Regular Meeting of the Mt. Pleasant City Commission
Monday, July 28, 2025
7:00 p.m.

AGENDA

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

LAND ACKNOWLEDGEMENT STATEMENT:

ROLL CALL:

PROCLAMATIONS AND PRESENTATIONS:

1. Proclamation recognizing Parks and Recreation Month (July).
2. Presentation on 2024 Comprehensive Annual Financial Audit.
3. Presentation by GRS Consulting Actuary Casey Ahlbrandt-Rains on Police and Fire Pension related to the 2024 Annual Actuarial Valuation Report.
4. Presentation by Municipal Employees' Retirement System of Michigan (MERS) pension by representative Tony Radjenovich of MERS related to the 2024 Annual Actuarial Valuation Report.
5. Presentation by Watkins Ross's Christian Veenstra related to the 2024 Annual Actuarial Valuation for the City's and the Police's Other Post-Employment Benefits (OPEB) funds.

ADDITIONS/DELETIONS TO AGENDA:

PUBLIC INPUT ON AGENDA ITEMS:

RECEIPT OF PETITIONS AND COMMUNICATIONS:

6. Second Quarter Investment Report.
7. Minutes of the Planning Commission (June).
8. Letter from Bruce Kilmer on Electric Bicycles and Scooters on City Trails.
9. Letter from Ginny Haight on the proposed Krist gas station.

All interested persons may attend and participate. Persons with disabilities who need assistance to participate may call the Human Resources Office at 989-779-5313. A 48-Hour advance notice is necessary for accommodation. Hearing or speech impaired individuals may contact the City via the Michigan Relay Service by dialing 7-1-1. Public Comment and Public Hearings are opportunities for the public to comment on business and non-business items. Questions will not be answered during these times and instead should be directed to City Hall staff during normal business hours.

CONSENT ITEMS:

10. Approval of minutes from the regular meeting held July 14, 2025.
11. Consider renewal of the Michigan Municipal Risk Management Authority (MMRMA) Insurance for the period of 07/01/2025 through 07/01/2026 in the amount of $275,799.
12. Consider approval of MDOT contract 2025-0477 and adopt resolution to support the continued operation and maintenance of the Automated Weather Observation and Data Dissemination System (AWOS) at the Mt. Pleasant Regional Airport and authorize the City Manager to sign the contract electronically.
13. Consider termination of contract with Kihn Heating & Cooling and awarding the contract for the remaining 13 jobs to Custom Heating & Plumbing and request a budget amendment on the contract.
14. Consider approval of Payrolls and Warrants.

PUBLIC HEARINGS:

15. Public hearing to consider the proposed changes to and adoption of Chapter 72 of the City's Code of Ordinances entitled "Bicycles and Electric Bicycles" regarding the usage of motorized bikes and scooters on City owned trails.

NEW BUSINESS:

16. Consider budget amendment for Sustainability Coordinator Position.

ANNOUNCEMENTS ON CITY-RELATED ISSUES AND NEW BUSINESS:

PUBLIC COMMENT ON AGENDA AND NON-AGENDA ITEMS:

RECESS:

WORK SESSION:

All interested persons may attend and participate. Persons with disabilities who need assistance to participate may call the Human Resources Office at 989-779-5313. A 48-Hour advance notice is necessary for accommodation. Hearing or speech impaired individuals may contact the City via the Michigan Relay Service by dialing 7-1-1. Public Comment and Public Hearings are opportunities for the public to comment on business and non-business items. Questions will not be answered during these times and instead should be directed to City Hall staff during normal business hours.

RECESS:

CLOSED SESSION:

17. Consider closed session pursuant to Section 8(h) of the Open Meetings Act to consider material subject to attorney-client privilege.

ADJOURNMENT:

All interested persons may attend and participate. Persons with disabilities who need assistance to participate may call the Human Resources Office at 989-779-5313. A 48-Hour advance notice is necessary for accommodation. Hearing or speech impaired individuals may contact the City via the Michigan Relay Service by dialing 7-1-1. Public Comment and Public Hearings are opportunities for the public to comment on business and non-business items. Questions will not be answered during these times and instead should be directed to City Hall staff during normal business hours.

TO: MAYOR AND CITY COMMISSION JULY 28, 2025

FROM: AARON DESENTZ, CITY MANAGER

SUBJECT: CITY MANAGER REPORT ON AGENDA ITEMS

Proclamations and Presentations:

Receipt of Petitions and Communications:

Consent Items:

11. Consider renewal of the Michigan Municipal Risk Management Authority (MMRMA) Insurance for the period of 07/01/2025 through 07/01/2026 in the amount of $275,799.
    a. The City Commission is asked to approve the renewal of the City's liability and risk management insurance policy with the Michigan Municipal Risk Management Authority (MMRMA). All coverage would remain at the same level that it has year over year with the addition of any new equipment and any staffing changes. While this has not been provided for consideration for the City Commission in the past, staff determined that the insurance renewal meets the City's purchase policy requirements as needing authorization from the City Commission. This request will come before the City Commission on an annual basis in future years.

