| 17/18          | 2016                         | 4,628,523                 | 4,696,431   | 39.40  |
| 18/19          | 2017 (37)*                   | 3,628,289                 | 3,618,125   | 32.04  |
| 19/20          | 2018                         | 3,140,490                 | 3,172,989   | 29.06  |
| 20/21          | 2019                         | 3,036,199                 | 3,050,043   | 29.43  |
| 21/22          | 2020 (38)*                   | 3,228,169                 | 3,235,791   | 34.19  |
| 22/23          | 2021                         | 2,445,601                 |             | 29.24  |
| <b>23/24</b>   | <b>2022</b>                  | <b>2,689,514</b>          |             | <b>36.33</b>                                     |

\* Refer to notes on pages A-6 through A-10.

# Actuarial Balance Sheet June 30, 2022

## Present Resources and Expected Future Resources

|  |                             |
|--|-----------------------------|
| A. Actuarial value of System assets:                     |                             |
| 1. Net assets from System financial statements (market)  | \$181,893,424               |
| 2. Funding value adjustment                              | <u>11,804,655</u>           |
| 3. Actuarial value of assets                             | 193,698,079                 |
| <br>   |                             |
| B. Present value of expected future City Contributions:  |                             |
| 1. For normal costs                                      | 6,268,007                   |
| 2. For unfunded actuarial accrued liability              | <u>17,199,274</u>           |
| 3. Total   | 23,467,281                  |
| <br>   |                             |
| C. Present value of expected future member Contributions | 1,585,882                   |
| <br>   |                             |
| D. Total Present and Expected Future Resources           | <u><u>\$218,751,242</u></u> |

## Present Value of Expected Future Benefit Payments

|  |                             |
|--|-----------------------------|
| A. To retirants and beneficiaries:                                 |                             |
| 1. Annual pensions   | \$152,386,801               |
| 2. Reserve   | <u>none</u>                 |
| 3. Total   | 152,386,801                 |
| <br>   |                             |
| B. To vested terminated members                                    | 8,980,312                   |
| <br>   |                             |
| C. To present active members:                                      |                             |
| 1. Allocated to service rendered prior to valuation date           | 49,530,240                  |
| 2. Allocated to service likely to be rendered after valuation date | <u>7,853,889</u>            |
| 3. Total   | 57,384,129                  |
| <br>   |                             |
| D. Total Present Value of Expected Future Benefit Payments         | <u><u>\$218,751,242</u></u> |

## **SECTION B**

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### **SUMMARY OF BENEFIT PROVISIONS AND VALUATION DATA**

# Summary of Benefit Provisions Evaluated or Considered (June 30, 2022)

## Regular Retirement (no reduction factor for age):

### **Eligibility –**

General: *Other General members age 60 with 10 or more years of credited service.*

*Administrative and Contract members age 60 with 5 or more years of credited service.*

*Emergency Communications Operators members age 55 with 10 or more years of credited service.*

Police: Age 50 with 10 or more years of credited service.

Fire: Age 50 with 10 or more years of credited service.

### **Annual Amount –**

General: *Other General members 2.35% of FAS times credited service (1.95% of FAS beginning June 30, 2016 if they elect not to contribute 2% of base wages).*

*Administrative and Contract members 2.35% of FAS times credited service (2.15% of FAS beginning July 1, 2016 and 1.95% of FAS beginning July 1, 2018 if they elect not to contribute 1% of base wages beginning July 1, 2016 and 2% of base wages beginning July 1, 2018).*

*Emergency Communications Operators members 2.35% of FAS times credited service.*

Police: *Police Command members 2.70% of FAS times credited service up to 30 years.*

*Police Patrol members 2.70% of FAS times credited service up to 30 years.*

Fire: 2.70% of FAS times credited service up to 30 years.

**Final Average Salary (FAS)** – Average of annual compensations for the period of 3 consecutive years producing the highest average and contained within the last 5 years immediately preceding retirement for all units with the exception of Administrative. For Administrative groups, it is the highest 36 consecutive months. Effective July 1, 2016, FAS for 'Other General Members' no longer includes overtime.

## DROP

**Eligibility** – Police Command meeting regular retirement eligibility.

**DROP Account** – Monthly additions of 100% of regular retirement benefit under option elected at time of DROP accumulated at 4% annual interest. Maximum period of accumulation is 3 years.

**Distributions** – Lump sum payment of DROP account at time of exit from employment plus direct payment of future monthly retirement benefits under option elected at time of DROP.



# Summary of Benefit Provisions Evaluated or Considered (June 30, 2022) (Continued)

## Early Retirement (age reduction factor used):

### **Eligibility –**

General: *Other General members* age 55 with 10 or more years of credited service.

*Administrative and Contract members* age 55 with 5 or more years of credited service.

**Annual Amount** – Computed in the same manner as regular retirement amount, but for *Other General members* reduced by .002 for each month age at early retirement precedes regular retirement age. For retirements of *Other General members* on or after June 30, 2016 the reduction shall be .001 if the member has 25 or more years of service. For retirements of *Administrative and Contract members* on or after July 1, 2007, there will be no reduction factor unless they became a member of the unit (transferred from another unit) after July 1, 2007 and have less than 25 years of service.

## Deferred Retirement (vested benefit):

### **Eligibility –**

General: *Other General members* any age with 10 or more years of credited service.

*Administrative and Contract members* any age with 5 or more years of credited service.

*Emergency Communications Operators members* any age with 10 or more years of credited service.

Police: Any age with 10 or more years of credited service.

Fire: Any age with 10 or more years of credited service.

**Annual Amount** – Accrued regular retirement amount based on credited service and FAS at time of termination, payable beginning at age 60 for General, age 50 for Police and age 50 for Fire.

## Duty Disability Retirement:

**Eligibility** – Total and permanent disability incurred in line of duty with the city for which worker's compensation is being paid.

**Annual Amount** – Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination. Minimum service credit used is 10 years.

Police and Fire: Normal retirement benefit calculation will be re-adjusted at normal retirement age (50) to include the time the member was receiving disability benefits and will be based on the monthly average the member would have earned during the 36 months preceding normal retirement age if the member was actively employed.

# Summary of Benefit Provisions Evaluated or Considered (June 30, 2022) (Continued)

## Non-Duty Disability Retirement:

General: *Other General members* total and permanent disability after 10 or more years of credited service.

*Administrative and Contract members* total and permanent disability after 5 or more years of credited service.

*Emergency Communications Operators members* total and permanent disability after 10 or more years of credited service. This unit does not have any active members and this no longer applies.

Police: Total and permanent disability after 10 or more years of credited service.

Fire: Total and permanent disability after 10 or more years of credited service.

**Annual Amount** – Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination.

## Duty Death Before Retirement:

**Eligibility** – Death in line of duty with the city for which worker's compensation is being paid.

**Annual Amount** – Refund of member's accumulated contributions. Amount to surviving spouse and children computed in same manner as the regular retirement amount based on credited service and FAS at time of death with a minimum of 25% of member's FAS. Additional amount to spouse continues to remarriage or death. Additional amount to children continues to earlier of marriage or attainment of age 18 years.

## Non-Duty Death Before Retirement:

**Eligibility** – Any age with 10 or more years of credited service, 5 or more years of credited service for Administrative members.

**Annual Amount** – Option A actuarial equivalent of regular retirement amount based on credited service and FAS at time of death for spouse or qualified dependent. Option C for non-spouse benefit, in absence of spouse or with agreement of spouse.

# Summary of Benefit Provisions Evaluated or Considered (June 30, 2022) (Concluded)

## Member Contributions:

General: *Other General members* 2% of base wages to keep 2.35% multiplier (effective June 30, 2016).

*Administrative and Contract members* 1% of base wages (effective June 30, 2016) and 2% of base wages (effective June 30, 2018) to keep 2.35% multiplier.

Police: *Police Command* 4.59% of gross pay effective July 1, 2015  
5.59% gross of pay effective July 1, 2016

*Police Patrol* 4.59% of gross pay effective July 1, 2015  
5.59% gross of pay effective July 1, 2016

Fire: 4.50% of gross pay effective January 1, 2016  
5.00% gross of pay effective July 1, 2016  
6.00% gross of pay effective July 1, 2017

**City Contributions:** Actuarially determined amounts which are sufficient to cover both (i) normal costs of the plan, and (ii) financing of unfunded actuarial accrued liabilities over a selected period of future years.

**Automatic Post-Retirement Adjustments:** Annual increase for Police Command members (at least 60 years of age who retire after July 1, 1992 and who entered the Police Command Unit on or before July 1, 2008) and Administrative members equal to 40% of the average annual increase in CPI, except in 2007 when contract language specified no increase. Increase is limited to 5% per year.

**Defined Contribution Plan:** The Defined Benefit plan is closed to new hires. New members are automatically enrolled in the Defined Contribution plan.