12. Consider approval of MDOT contract 2025-0477 and adopt resolution to support the continued operation and maintenance of the Automated Weather Observation and Data Dissemination System (AWOS) at the Mt. Pleasant Regional Airport and authorize the City Manager to sign the contract electronically.
    a. The City Commission is asked to authorize the City Manager to sign a contract with the Michigan Department of Transportation (MDOT) and adopt the accompanying resolution to support the continued operation of the City's AWOS system. This system provides weather data to the State of Michigan which is used to provide real time weather data. An upgrade is needed for continual operation of the system. The City and MDOT will share in the annual maintenance cost which averages $4,500 per year and the agreement will remain in effect for 20 years.

13. Consider termination of contract with Kihn Heating & Cooling and awarding the contract for the remaining 13 jobs to Custom Heating & Plumbing and request a budget amendment on the contract.
    a. The City Commission is asked to approve the termination of the contract with Kihn Heating & Cooling LLC due to performance issues related to the CHILL grant program. The Commission is also asked to award the contract for the remaining 13 projects to

Custom Heating & Plumbing for $122,405 which will require a budget amendment of $36,227.50. Funds are available as part of the CHILL grant program.

Public Hearings:

15. Public hearing to consider the proposed changes to and adoption of Chapter 72 of the City's Code of Ordinances entitled "Bicycles and Electric Bicycles" regarding the usage of motorized bikes and scooters on City owned trails.
    a. Following our last work session on this topic, the City Commission is asked to hold a public hearing on July 28th to consider the adoption of an ordinance that amends the City's regulations governing bike and e-bike usage on the City's trails system. The ordinance imposes a 10-mile-per-hour speed limit on sidewalks, linear trails, and shared-use pathways.
        i. Recommended Action: A motion to approve the ordinance as proposed.

New Business:

16. Consider budget amendment for Sustainability Coordinator Position.
    a. The City Commission adopted a Climate Change Preparedness Plan in late 2024. The plan aims to curb climate change through a number of goals and objectives to be implemented by the City. Direction from the City Commission was to engage with a consultant to provide further information on a return on investment (ROI) for actions taken in the plan. Staff reached out to the Michigan Municipal League (MML) to get contacts for consultants that have worked on such plans. One (1) such recommendation was provided. However, a final contract for services could not be reached as communications from the consultant ceased.

       Staff revisited the strategy for implementation of the plan and reviewed other tasks for consideration that currently do not have a specific staff member working on implementation. This list was added to the task list associated with the Climate Change Preparedness Plan goals and objectives to create a job description which is provided in your City Commission packet. Staff is recommending that the City Commission authorize a budget amendment of $42,000 for the remainder of 2025 to provide compensation for a new position titled Sustainability Coordinator. This position will be a temporary two (2) year appointment with an optional third year.

       The position benefits the City by providing direct staffing support for the climate resilience and preparedness goals. Staff believes that a dedicated person can both investigate the return on investment (ROI) of these goals while working on direct implementation. The City can also benefit by having a staff member lead efforts on the designation of the Chippewa River as an official Water Trail. This designation can open up funding and marketing opportunities for river based activities and infrastructure.
        i. Recommended Action: A motion to approve a budget amendment in the General Fund of $42,000 to fund the Sustainability Coordinator Position.

Work Session:

Closed Session:

17. Consider closed session pursuant to Section 8(h) of the Open Meetings Act to consider material subject to attorney-client privilege.
    i. Recommended Action: A motion to enter a closed session pursuant to Section 8(h) of the Open Meetings Act to consider material subject to attorney-client privilege.

PROCLAMATION

WHEREAS, parks and recreation is an integral part of communities throughout this country, including the City of Mt. Pleasant; and

WHEREAS, parks and recreation promotes health and wellness, improving the physical and mental health of people who live near parks; and

WHEREAS, parks and recreation promotes time spent in nature, which positively impacts mental health by increasing cognitive performance and well-being, and alleviating illnesses such as depression, attention deficit disorders, and Alzheimers; and

WHEREAS, parks and recreation encourages physical activities by providing space for popular sports, hiking trails, swimming pools and many other activities designed to promote active lifestyles; and

WHEREAS, parks and recreation is a leading provider of healthy meals, nutrition services and education; and

WHEREAS, park and recreation programming and education activities, such as out- of-school time programming, youth sports and environmental education, are critical to childhood development; and

WHEREAS, parks and recreation increases a community's economic prosperity through increased property values, expansion of the local tax base, increased tourism, the attraction and retention of businesses, and crime reduction; and

WHEREAS, parks and recreation is fundamental to the environmental well-being of our community; and

WHEREAS, parks and recreation is essential and adaptable infrastructure that makes our communities resilient in the face of natural disasters and climate change; and

WHEREAS, our parks and natural recreation areas ensure the ecological beauty of our community and provide a place for children and adults to connect with nature and recreate outdoors; and

WHEREAS, the U.S. House of Representatives has designated July as Parks and Recreation Month; and

WHEREAS, the City of Mt. Pleasant recognizes the benefits derived from parks and recreation resources.

NOW, THEREFORE I, Boomer Wingard, Mayor of the City of Mount Pleasant, do hereby proclaim July, 2025 as **PARK AND RECREATION MONTH** in Mt. Pleasant.

In Witness Whereof, I have hereunto set my hand and Great Seal of the City of Mount Pleasant, Michigan, this 28th day of July 2025.

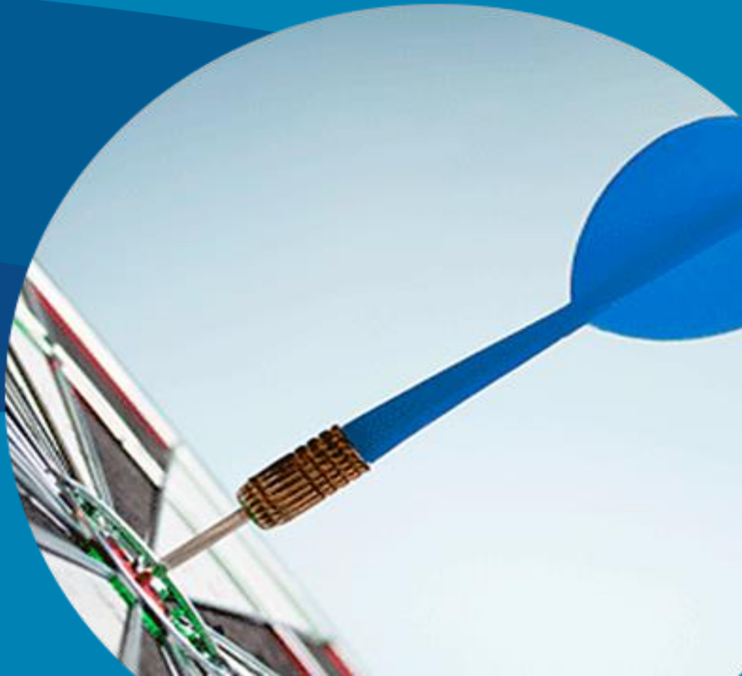
____

Boomer Wingard, Mayor
City of Mount Pleasant

City of Mt. Pleasant
Fire and Police Retirement System

Actuarial Valuation as of December 31, 2024

July 28, 2025



Copyright © 2024 Gabriel, Roeder, Smith & Company – All rights reserved.

Purpose of the Actuarial Valuation

Compute Contribution Rate

Measure Funding Position

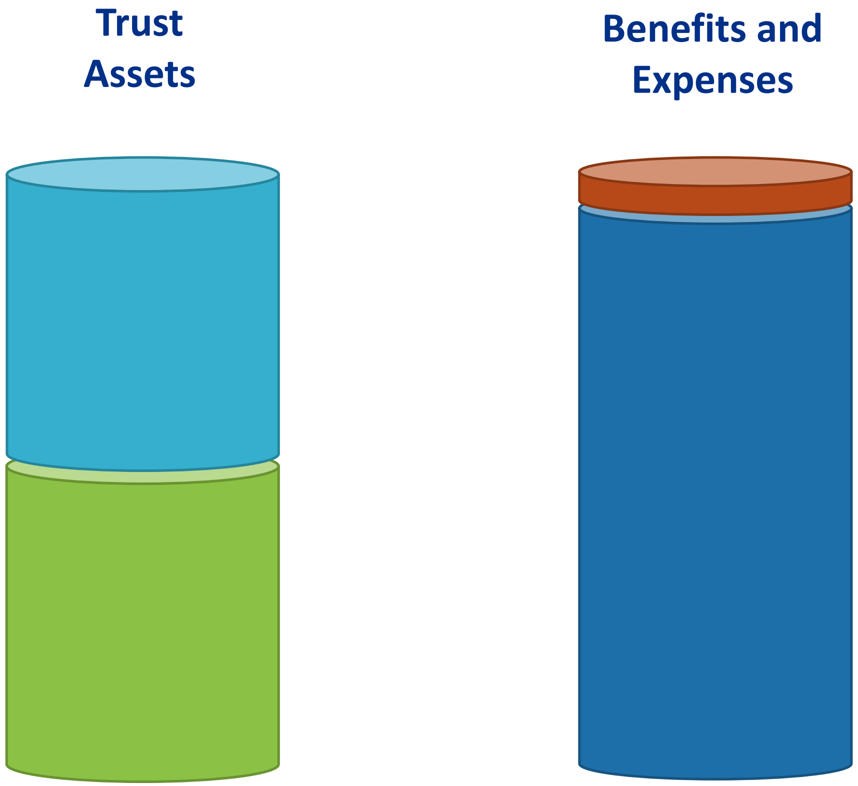
Analyze Annual Experience

Discuss Risks

Retirement Funding Basics

C + I = B + E

C	I	B	E
Contribution Income	Investment Return	Benefits Paid	Expenses



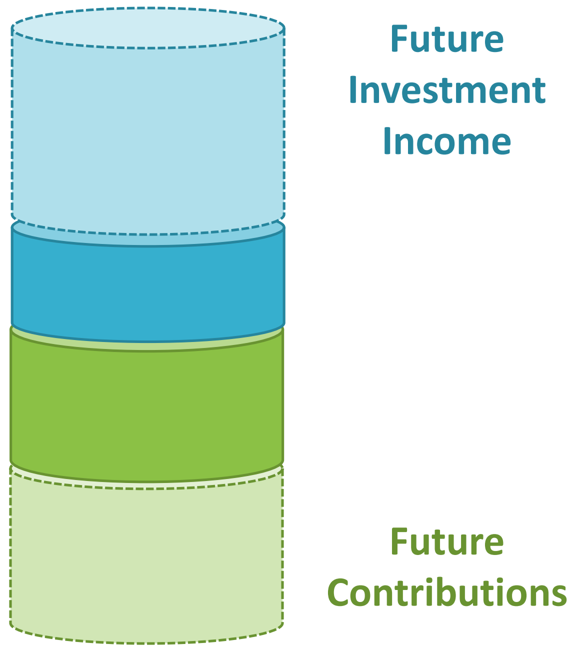
Benefits and expenses are paid with available assets in the trust.