## Accounting Information Year Ended June 30, 2022

### Revenues:

|  |    |              |
|--|----|--------------|
| a. Member contributions                              | \$ | 288,527      |
| b. City contributions                                |    |              |
| 1. For pensions                                      |    | 3,235,791    |
| 2. For DROP plan contribution                        |    | 215,545      |
| c. Investment income                                 |    |              |
| 1. Interest and dividends                            |    | 4,693,402    |
| 2. Gain or (loss) on sales (realized and unrealized) |    | (28,121,146) |
| 3. Amortization of premiums and discounts            |    | none         |
| 4. Other – miscellaneous                             |    | 8,392        |
|  |    | 8,392        |
| d. Total   | \$ | (19,679,489) |

### Expenditures:

|   |    |            |
|---|----|------------|
| a. Benefits paid, including refunds of member contributions | \$ | 13,265,774 |
| b. DROP plan distributions                                  |    | 0          |
| c. Other expenses   |    | 689,931    |
|   |    | 689,931    |
| d. Total  | \$ | 13,955,705 |

### Reserve Increase:

|   |    |              |
|---|----|--------------|
| Total revenues minus total expenditures | \$ | (33,635,194) |
|---|----|--------------|

## Assets and Reserves June 30, 2022

### Assets: (at market value)

|                            |    |                |
|----------------------------|----|----------------|
| a. Cash                    | \$ | 2,105,075      |
| b. Receivables             |    | (924,440)      |
| c. Government issues       |    | 37,417,700     |
| d. Corporate bonds         |    | 14,065,370     |
| e. Equities                |    | 109,575,611    |
| f. Real estate investments |    | 21,015,671     |
| g. Liabilities             |    | (1,361,563)    |
| Total                      |    | \$ 181,893,424 |

### Reserve Accounts:

|  |    |             |
|--|----|-------------|
| a. Member contributions                | \$ | 2,538,128   |
| b. Reserve for benefits now being paid |    | 142,488,554 |
| c. Pension Reserve                     |    | 36,521,368  |
| d. DROP Plan Reserve                   |    | 345,374     |
| Total                                  | \$ | 181,893,424 |

## Derivation of Smoothed Market Value Based on 20% Recognition of the Difference Between the Market Rate of Return and the Projected Rate of Return

|  | Year Ended June 30 |               |               |               |               |                |                |                |                |  |
|--|--------------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|--|
|  | 2018               | 2019          | 2020          | 2021          | 2022          | 2023           | 2024           | 2025           | 2026           |  |
| Beginning of Year:   |                    |               |               |               |               |                |                |                |                |  |
| (1) Market Value   | \$166,842,164      | \$175,302,979 | \$178,815,918 | \$178,941,996 | \$215,528,618 |                |                |                |                |  |
| (2) Valuation Assets   | 164,082,938        | 172,670,775   | 177,350,053   | 181,047,037   | 191,646,536   |                |                |                |                |  |
| End of Year:   |                    |               |               |               |               |                |                |                |                |  |
| (3) Market Value   | 175,302,979        | 178,815,918   | 178,941,996   | 215,528,618   | 181,893,424   |                |                |                |                |  |
| (4) Net Additions to Assets, Excluding<br>Investment Income & Admin. Expense | (5,551,804)        | (7,111,997)   | (8,025,278)   | (9,168,558)   | (9,525,911)   |                |                |                |                |  |
| (5) Total Investment Income<br>= (3) - (1) - (4)                             | 14,012,619         | 10,624,936    | 8,151,356     | 45,755,180    | (24,109,283)  |                |                |                |                |  |
| (6) Projected Rate of Return   | 7.25%              | 7.25%         | 7.25%         | 7.00%         | 7.00%         | 7.00%          |                |                |                |  |
| (7) Projected Investment Income<br>= (6) x [(2) + .5 x (4)]                  | 11,694,760         | 12,260,821    | 12,566,963    | 12,352,393    | 13,081,851    |                |                |                |                |  |
| (8) Investment Income in Excess of<br>Projected Income<br>= (5)-(7)          | 2,317,859          | (1,635,885)   | (4,415,607)   | 33,402,787    | (37,191,134)  |                |                |                |                |  |
| (9) Excess Investment Income Recognized<br>This Year (5-year recognition)    |                    |               |               |               |               |                |                |                |                |  |
| (9a) From This Year  | 463,572            | (327,177)     | (883,121)     | 6,680,557     | (7,438,227)   |                |                |                |                |  |
| (9b) From One Year Ago   | 1,481,834          | 463,572       | (327,177)     | (883,121)     | 6,680,557     | \$ (7,438,227) |                |                |                |  |
| (9c) From Two Years Ago  | (1,579,808)        | 1,481,834     | 463,572       | (327,177)     | (883,121)     | 6,680,557      | \$ (7,438,227) |                |                |  |
| (9d) From Three Years Ago  | (507,963)          | (1,579,808)   | 1,481,834     | 463,572       | (327,177)     | (883,121)      | 6,680,557      | \$ (7,438,227) |                |  |
| (9e) From Four Years Ago   | 2,587,246          | (507,967)     | (1,579,809)   | 1,481,833     | 463,571       | (327,177)      | (883,123)      | 6,680,559      | \$ (7,438,226) |  |
| (10) Total Recognized Investment Gain  | 2,444,881          | (469,546)     | (844,701)     | 7,415,664     | (1,504,397)   | (1,967,968)    | (1,640,793)    | (757,668)      | (7,438,226)    |  |
| (11) Change in Valuation Assets<br>= (4) + (7) + (10)                        | 8,587,837          | 4,679,278     | 3,696,984     | 10,599,499    | 2,051,543     |                |                |                |                |  |
| End of Year:   |                    |               |               |               |               |                |                |                |                |  |
| (3) Market Value   | 175,302,979        | 178,815,918   | 178,941,996   | 215,528,618   | 181,893,424   |                |                |                |                |  |
| (11) Valuation Assets = (2)+(10)   | 172,670,775        | 177,350,053   | 181,047,037   | 191,646,536   | 193,698,079   |                |                |                |                |  |
| (12) Valuation Assets Net HI Reserve   | 172,670,775        | 177,350,053   | 181,047,037   | 191,646,536   | 193,698,079   |                |                |                |                |  |
| Rate of Return Based on Smoothed Method                                      | 8.8%               | 7.0%          | 6.8%          | 11.2%         | 6.2%          |                |                |                |                |  |
| Ratio of Market Value to Valuation Assets                                    | 101.5%             | 100.8%        | 98.8%         | 112.5%        | 93.9%         |                |                |                |                |  |
| Market Value Rate of Return  | 8.5%               | 6.2%          | 4.7%          | 26.2%         | (11.4)%       |                |                |                |                |  |



## Retirants and Beneficiaries June 30, 2022 Comparative Schedule

| Year Ended June 30 | Added to Rolls |                  | Removed from Rolls |                 | Rolls End of Year |                   |
|--------------------|----------------|------------------|--------------------|-----------------|-------------------|-------------------|
|                    | No.            | Annual Pensions  | No.                | Annual Pensions | No.               | Annual Pensions   |
| 1990               | 12             | \$ 192,440       | 3                  | \$ 22,098       | 98                | \$ 791,506        |
| 1995               | 23             | 418,540          | 6                  | 55,242          | 154               | 1,892,941         |
| 2000               | 11             | 199,220          | 5                  | 30,242          | 194               | 3,023,578         |
| 2005               | 28             | 657,467          | 10                 | 153,882         | 260               | 4,920,041         |
| 2010               | 22             | 570,153          | 11                 | 77,710          | 295               | 6,629,097         |
| 2011               | 20             | 686,316          | 7                  | 165,129         | 308               | 7,150,284         |
| 2012               | 31             | 1,009,472        | 7                  | 91,020          | 332               | 8,068,736         |
| 2013               | 18             | 573,312          | 10                 | 193,959         | 340               | 8,448,089         |
| 2014               | 17             | 490,598          | 5                  | 84,647          | 352               | 8,854,040         |
| 2015               | 24             | 759,892          | 12                 | 277,462         | 364               | 9,336,470         |
| 2016               | 23             | 807,589          | 6                  | 86,335          | 381               | 10,057,724        |
| 2017               | 30             | 691,245          | 12                 | 231,777         | 399               | 10,517,192        |
| 2018               | 16             | 599,747          | 13                 | 267,391         | 402               | 10,849,548        |
| 2019               | 20             | 739,196          | 11                 | 228,443         | 411               | 11,360,301        |
| 2020               | 19             | 770,729          | 7                  | 109,119         | 423               | 12,021,911        |
| 2021               | 35             | 1,267,280        | 16                 | 378,977         | 442               | 12,910,214        |
| <b>2022</b>        | <b>22</b>      | <b>1,077,106</b> | <b>11</b>          | <b>221,454</b>  | <b>453</b>        | <b>13,765,866</b> |

The June 30, 2022 end of year retiree count and total pension amount includes 5 DROP participants with annual benefits of \$311,200.