What goes out must first come in!

GRS

Retirement Funding Basics

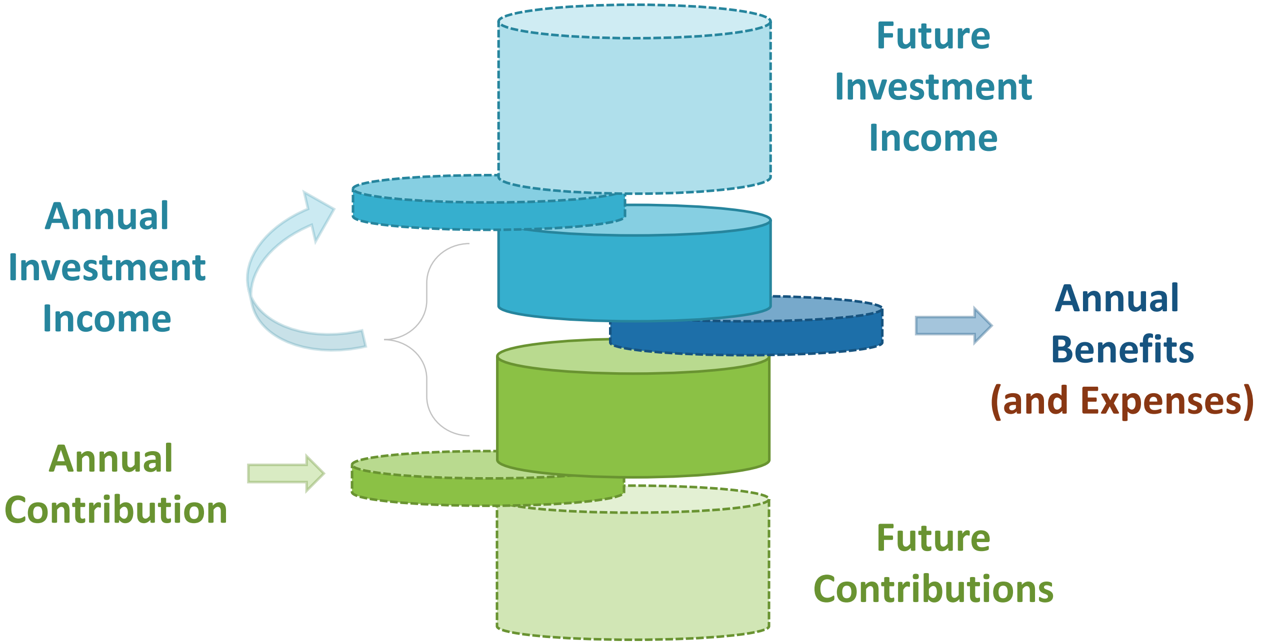
At the beginning of any given valuation year, assets in the trust consist of accumulated contributions and returns.



Retirement Funding Basics

Dollars come and go:
Contributions in, Benefits and Expenses out

Dollars also grow:
Investment income is a vital piece of funding pension benefits

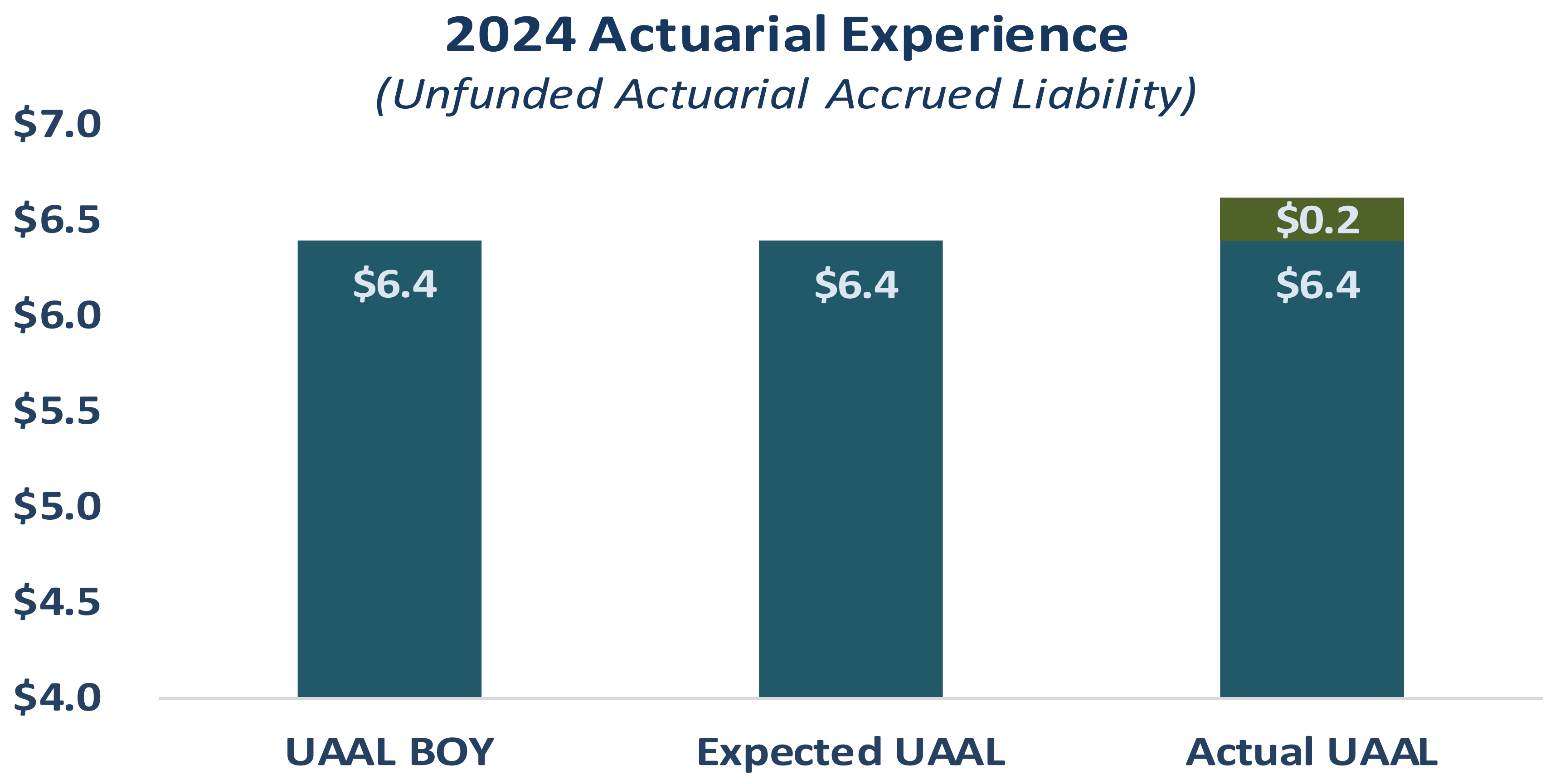


Key Valuation Results

	December 31, 2023	December 31, 2024	% Change
Actuarial Liability	$ 39,558,785	$ 41,073,041	3.8 %
Assets - Actuarial Value	33,161,234	34,448,876	3.9 %
Unfunded Liability - Actuarial Value	6,397,551	6,624,165	3.5 %
Funded Ratio (AVA)	**83.8%**	**83.9%**	**0.0 %**
Funded Ratio (MVA)	81.5%	85.3%	3.8 %
	Fiscal Year 2023	**Fiscal Year 2024**	**% Change**
Employer Normal Cost	16.71%	16.27%	(0.4)%
Unfunded Liability Payment	13.16%	13.46%	0.3 %
Actuarial Determined Contribution (ADC)	**29.87%**	**29.73%**	**(0.1)%**
Illustrative Dollar Contribution	**$998,193**	**$1,038,841**	**4.1 %**

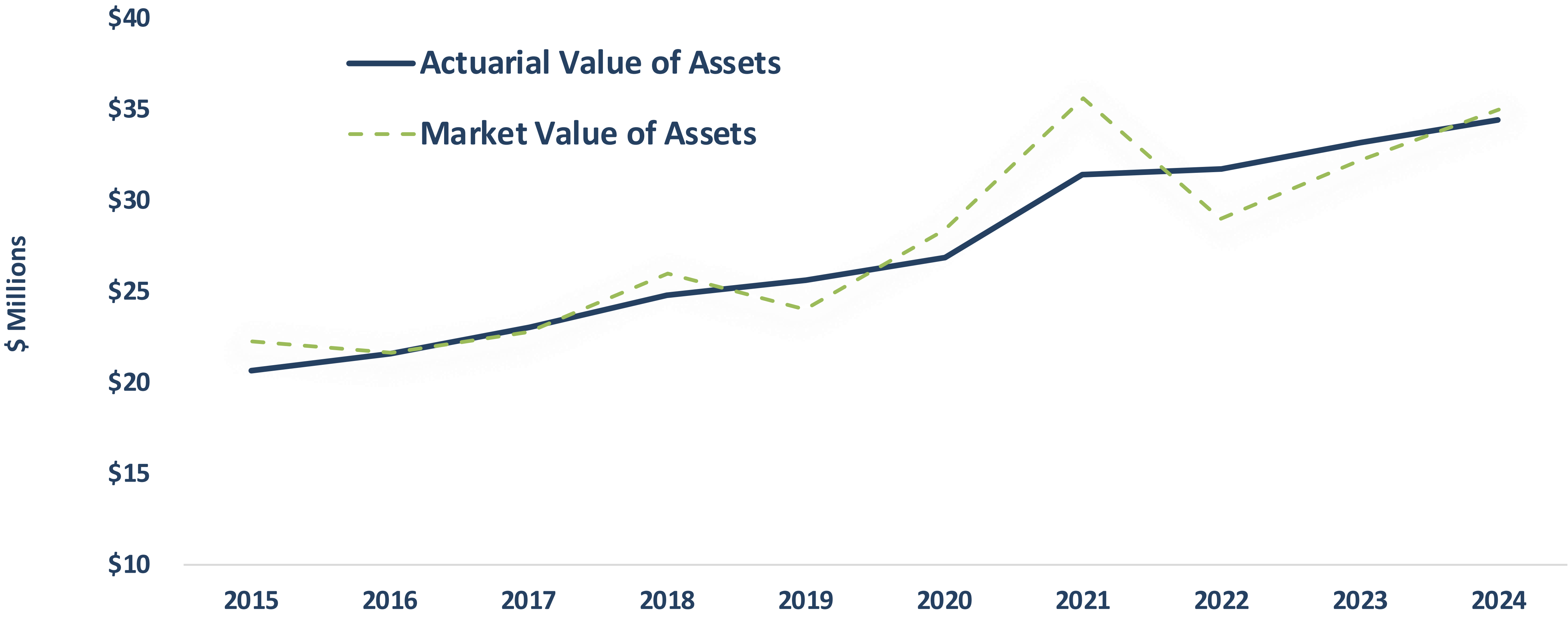
- AVA exceeds MVA by approximately $0.6M in 2024.
- Total payroll increased by 4.6% from 2023 to 2024.
- Unfunded liabilities were amortized over 20 years in the 2024 valuation.