## Retirants and Beneficiaries June 30, 2022 Comparative Schedule

| Year Ended June 30 | % Incr. in Annual Pensions | No. of Active Per Retired | Pensions as % of Active Payroll | Average Annual Pension | Discounted Value of Pensions |                |
|--------------------|----------------------------|---------------------------|---------------------------------|------------------------|------------------------------|----------------|
|                    |                            |                           |                                 |                        | Total                        | Average        |
| 1990               | 27.4 %                     | 3.6                       | 7.3 %                           | \$ 8,077               | \$ 7,943,958                 | \$ 81,061      |
| 1995               | 23.8                       | 2.3                       | 13.9                            | 12,292                 | 19,800,632                   | 128,576        |
| 2000               | 5.9                        | 2.3                       | 15.1                            | 15,585                 | 31,171,607                   | 160,678        |
| 2005               | 16.3                       | 1.5                       | 23.6                            | 18,923                 | 48,061,939                   | 184,854        |
| 2010               | 8.0                        | 1.1                       | 33.9                            | 22,472                 | 64,018,512                   | 217,012        |
| 2011               | 7.9                        | 0.9                       | 39.6                            | 23,215                 | 69,160,462                   | 224,547        |
| 2012               | 12.8                       | 0.8                       | 48.1                            | 24,303                 | 81,377,089                   | 245,112        |
| 2013               | 4.7                        | 0.7                       | 53.2                            | 24,847                 | 84,667,701                   | 249,023        |
| 2014               | 4.8                        | 0.6                       | 56.2                            | 25,154                 | 88,106,433                   | 250,302        |
| 2015               | 5.4                        | 0.6                       | 65.5                            | 25,650                 | 105,648,228                  | 290,242        |
| 2016               | 7.7                        | 0.4                       | 83.3                            | 26,398                 | 114,414,851                  | 300,301        |
| 2017               | 4.6                        | 0.4                       | 89.1                            | 26,359                 | 116,250,580                  | 291,355        |
| 2018               | 3.2                        | 0.4                       | 95.1                            | 26,989                 | 119,492,579                  | 297,245        |
| 2019               | 4.7                        | 0.3                       | 104.9                           | 27,641                 | 125,447,123                  | 305,224        |
| 2020               | 5.8                        | 0.3                       | 122.0                           | 28,421                 | 132,086,482                  | 312,261        |
| 2021               | 7.4                        | 0.2                       | 146.7                           | 29,209                 | 142,613,389                  | 322,655        |
| <b>2022</b>        | <b>6.6</b>                 | <b>0.2</b>                | <b>174.7</b>                    | <b>30,388</b>          | <b>152,386,801</b>           | <b>336,395</b> |

The June 30, 2022 end of year retiree count and total pension amount includes 5 DROP participants with annual benefits of \$311,200.

## Retirants and Beneficiaries June 30, 2022

| Number | Averages     |                |                        | New Retirants During 21/22 |                |
|--------|--------------|----------------|------------------------|----------------------------|----------------|
|        | Attained Age | Retirement Age | Current Annual Pension | Averages Age               | Annual Pension |
| 453    | 70.1         | 56.7           | \$30,388               | 53.5                       | \$50,329       |

### Tabulated by Valuation Divisions

| Divisions     | No.       | Annual Pensions  |
|---------------|-----------|------------------|
| Other Funds A | 95        | \$ 2,810,742     |
| Other Funds B | 102       | 2,905,431        |
| General       | 98        | 2,441,214        |
| Police        | 114       | 4,237,569        |
| Fire          | <u>44</u> | <u>1,370,910</u> |
| Totals        | 453       | \$ 13,765,866    |

The June 30, 2022 Police retiree count and total pension amount includes 5 DROP participants with annual benefits of \$311,200.

## Retirants and Beneficiaries June 30, 2022

| Type of Pensions Being Paid   | No.        | Annual Pensions      |
|---|------------|----------------------|
| <b>Age and Service</b>  |            |                      |
| Straight Life Pension -<br>benefit terminating at death of retirant | 135        | \$ 3,865,036         |
| 10-Year Certain   | 20         | 599,904              |
| Option A Pension – joint and survivor benefit                       | 152        | 5,269,694            |
| Option B Pension – modified joint and survivor benefit              | 56         | 2,083,449            |
| Survivor Beneficiary  | 51         | 981,012              |
| <b>Total Age and Service Pensions</b>                               | <b>414</b> | <b>\$ 12,799,095</b> |
| <b>Casualty Pensions</b>  |            |                      |
| Duty Disability   |            |                      |
| Straight Life   | 2          | \$ 58,843            |
| 10-Year Certain   | 3          | 115,168              |
| Option A  | 7          | 199,917              |
| Option B  | 4          | 95,977               |
| Survivor  | 2          | 4,329                |
| Non Duty Disability   |            |                      |
| Straight Life   | 2          | 24,376               |
| 10-Year Certain   | 2          | 60,510               |
| Option A  | 1          | 22,818               |
| Option B  | 1          | 33,131               |
| Survivor  | 10         | 179,286              |
| Non Duty Death - Spouse   | 5          | 172,416              |
| <b>Total Casualty Pensions</b>                                      | <b>39</b>  | <b>966,771</b>       |
| <b>Total Pensions Being Paid</b>                                    | <b>453</b> | <b>\$ 13,765,866</b> |

The June 30, 2022 Police retiree count and total pension amount includes 5 DROP participants with annual benefits of \$311,200.



## Retirants and Beneficiaries June 30, 2022 Tabulated by Attained Age

| Attained<br>Age | No.        | Annual<br>Pensions   |
|-----------------|------------|----------------------|
| 30 - 34         | 1          | \$ 83,174            |
| 35 - 39         | 0          | 0                    |
| 40 - 44         | 1          | 9,628                |
| 45 - 49         | 3          | 63,126               |
| 50 - 54         | 30         | 1,445,161            |
| 55 - 59         | 45         | 1,700,868            |
| 60 - 64         | 48         | 1,642,793            |
| 65 - 69         | 104        | 3,392,980            |
| 70 - 74         | 92         | 2,639,774            |
| 75 - 79         | 48         | 1,077,652            |
| 80 - 84         | 39         | 960,948              |
| 85 - 89         | 29         | 545,743              |
| 90              | 5          | 97,449               |
| 91              | 1          | 20,852               |
| 92              | 1          | 4,620                |
| 93              | 1          | 12,065               |
| 94              | 1          | 7,943                |
| 95              | 1          | 26,371               |
| 98              | 1          | 15,026               |
| 99              | 2          | 19,693               |
| <b>Totals</b>   | <b>453</b> | <b>\$ 13,765,866</b> |

The June 30, 2022 Police retiree count and total pension amount includes 5 DROP participants with annual benefits of \$311,200.

## Inactive Vested Members Included in Valuation June 30, 2022

| Attained<br>Age | No.       | Estimated Deferred<br>Annual Pensions |
|-----------------|-----------|---------------------------------------|
| 44              | 2         | \$ 37,309                             |
| 45              | 1         | 12,509                                |
| 47              | 1         | 12,763                                |
| 48              | 6         | 127,464                               |
| 49              | 8         | 192,229                               |
| 50              | 1         | 21,665                                |
| 51              | 3         | 50,885                                |
| 52              | 6         | 101,101                               |
| 53              | 2         | 95,093                                |
| 54              | 6         | 140,378                               |
| 55              | 5         | 108,739                               |
| 57              | 2         | 34,175                                |
| 58              | 3         | 65,857                                |
| 59              | 1         | 36,838                                |
| 64              | 1         | 14,015                                |
| 67              | 1         | 2,853                                 |
| <b>Totals</b>   | <b>49</b> | <b>\$1,053,873</b>                    |

*Inactive vested* members included in the valuation totaled 49 with estimated deferred pensions of \$1,053,873. The table above includes 8 active members who elected to freeze their defined benefit as of June 30, 2016 and enter the defined contribution plan beginning July 1, 2016.

## Active Members June 30, 2022 Tabulated by Valuation Divisions

| Valuation Divisions         | No.       | Annual Payroll     |
|-----------------------------|-----------|--------------------|
| Other Funds A               | 14        | \$1,113,573        |
| Other Funds B               | 25        | 1,875,948          |
| General                     | 18        | 1,519,391          |
| Police Officers             | 26        | 2,699,860          |
| Fire                        | 7         | 672,029            |
| <b>Total Active Members</b> | <b>90</b> | <b>\$7,880,801</b> |

## Number Added to and Removed from Active Membership

| Year<br>Ended<br>June 30 | Number<br>Added<br>During<br>Year |          | Terminations During Year |            |          |            |                     |            |                     |            | Active<br>Members<br>End of<br>Year |
|--------------------------|-----------------------------------|----------|--------------------------|------------|----------|------------|---------------------|------------|---------------------|------------|-------------------------------------|
|                          | A                                 | E        | Retirement               |            | Disabled |            | Died-in-<br>Service |            | Other<br>Withdrawal |            |                                     |
|                          |                                   |          | A                        | E          | A        | E          | A                   | E          | A                   | E          |                                     |
| 2003                     | 20                                | 20       | 9                        | 6.7        | 1        | 1.5        | 0                   | 0.9        | 10                  | 12.7       | 446                                 |
| 2004                     | 6                                 | 14       | 6                        | 8.3        | 0        | 1.4        | 1                   | 1.0        | 7                   | 12.0       | 438                                 |
| 2005                     | 5                                 | 45       | 17                       | 8.7        | 1        | 1.5        | 0                   | 1.0        | 27                  | 10.3       | 398                                 |
| 2006                     | 11                                | 14       | 4                        | 9.1        | 1        | 1.5        | 1                   | 1.0        | 8                   | 7.9        | 395                                 |
| 2007                     | 6                                 | 13       | 8                        | 10.4       | 0        | 1.6        | 1                   | 1.1        | 4                   | 7.0        | 388                                 |
| 2008                     | 0                                 | 31       | 13                       | 11.2       | 1        | 1.6        | 1                   | 1.2        | 16                  | 5.9        | 357                                 |
| 2009                     | 0                                 | 0        | 11                       | 11.5       | 1        | 1.7        | 1                   | 1.2        | 11                  | 4.5        | 333                                 |
| 2010                     | 0                                 | 0        | 15                       | 10.4       | 0        | 1.6        | 0                   | 1.2        | 6                   | 3.6        | 312                                 |
| 2011                     | 1                                 | 0        | 14                       | 9.5        | 3        | 1.5        | 0                   | 1.2        | 14                  | 2.8        | 282                                 |
| 2012                     | 0                                 | 0        | 24                       | 10.8       | 0        | 1.3        | 0                   | 1.1        | 5                   | 2.2        | 253                                 |
| 2013                     | 0                                 | 0        | 8                        | 7.8        | 1        | 1.2        | 0                   | 0.6        | 10                  | 1.9        | 234                                 |
| 2014                     | 0                                 | 0        | 9                        | 9.8        | 1        | 1.2        | 0                   | 0.6        | 2                   | 1.6        | 222                                 |
| 2015                     | 0                                 | 0        | 11                       | 11.5       | 2        | 1.2        | 0                   | 0.6        | 4                   | 1.4        | 205                                 |
| 2016                     | 1                                 | 0        | 17                       | 12.0       | 1        | 1.2        | 0                   | 0.3        | 22                  | 1.2        | 166                                 |
| 2017                     | 0                                 | 0        | 6                        | 9.5        | 1        | 1.2        | 0                   | 0.2        | 1                   | 1.0        | 158                                 |
| 2018                     | 0                                 | 0        | 7                        | 10.5       | 1        | 1.0        | 0                   | 0.2        | 2                   | 0.8        | 148                                 |
| 2019                     | 0                                 | 0        | 11                       | 11.6       | 1        | 0.9        | 0                   | 0.2        | 0                   | 0.7        | 136                                 |
| 2020                     | 1                                 | 0        | 13                       | 9.6        | 0        | 0.8        | 0                   | 0.2        | 4                   | 0.6        | 120                                 |
| 2021                     | 1                                 | 0        | 13                       | 7.4        | 3        | 0.8        | 0                   | 0.2        | 1                   | 0.6        | 104                                 |
| <b>2022</b>              | <b>0</b>                          | <b>0</b> | <b>13</b>                | <b>6.4</b> | <b>1</b> | <b>0.7</b> | <b>0</b>            | <b>0.2</b> | <b>0</b>            | <b>0.5</b> | <b>90</b>                           |
| Last 10 Years            | 3                                 | 0.0      | 108                      | 96.1       | 12       | 10.2       | 0                   | 3.3        | 46                  | 10.3       |                                     |

## Active Members June 30, 2022 Comparative Schedule

| Valuation Date | Active Members               |                              |           |           |          | Total     | Valuation Payroll | Average             |             |               |
|----------------|------------------------------|------------------------------|-----------|-----------|----------|-----------|-------------------|---------------------|-------------|---------------|
|                | Other Funds A <sup>(2)</sup> | Other Funds B <sup>(3)</sup> | General   | Police    | Fire     |           |                   | Age                 | Service     | Pay           |
| 1995           |                              |                              | 257       | 79        | 25       | 361       | \$ 13,630,668     | 41.2 yrs.           | 12.9 yrs.   | \$37,758      |
| 2000           |                              |                              | 302       | 100       | 39       | 441       | 20,073,442        | 41.1                | 11.8        | 45,518        |
| 2005           |                              |                              | 280       | 88        | 30       | 398       | 20,881,320        | 43.1                | 13.6        | 52,466        |
| 2010           |                              |                              | 217       | 70        | 25       | 312       | 19,554,838        | 46.2                | 17.0        | 62,676        |
| 2011           |                              |                              | 193       | 66        | 23       | 282       | 18,038,609        | 46.9                | 17.5        | 63,967        |
| 2012           |                              |                              | 167       | 63        | 23       | 253       | 16,768,082        | 47.0                | 17.6        | 66,277        |
| 2013           |                              |                              | 155       | 58        | 21       | 234       | 15,889,933        | 47.8                | 18.3        | 67,906        |
| 2014           |                              |                              | 146       | 55        | 21       | 222       | 15,749,774        | 48.4                | 19.2        | 70,945        |
| 2015           | 34                           |                              | 101       | 52        | 18       | 205       | 14,244,381        | <sup>(1)</sup> 48.9 | 19.9        | 69,485        |
| 2016           | 25                           |                              | 74        | 49        | 18       | 166       | 12,075,663        | <sup>(1)</sup> 48.3 | 20.3        | 72,745        |
| 2017           | 25                           | 37                           | 32        | 48        | 16       | 158       | 11,805,804        | 49.0                | 21.2        | 74,720        |
| 2018           | 22                           | 37                           | 30        | 46        | 13       | 148       | 11,413,503        | 49.6                | 21.9        | 77,118        |
| 2019           | 23                           | 32                           | 25        | 44        | 12       | 136       | 10,825,148        | 50.1                | 22.6        | 79,597        |
| 2020           | 20                           | 27                           | 22        | 40        | 11       | 120       | 9,853,023         | 50.1                | 23.1        | 82,109        |
| 2021           | 16                           | 26                           | 21        | 33        | 8        | 104       | 8,798,875         | 50.7                | 23.8        | 84,605        |
| <b>2022</b>    | <b>14</b>                    | <b>25</b>                    | <b>18</b> | <b>26</b> | <b>7</b> | <b>90</b> | <b>7,880,801</b>  | <b>51.0</b>         | <b>24.3</b> | <b>87,564</b> |

<sup>(1)</sup> Valuation payroll was adjusted by a factor of 26/27 due to an extra pay period.

<sup>(2)</sup> Prior to the June 30, 2015 valuation, MP, CWP, and WTP were combined with the General group. For the June 30, 2015 and June 30, 2016 valuations, MP, CWP, and WTP were summarized as three separate groups. Starting with the June 30, 2017 valuation, MP, CWP, WTP, and the Risk groups combined to form the Other Funds A group. Starting with the June 30, 2019 valuation, Building Inspectors were transferred from Other Funds B to Others Funds A.

<sup>(3)</sup> Prior to the June 30, 2017 valuation, Other Funds B was combined with the General group.



## Other Funds A Members June 30, 2022 by Nearest Age and Years of Service

| Nearest<br>Age | Years of Service to Valuation Date |     |          |          |          |          |          | Totals    |                      |
|----------------|------------------------------------|-----|----------|----------|----------|----------|----------|-----------|----------------------|
|                | 0-4                                | 5-9 | 10-14    | 15-19    | 20-24    | 25-29    | 30 Plus  | No.       | Valuation<br>Payroll |
| 40-44          |                                    |     |          | 1        |          |          |          | 1         | \$ 76,888            |
| 45-49          |                                    |     |          |          | 1        |          |          | 1         | 91,127               |
| 50-54          |                                    |     | 1        | 1        | 1        | 2        |          | 5         | 319,249              |
| 55-59          |                                    |     |          |          | 2        | 1        | 2        | 5         | 494,961              |
| 64             |                                    |     |          |          | 1        |          |          | 1         | 75,437               |
| 65             |                                    |     |          |          |          |          | 1        | 1         | 55,911               |
| <b>Totals</b>  |                                    |     | <b>1</b> | <b>2</b> | <b>5</b> | <b>3</b> | <b>3</b> | <b>14</b> | <b>\$ 1,113,573</b>  |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 54.0 years

Service: 25.1 years

Annual Pay: \$79,541

## Other Funds B Members June 30, 2022 by Nearest Age and Years of Service

| Nearest Age   | Years of Service to Valuation Date |     |       |          |           |          |          | Totals    |                     |
|---------------|------------------------------------|-----|-------|----------|-----------|----------|----------|-----------|---------------------|
|               | 0-4                                | 5-9 | 10-14 | 15-19    | 20-24     | 25-29    | 30 Plus  | No.       | Valuation Payroll   |
| 40-44         |                                    |     |       |          | 2         |          |          | 2         | \$ 138,860          |
| 45-49         |                                    |     |       | 1        | 4         | 3        |          | 8         | 551,186             |
| 50-54         |                                    |     |       | 2        | 4         | 3        | 2        | 11        | 877,516             |
| 55-59         |                                    |     |       |          | 1         | 2        | 1        | 4         | 308,386             |
| <b>Totals</b> |                                    |     |       | <b>3</b> | <b>11</b> | <b>8</b> | <b>3</b> | <b>25</b> | <b>\$ 1,875,948</b> |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 50.6 years  
Service: 24.3 years  
Annual Pay: \$75,038