Actuarial Experience

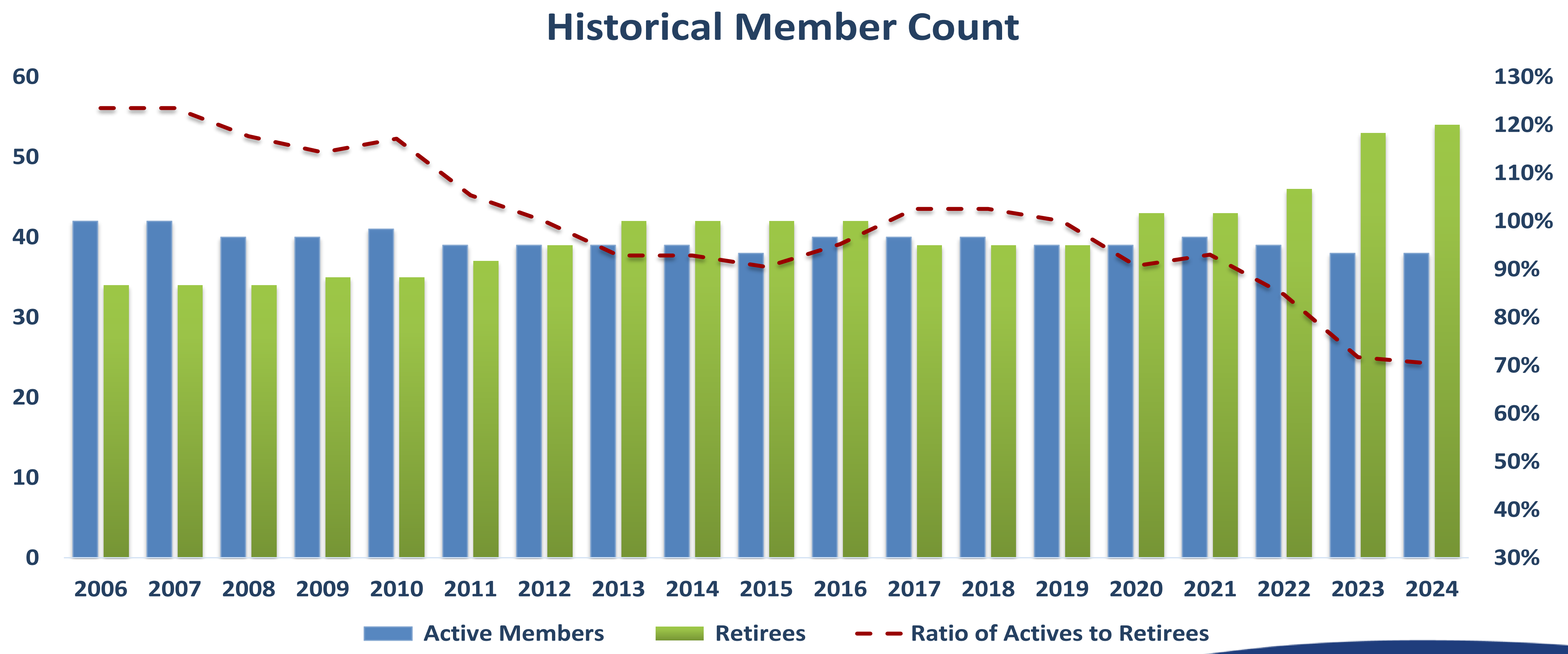


Historical Gain/Loss Experience

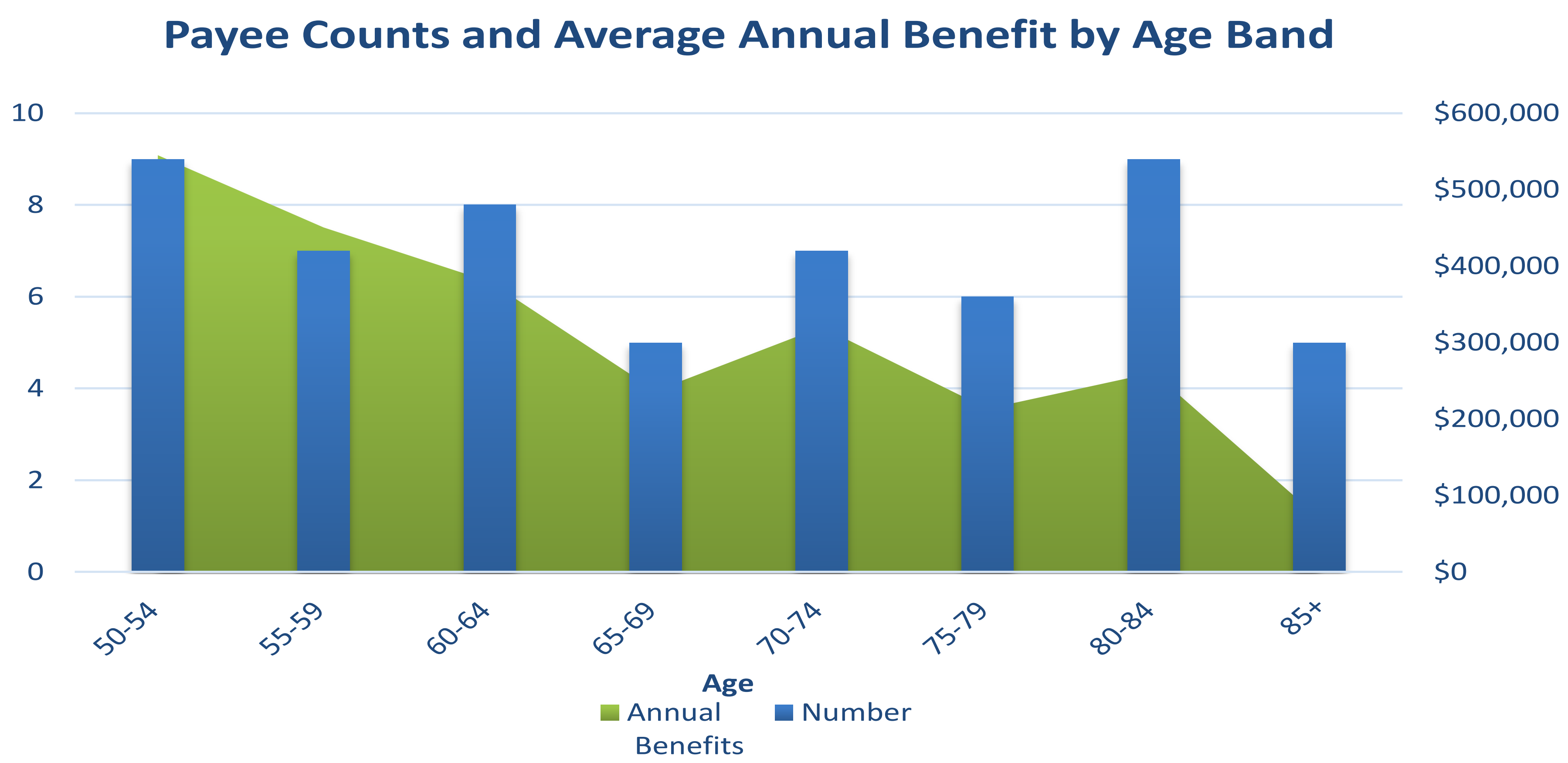
Historical Asset Growth



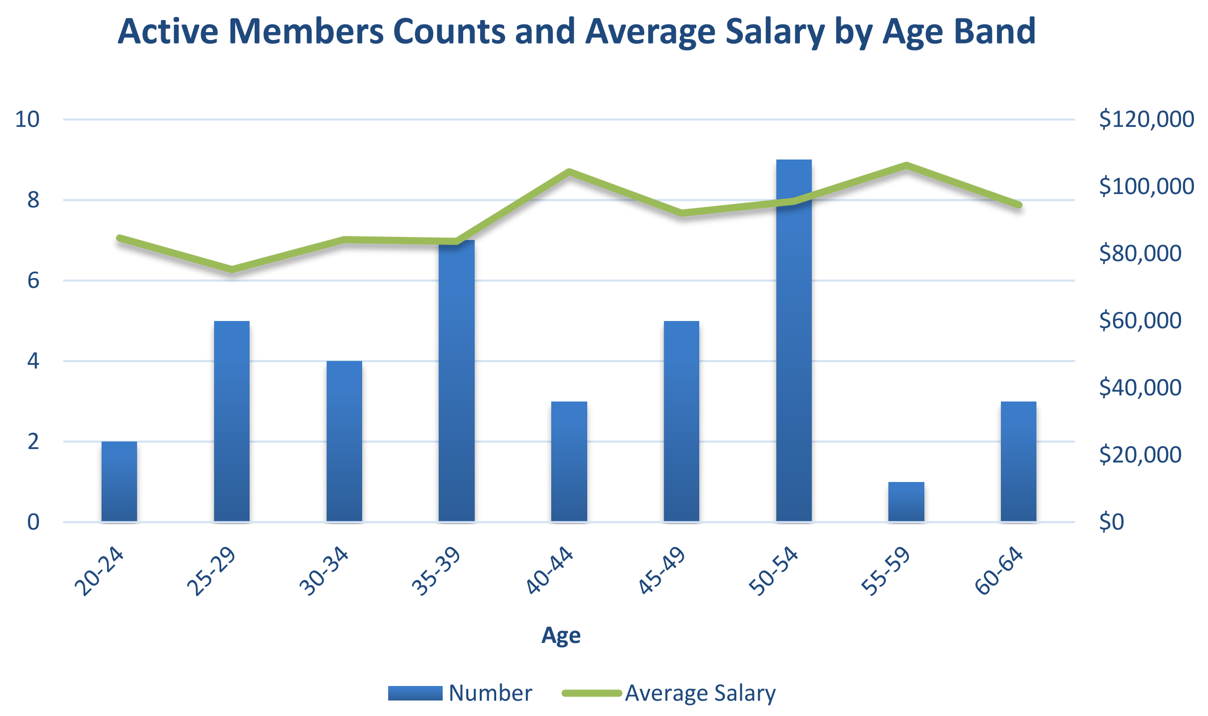
Population History

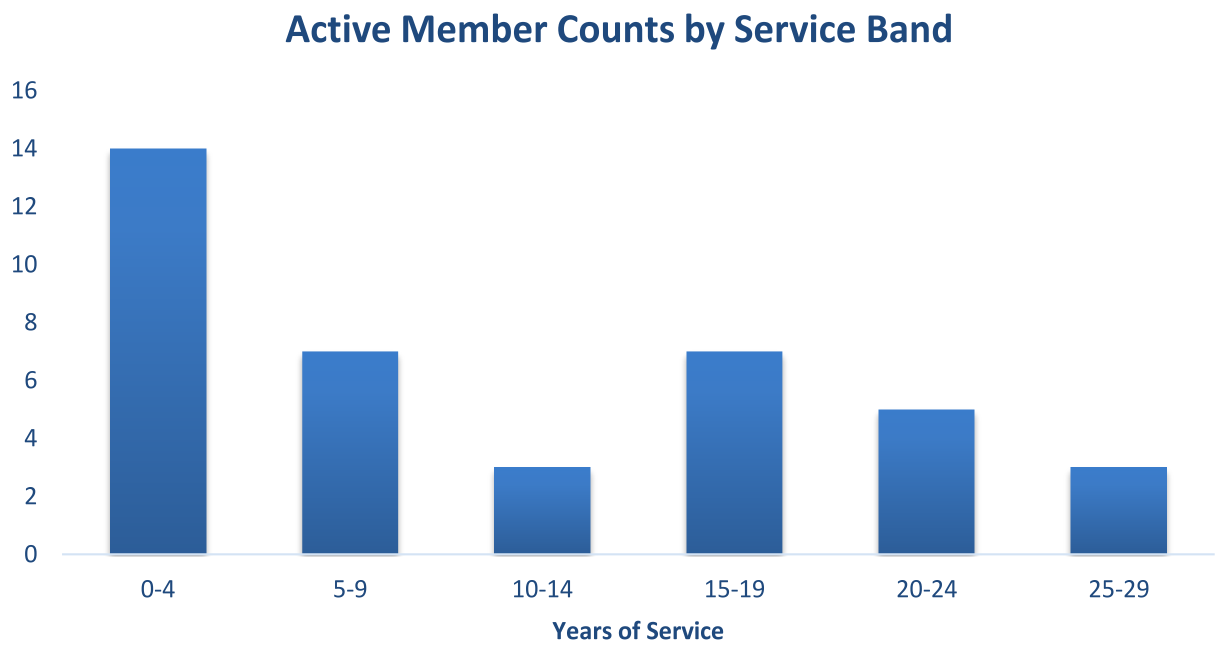


System Membership: Retirees and Beneficiaries



System Membership: Actives





Disclosures

- This presentation is intended to be used in conjunction with the actuarial valuation report issued on April 8, 2025, and should not be relied on for any purpose other than the purpose described therein.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- The actuary submitting this presentation (Casey Ahlbrandt-Rains) is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.
- The primary purpose of the actuarial valuation is to measure the financial position of the System and determine the employer contribution rate for fiscal year 2026.
- 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; and changes in plan provisions or applicable law.