## General Members June 30, 2022 by Nearest Age and Years of Service

| Nearest Age   | Years of Service to Valuation Date |     |       |          |          |          |          | Totals    |                     |
|---------------|------------------------------------|-----|-------|----------|----------|----------|----------|-----------|---------------------|
|               | 0-4                                | 5-9 | 10-14 | 15-19    | 20-24    | 25-29    | 30 Plus  | No.       | Valuation Payroll   |
| 45-49         |                                    |     |       |          | 1        |          |          | 1         | \$ 103,420          |
| 50-54         |                                    |     |       | 1        | 2        | 2        | 1        | 6         | 542,962             |
| 55-59         |                                    |     |       | 2        | 2        | 4        | 1        | 9         | 740,300             |
| 60            |                                    |     |       |          | 1        |          | 1        | 2         | 132,709             |
| <b>Totals</b> |                                    |     |       | <b>3</b> | <b>6</b> | <b>6</b> | <b>3</b> | <b>18</b> | <b>\$ 1,519,391</b> |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 55.2 years

Service: 25.1 years

Annual Pay: \$84,411

## Police Officers June 30, 2022 by Nearest Age and Years of Service

| Nearest<br>Age | Years of Service to Valuation Date |     |       |          |           |           |         | Totals    |                      |
|----------------|------------------------------------|-----|-------|----------|-----------|-----------|---------|-----------|----------------------|
|                | 0-4                                | 5-9 | 10-14 | 15-19    | 20-24     | 25-29     | 30 Plus | No.       | Valuation<br>Payroll |
| 35-39          |                                    |     |       | 1        |           |           |         | 1         | \$ 79,290            |
| 40-44          |                                    |     |       | 1        | 2         |           |         | 3         | 310,280              |
| 45-49          |                                    |     |       | 1        | 9         | 5         |         | 15        | 1,565,580            |
| 50-54          |                                    |     |       |          | 1         | 6         |         | 7         | 744,710              |
| <b>Totals</b>  |                                    |     |       | <b>3</b> | <b>12</b> | <b>11</b> |         | <b>26</b> | <b>\$ 2,699,860</b>  |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 47.5 years

Service: 23.4 years

Annual Pay: \$103,841

## Firefighters June 30, 2022 by Nearest Age and Years of Service

| Nearest<br>Age | Years of Service to Valuation Date |     |       |          |          |          |         | Totals   |                      |
|----------------|------------------------------------|-----|-------|----------|----------|----------|---------|----------|----------------------|
|                | 0-4                                | 5-9 | 10-14 | 15-19    | 20-24    | 25-29    | 30 Plus | No.      | Valuation<br>Payroll |
| 40-44          |                                    |     |       | 1        | 1        |          |         | 2        | \$ 201,061           |
| 45-49          |                                    |     |       |          |          |          | 2       | 2        | 169,000              |
| 50-54          |                                    |     |       |          | 1        | 1        |         | 2        | 211,189              |
| 55-59          |                                    |     |       |          |          |          | 1       | 1        | 90,779               |
| <b>Totals</b>  |                                    |     |       | <b>1</b> | <b>2</b> | <b>4</b> |         | <b>7</b> | <b>\$ 672,029</b>    |

While not used in the financial computations, the following group averages are computed and shown because of their general interest.

Age: 48.8 years

Service: 23.5 years

Annual Pay: \$96,004

## SECTION C

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### **SUMMARY OF VALUATION METHODS AND ACTUARIAL ASSUMPTIONS**

## Valuation Methods

**Entry Age Normal Actuarial Cost Method.** Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an individual **entry-age normal cost** valuation method having the following characteristics:

- (i) The annual normal costs for each individual active member, payable from the date of employment to the date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

**Financing of Unfunded Actuarial Accrued Liability.** Unfunded Actuarial Accrued Liability (UAAL) was amortized as a level dollar amount over a closed period of 17 years.

**Asset Valuation Method.** The valuation assets are developed using a five-year smoothing technique. The difference between the expected return on assets (using the valuation interest rate assumption) and the actual return on assets is phased-in over a five-year period.

## Actuarial Assumptions Used for the Valuation

The actuary calculates the contribution requirements and benefit values of the Retirement System by applying actuarial assumptions to the benefit provisions and people information furnished, using the valuation methods described on page C-1. All actuarial assumptions are based on future expectations, not market measures.

The principal areas of economic and risk assumptions are:

- (i) Long-term rates of investment income likely to be generated by the assets of the Retirement System;
- (ii) Patterns of salary increases to be experienced by members;
- (iii) Rate of mortality among members, retirees and beneficiaries;
- (iv) Rates of withdrawal of active members without entitlement to a deferred retirement benefit;
- (v) Rates of disability among members and their subsequent rates of recovery; and
- (vi) The age and service distribution of actual retirements.

In making a valuation the actuary must project the monetary effect of each assumption, for each distinct experience group, for the next year and for each year over the next half-century or longer.

Once actual experience has occurred and been observed it is unlikely that it will coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of small adjustments of the computed contribution rate.

From time-to-time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends – but not random year-to-year fluctuations. We will recommend changes whenever we feel they are appropriate.

Assumptions were reviewed and updated based on the 2014-2019 Experience Study, which includes the rationale for these assumptions.

**The rate of investment return (an economic assumption)** used was 7.00% a year, compounded annually net of expenses. This assumption was first used for the June 30, 2020 valuation and is used to discount the value of future payments. Actual recognized investment return for purposes of the actuarial valuation, based on the mean actuarial value of assets, has been as follows:

| Year Ended June 30 |       |      |      |      | 5-Year<br>Average |
|--------------------|-------|------|------|------|-------------------|
| 2022               | 2021  | 2020 | 2019 | 2018 |                   |
| 6.2%               | 11.2% | 6.8% | 7.0% | 8.8% | 8.0%              |

**The rate of price inflation** -- a rate of price inflation of 2.50% is consistent with other economic assumptions in this report.

**The rates of salary increase (an economic assumption)** used are in accordance with the following graded table. These assumptions were first used for the June 30, 2015 valuation. The assumption consists of 3.25% in recognition of wage inflation and a graded allowance for promotion and longevity.

The assumption is used to project current salaries to those upon which pension amounts will be based.

| Sample<br>Ages | Present Salary Resulting in<br>Salary of \$1,000 |                          | Percent Increase in Salary<br>During Next Year |             |
|----------------|--|--------------------------|--|-------------|
|                | At Age 65<br>General*                            | At Age 60<br>Police-Fire | General*                                       | Police-Fire |
|                | 20   | \$ 109                   | \$ 180   | 7.09 %      |
| 25             | 152  | 244                      | 6.37   | 6.25        |
| 30             | 205  | 328                      | 5.93   | 5.85        |
| 35             | 272  | 426                      | 5.62   | 4.35        |
| 40             | 355  | 513                      | 5.39   | 3.45        |
| 45             | 458  | 608                      | 4.93   | 3.45        |
| 50             | 577  | 720                      | 4.39   | 3.45        |
| 55             | 709  | 850                      | 3.91   | 3.35        |
| 60             | 850  | 1,000                    | 3.41   | 3.25        |
| 65             | 1,000  | ---                      | 3.25   | 3.25        |

\* Includes General, Other Funds A, and Other Funds B members.

Actual valuation payroll has increased at the following rates.

|  | Year Ended June 30 |       |       |       |       | 5-Year<br>Average |
|--|--------------------|-------|-------|-------|-------|-------------------|
|  | 2022               | 2021  | 2020  | 2019  | 2018  |                   |
| Increase in pay for members active at both beginning and end of year | 4.2 %              | 3.2 % | 2.8 % | 2.6 % | 2.8 % | 3.1 %             |



**The mortality tables (a risk assumption)** are used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. The mortality rates described below were first used for the June 30, 2020 valuation.

### General

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables, a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.

| Sample<br>Attained<br>Ages | Healthy Pre-Retirement |       | Healthy Post-Retirement |       | Disabled Retirement |       |
|----------------------------|------------------------|-------|-------------------------|-------|---------------------|-------|
|                            | Future Life            |       | Future Life             |       | Future Life         |       |
|                            | Expectancy (Years)     |       | Expectancy (Years)      |       | Expectancy (Years)  |       |
|                            | Men                    | Women | Men                     | Women | Men                 | Women |
| 50                         | 39.55                  | 41.75 | 35.72                   | 38.67 | 26.18               | 28.87 |
| 55                         | 34.49                  | 36.59 | 30.82                   | 33.69 | 22.73               | 25.44 |
| 60                         | 29.55                  | 31.52 | 26.09                   | 28.81 | 19.63               | 22.25 |
| 65                         | 24.74                  | 26.53 | 21.58                   | 24.05 | 16.74               | 19.04 |
| 70                         | 20.04                  | 21.64 | 17.29                   | 19.49 | 13.93               | 15.69 |
| 75                         | 15.44                  | 16.87 | 13.33                   | 15.21 | 11.16               | 12.41 |
| 80                         | 10.97                  | 12.26 | 9.83                    | 11.36 | 8.59                | 9.48  |

### Police/Fire

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, Safety, Employee, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, Safety, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, Safety, Disabled Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019 on a fully-generational basis.

| Sample<br>Attained<br>Ages | Healthy Pre-Retirement |       | Healthy Post-Retirement |       | Disabled Retirement |       |
|----------------------------|------------------------|-------|-------------------------|-------|---------------------|-------|
|                            | Future Life            |       | Future Life             |       | Future Life         |       |
|                            | Expectancy (Years)     |       | Expectancy (Years)      |       | Expectancy (Years)  |       |
|                            | Men                    | Women | Men                     | Women | Men                 | Women |
| 50                         | 38.88                  | 41.39 | 35.76                   | 37.77 | 34.30               | 36.41 |
| 55                         | 33.75                  | 36.24 | 30.69                   | 32.65 | 29.44               | 31.54 |
| 60                         | 28.71                  | 31.15 | 25.79                   | 27.73 | 24.75               | 26.94 |
| 65                         | 23.80                  | 26.10 | 21.17                   | 23.07 | 20.39               | 22.59 |
| 70                         | 19.04                  | 21.13 | 16.86                   | 18.66 | 16.33               | 18.45 |
| 75                         | 14.52                  | 16.34 | 12.91                   | 14.56 | 12.58               | 14.53 |
| 80                         | 10.29                  | 11.83 | 9.47                    | 10.94 | 9.34                | 10.94 |

**The rates of retirement (a risk assumption)** used to measure the probability of eligible members retiring during the year following attainment of the indicated age were as follows:

| Age | Number Retiring Per 100 Eligible |        |       |
|-----|----------------------------------|--------|-------|
|     | General*                         | Police | Fire  |
| 50  | -                                | 27.0   | 27.0  |
| 51  | -                                | 18.0   | 18.0  |
| 52  | -                                | 13.5   | 13.5  |
| 53  | -                                | 13.5   | 13.5  |
| 54  | -                                | 13.5   | 13.5  |
| 55  | 20.0                             | 9.0    | 9.0   |
| 56  | 10.0                             | 9.0    | 9.0   |
| 57  | 10.0                             | 13.5   | 13.5  |
| 58  | 10.0                             | 22.5   | 22.5  |
| 59  | 10.0                             | 27.0   | 27.0  |
| 60  | 30.0                             | 100.0  | 100.0 |
| 61  | 20.0                             | 100.0  | 100.0 |
| 62  | 30.0                             | 100.0  | 100.0 |
| 63  | 20.0                             | 100.0  | 100.0 |
| 64  | 20.0                             | 100.0  | 100.0 |
| 65  | 30.0                             | 100.0  | 100.0 |
| 66  | 30.0                             | 100.0  | 100.0 |
| 67  | 40.0                             | 100.0  | 100.0 |
| 68  | 50.0                             | 100.0  | 100.0 |
| 69  | 60.0                             | 100.0  | 100.0 |
| 70  | 100.0                            | 100.0  | 100.0 |

\* Includes General, Other Funds A, and Other Funds B members.

The General rates were first used for the June 30, 2015 valuation; Police and Fire rates were first used for the June 30, 2020 valuation.

**Rates of separation from active membership (a risk assumption)** were as follows (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

| Sample Ages | Years of Service | Number Separating Within Next Year (Per 100 Members) |        |      |
|-------------|------------------|--|--------|------|
|             |                  | General*   | Police | Fire |
| ALL         | 0                | 15.00  | 8.00   | 8.00 |
|             | 1                | 10.00  | 6.00   | 6.00 |
|             | 2                | 8.00   | 4.50   | 4.50 |
|             | 3                | 7.00   | 3.00   | 3.00 |
|             | 4                | 6.00   | 2.00   | 2.00 |
| 25          | 5 & Over         | 6.00   | 3.00   | 3.00 |
| 30          |                  | 5.50   | 2.50   | 2.50 |
| 35          |                  | 4.50   | 1.50   | 1.50 |
| 40          |                  | 1.75   | 0.50   | 0.50 |
| 45          |                  | 1.00   | 0.50   | 0.50 |
| 50          |                  | 1.00   | 0.50   | 0.50 |
| 55          |                  | 1.00   | 0.50   | 0.50 |
| 60          |                  | 1.00   | 0.50   | 0.50 |
| 65          |                  | 1.00   | 0.50   | 0.50 |

\* Includes General, Other Funds A, and Other Funds B members.

Rates for General, Police and Fire were first used for the June 30, 2020 valuation.

**Rates of disability (a risk assumption)** measure the probabilities of active members retiring with a disability benefit.

| Sample Ages | % of Active Members Becoming Disabled Within Next Year |        |        |
|-------------|--|--------|--------|
|             | General *  | Police | Fire   |
| 20          | 0.15 %   | 0.12 % | 0.12 % |
| 25          | 0.18   | 0.18   | 0.18   |
| 30          | 0.20   | 0.30   | 0.30   |
| 35          | 0.29   | 0.36   | 0.36   |
| 40          | 0.42   | 0.84   | 0.84   |
| 45          | 0.65   | 0.96   | 0.96   |
| 50          | 1.05   | 1.14   | 1.14   |
| 55          | 1.84   | 1.32   | 1.32   |
| 60          | 3.06   | 1.44   | 1.44   |

\* Includes General, Other Funds A, and Other Funds B members.

50% of Fire disabilities are assumed to be duty disabilities.

Rates for General were first used for the June 30, 2001 valuation; Police and Fire rates were first used for the June 30, 2020 valuation.



## Miscellaneous and Technical Assumptions

|                                   |   |
|-----------------------------------|---|
| <b>Benefit Service:</b>           | Exact fractional service is used to determine the amount of benefit payable.  |
| <b>Cost-of-Living Adjustment:</b> | Annual increase for those eligible assumed to be 1.0% annually.   |
| <b>Decrement Operation:</b>       | Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility. |
| <b>Decrement Relativity:</b>      | Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.   |
| <b>Decrement Timing:</b>          | Decrements of all types are assumed to occur mid-year.  |
| <b>Eligibility Testing:</b>       | Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.        |
| <b>Marriage Assumption:</b>       | 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.  |
| <b>Normal Form of Benefit:</b>    | The assumed normal form of benefit is the straight life form.   |
| <b>Pay Increase Timing:</b>       | Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.    |

## SECTION D

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### **SUPPLEMENTARY INFORMATION**

NOTE: GASB Statements No. 67 and No. 68 are effective for Governmental Retirement Plans for the fiscal year beginning after June 15, 2013 (GASB Statement No. 67) and the fiscal year beginning after June 15, 2014 (GASB Statement No. 68). These statements replace GASB Statements No. 25, No. 27 and No. 50. Please see the corresponding GASB Statements No. 67 and No. 68 reports for relevant accounting figures.

## Supplementary Information (\$ Amounts in Thousands)

### Schedule of Funding Progress

| Actuarial<br>Valuation<br>Date<br>June 30 | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>Entry Age<br>(b) | Unfunded<br>AAL<br>(b)-(a) | Funded<br>Ratio<br>(a)/(b) | Covered<br>Payroll<br>(c) | UAAL as a<br>% of<br>Covered<br>Payroll<br>((b-a)/c) |
|---|--|--|----------------------------|----------------------------|---------------------------|--|
| 2013 *                                    | \$ 130,037                             | \$ 153,449   | \$ 23,412                  | 84.7 %                     | \$ 15,890                 | 147.3 %  |
| 2014 *                                    | 139,935                                | 158,867  | 18,932                     | 88.1                       | 15,750                    | 120.2  |
| 2015 *                                    | 149,882                                | 182,644  | 32,762                     | 82.1                       | 14,244                    | 230.0  |
| 2016                                      | 154,872                                | 188,855  | 33,983                     | 82.0                       | 12,076                    | 281.4  |
| 2017 *                                    | 164,083                                | 188,930  | 24,847                     | 86.8                       | 11,806                    | 210.5  |
| 2018                                      | 172,671                                | 192,006  | 19,335                     | 89.9                       | 11,414                    | 169.4  |
| 2019                                      | 177,350                                | 195,661  | 18,311                     | 90.6                       | 10,825                    | 169.2  |
| 2020 *                                    | 181,047                                | 202,000  | 20,953                     | 89.6                       | 9,853                     | 212.7  |
| 2021                                      | 191,647                                | 206,237  | 14,590                     | 92.9                       | 8,799                     | 165.8  |
| <b>2022</b>                               | <b>193,698</b>                         | <b>210,897</b>   | <b>17,199</b>              | <b>91.8</b>                | <b>7,881</b>              | <b>218.2</b>   |

\* Revised actuarial assumptions and/or methods and/or changes in benefit provisions.

## Supplementary Information (\$ Amounts in Thousands)

### Schedule of Employer Contributions

| Fiscal<br>Year<br>Ending<br>June 30 | Actuarial<br>Valuation<br>Date<br>June 30 | Computed Dollar<br>Contribution<br>Based<br>on Projected<br>Valuation Payroll | Actual<br>Required<br>Contribution<br>Based on<br>Actual Payroll | Percentage<br>Contributed |
|-------------------------------------|---|---|--|---------------------------|
| 2009                                | 2007                                      | \$2,494   | \$2,466  | 100 %                     |
| 2010                                | 2008                                      | 2,188   | 2,280  | 100                       |
| 2011                                | 2009                                      | 2,936   | 3,062  | 100                       |
| 2012                                | 2010                                      | 3,230   | 3,050  | 100                       |
| 2013                                | 2011                                      | 3,135   | 3,298  | 100                       |
| 2014                                | 2012                                      | 4,157   | 4,180  | 100                       |
| 2015                                | 2013                                      | 4,288   | 4,262  | 100                       |
| 2016                                | 2014                                      | 3,906   | 3,949  | 100                       |
| 2017                                | 2015                                      | 4,918   | 4,925  | 100                       |
| 2018                                | 2016                                      | 4,629   | 4,696  | 100                       |
| 2019                                | 2017                                      | 3,628   | 3,618  | 100                       |
| 2020                                | 2018                                      | 3,140   | 3,173  | 100                       |
| 2021                                | 2019                                      | 3,036   | 3,050  | 100                       |
| 2022                                | 2020                                      | 3,228   | 3,236  | 100                       |
| 2023                                | 2021                                      | 2,446   | -  | -                         |
| <b>2024</b>                         | <b>2022</b>                               | <b>2,690</b>  | -  | -                         |

The Retirement System's financial objective provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the year ended June 30, 2022 were determined using an entry age actuarial funding method. Unfunded Actuarial Accrued Liabilities (UAAL) were amortized as a level dollar over a closed period of 17 years.

The Retirement System has been closed to new members since 2008.

## Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

|                               |  |
|-------------------------------|--|
| Valuation date                | June 30, 2022  |
| Actuarial cost method         | Entry Age  |
| Amortization method           | Level dollar   |
| Remaining amortization period | 17 years closed  |
| Asset valuation method        | Open 5-year smoothed market  |
| Actuarial assumptions:        |  |
| Investment rate of return     | 7.00%  |
| Projected salary increases*   | 3.25% - 7.09%  |
| *Includes wage inflation at   | 3.25%  |
| Cost-of-living adjustments    | Annual increase for those eligible assumed to be 1.0% compounded annually. |

Membership of the plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

|  |           |
|--|-----------|
| Retirees and beneficiaries receiving benefits                      | 453       |
| Terminated plan members entitled to but not yet receiving benefits | 49        |
| Active plan members  | <u>90</u> |
| Total  | 592       |

## **APPENDIX**

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### **RISK MEASURES**

## Risk Commentary

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

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

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

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

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

The computed contribution amount in this report may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.



# Risk Commentary (Concluded)

## Plan Maturity Measures

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

|  | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Ratio of the market value of assets to payroll   | 23.08       | 24.50       | 18.16       | 16.52       | 15.36       |
| Ratio of actuarial accrued liability to payroll  | 26.76       | 23.44       | 20.50       | 18.07       | 16.82       |
| Ratio of actives to retirees and beneficiaries   | 0.20        | 0.24        | 0.28        | 0.33        | 0.37        |
| Ratio of net cash flow to market value of assets | -5.2%       | -4.3%       | -4.5%       | -4.0%       | -3.2%       |

## Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 10.0 times the payroll, a return on assets 5% different than assumed would equal 50% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

## Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time. The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

## Ratio of Actives to Retirees and Beneficiaries

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

## Ratio of Net Cash Flow to Market Value of Assets

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

## Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.



## Memorandum

To: Curtis Holt, City Manager

From: Myron Erickson, PE, Director of Public Works and Utilities

Date: 12 December 2022

Re: Water Plant Updates

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Several ongoing projects and priorities at the Water Plant will require significant input and decision-making from staff in the coming months. Following is an update for City Council's attention at their December 12, 2022, work session. I will make a short presentation; this memo serves as a summary.

### **Third Transmission Main**

The history of the third transmission main (3TM for short) goes back to 2017, when the State of Michigan imposed its authority and required us to prioritize this project ahead of the construction of a second raw water intake. Our design engineer for this project is Prein & Newhof, and they have been a great partner. The original (2017) estimated cost of construction was \$40M, but in the post-pandemic economy and with the addition of a surge suppression system, the need for which was unforeseen, the August '22 construction cost estimate is \$81.5M.

Since Ottawa County has a beneficial ownership interest in our water system, they would bear 43% of this cost. They have expressed interest in increasing their beneficial ownership interest to 50%, but no decisions have yet been made. It is possible that the timing, cost, and practical considerations of building the 3TM may make this increase a good financial move for Wyoming.

Historically, large sum projects such as these have been financed by the selling of debt. Even with Wyoming's excellent bond rating, recent inflationary pressures have meant that open market interest rates on bonds have increased to approximately 4.25%. Another option is the State's Drinking Water State Revolving Fund (DWSRF), which would give us a rate of 2.125%. Should we qualify, this difference would mean a potential savings of \$18M over the life of the debt. As we continue to understand the DWSRF requirements, and if we feel we have a good chance, we will proceed with the application process and submit preliminary designs to the State in June 2023. However, if we are ultimately selected for DWSRF financing it would mean delaying construction by approximately one year since the State's FY24 funds have already been disbursed.

We will know more about our chances of qualifying for DWSRF financing later in December 2022, and into January 2023. In February, our team will be making final decisions on pipe material and several other fundamental design parameters with Prein & Newhof's guidance. If DWSRF financing is not available to us, then we will likely be ready to bid this project by summer or fall of 2023.

## **Retail Rates**

Traditionally, Wyoming has followed approximate inflation rates to determine its own utility retail rate increases. While this is a rational and responsible rule of thumb, we are overdue for a proper rate study that would utilize actual modeling, cost of service determination, and other widely accepted practices in determining explicable, legally defensible rate increases. We will be including funds in our FY24 budget request for such a study.

For the past several years, inflation has been around 3%. However, for the 12 months ending in October 2022, it was 8%. We will therefore be recommending at least an 8% increase in utility rates with our FY24 budget, then looking for guidance from a completed rate study to make FY25 recommendations.

Bearing in mind that a 1¢ increase in water rates produces about \$45K in revenue, it's clear that our typical rate increases are not going to be adequate for our capital needs. (As a side note, that same 1¢ increase in sewer rates produces about \$31K in revenue for the sewer fund.) Taking that potential \$18M savings difference between SRF and open market financing as an example, the additional \$600K/yr repayment would require an *additional* 13¢ increase in water rates.

## **Reliability Study and Asset Management Plans**

The State of Michigan requires water utilities to conduct system reliability studies periodically, and to have up-to-date asset management plans on file with them. In the current fiscal year, there are funds budgeted for such a study and a related asset management planning effort. We will be bringing a proposal from Prein & Newhof and Black & Veatch (jointly) to Council's December 19, 2022, regular meeting, with a recommendation to accept it. The goal of a reliability study is to examine the plant, the transmission system, and the distribution system in a standardized way, and then compare them to 20-year demand projections. The observations, recommendations, and requirements that result from it together form a basis of system reliability. Occasionally, the re-prioritization of our planned capital investments derives from EGLE oversight. For example, the timing of the 3<sup>rd</sup> transmission main.

The goal of asset management planning is to conduct asset inventories and condition assessments, and then to use the information to develop capital improvement plans for 5-, 10-, and 20-year horizons. Taken together with an updated reliability study, the two represent a road map to the future, pointing the way to a responsibly-run, financially stable water utility. The Prein & Newhof / Black & Veatch proposal is \$330K and will take an estimated 13-14 months to complete. We would like to kick the project off as soon after Council approval as practicable.

## **Summary**

Wyoming has a true gem in its two utility plants and their respective systems. Visionary leaders set us on this path over 60 years ago, and subsequent leadership has built upon it, carefully maintaining, expanding, and improving the two plants and related assets. Water and sewer services aren't just nice services for residents; they are also an economic engine for a community, generating commerce and industry many times more than their cost. Although the price of sustaining this is high, failing to do so is not an option. Rather, it is incumbent upon us to build on our legacy and continue this investment, to ensure Wyoming's bright future of community, safety, and stewardship.

# City of Wyoming

## Water Projects & Updates

City Council Work Session  
December 12, 2022



community • safety • stewardship

## Project Update

# 3<sup>rd</sup> Transmission Main



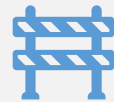
Water Plant is rated at 120 Mgal/day **PRODUCTION**.



However, **TRANSMISSION** is only 104 Mgal/day.



Max Day Flow > 85% 104 MGD in 2012 & 2015.  
*Triggers State review during Sanitary Survey.*



Project to build 2<sup>nd</sup> (redundant) raw water intake is re-prioritized; 3<sup>rd</sup> Transmission Main **required**.



2021: Corridor re-routed from Barry St alignment to Van Buren St. alignment.

# Construction Cost Estimates

1988: COW 57%, Ottawa Co. 43%

2017: \$40M (total)

2022: \$81.5M (total)

New total includes ~ \$8M surge suppression

Consideration of increasing Ottawa Co's share to 50%

# Financing Alternatives

## Open Bond Market

- ~ 4.25%

## State Revolving Fund

- ~ 2.125%
- Potentially saving \$18M

# *Recommended*

## Retail Rates

- Traditionally linked to inflation.
- Responsible, reasonable increases.
- Historically ~ 3% across water & sewer.
- Inflation in last year: ~ 8%
- Rate recommendations for FY24 will need to reflect inflation and needed capital projects.
- Largest increases have come in O&M areas, notably chemical costs.

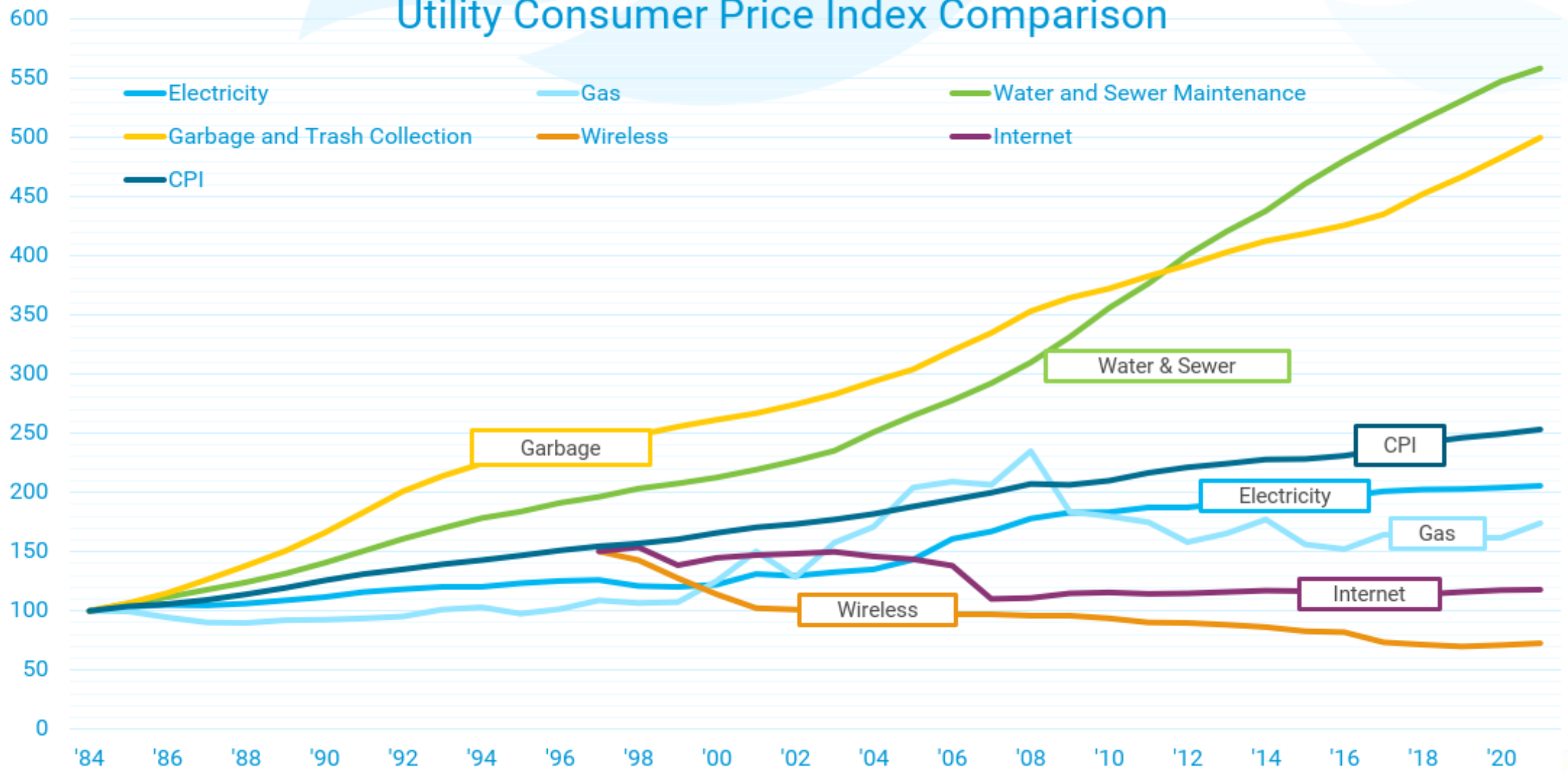
*Needed*

## Rate Study

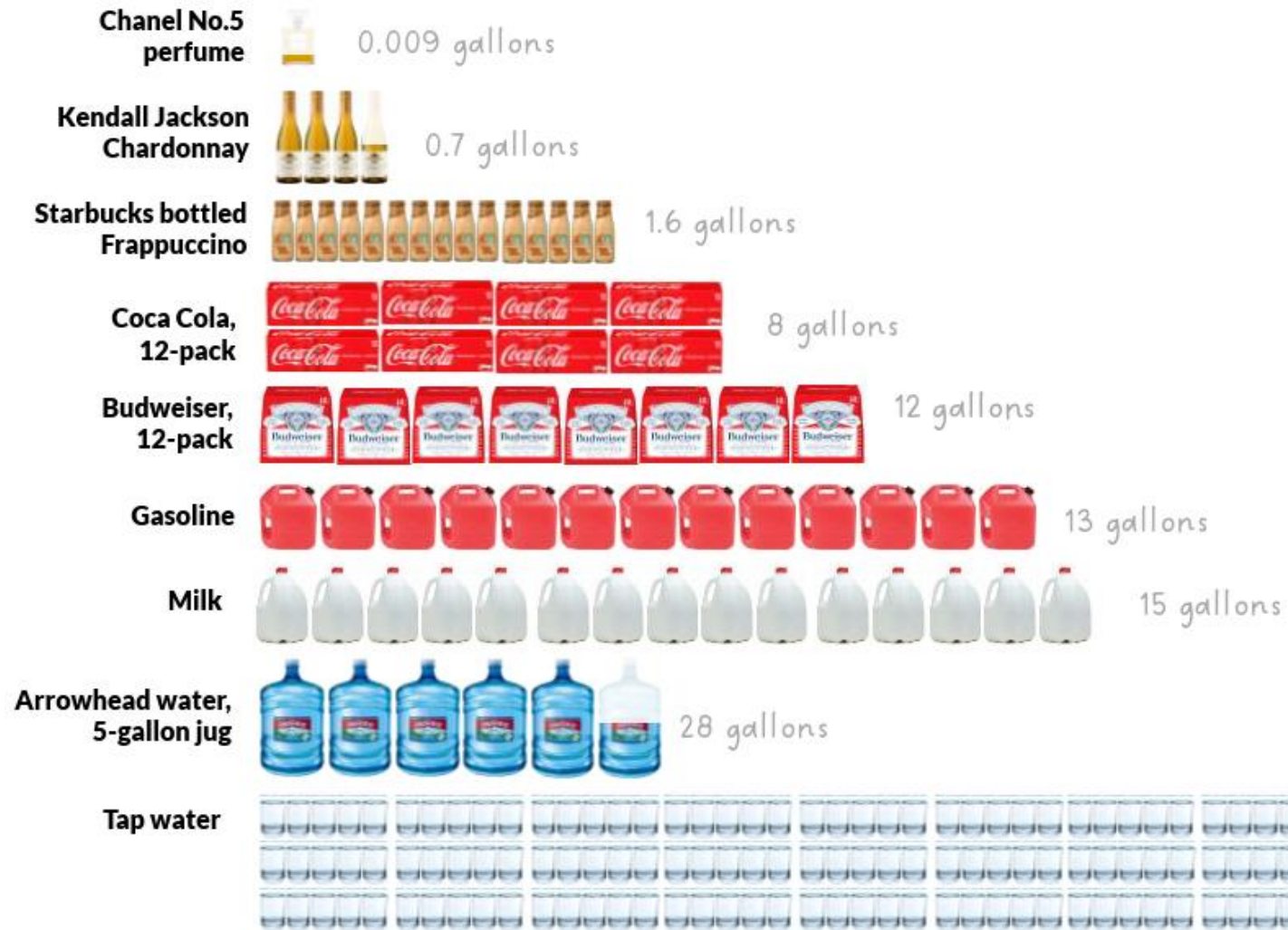
- For FY24 (budgeted)
- Water, Sewer, Wholesale
- Rational, defensible basis
- Current rates: water \$1.61, sewer \$3.16 (per 748 gallons)
- Fun fact: A 1¢ increase in water rates produces about \$45K in revenue
- An 8% water rate increase = \$580K revenue

# CONSUMER WATER COSTS OUTPACING INFLATION

## Utility Consumer Price Index Comparison



# "COST" vs. "VALUE" OF WATER



20,000 gallons!

# Reliability Study & Asset Mgt Plans

## Reliability Study

- Required by EGLE
- Budgeted for in FY23
- Agenda item for Dec 19
- Plant, Transmission, Distribution
- 20-yr Demand projections

# Reliability Study & Asset Mgt Plans

## Asset Management Plan:

- Asset inventory and condition assessment
- Capital Improvement Plans for 5-yr, 10-yr, and 20-yr horizons
- Completion Timeframe: 13-14 months
- Total price for R.S./A.M.P. ~ \$330K

# City of Wyoming

## Water Projects & Updates

City Council Work Session  
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