- This is one of multiple documents comprising the actuarial report for the December 31, 2024, actuarial valuation. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial valuation report as of December 31, 2024.
- If you need additional information to make an informed decision about the contents of this presentation, or if anything appears to be missing or incomplete, please contact us before relying on this presentation.

City of Mt. Pleasant
Fire and Police Pension System

Fifty-Seventh Annual Actuarial Valuation
December 31, 2024

Table of Contents

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

April 8, 2025

Retirement Board
City of Mt. Pleasant
Fire and Police Pension System
Mt. Pleasant, Michigan

Dear Board Members:

The results of the ***Fifty-Seventh Annual Actuarial Valuation*** of the **City of Mt. Pleasant Fire and Police Pension System** are presented in this report. The purpose of the valuation and gain/loss analysis is to measure funding progress in relation to the actuarial cost method and to determine employer contribution rates. The results of the valuation may not be applicable for other purposes. A separate report will be issued for this System for Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68.

The computed contribution rate shown on page B-1 may be considered as a minimum contribution rate that complies with the Board's funding policy. Users of this report should be aware that contributions made at that rate 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.

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 valuation was based upon information, furnished by the City, concerning Pension System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. Data was checked for internal and year-to-year consistency, but was not audited. We are not responsible for the accuracy or completeness of the data provided.

The actuarial methods and assumptions used in the actuarial valuation are summarized in Section D of this report. The assumptions are established by the Board after consulting with the actuary.

The date of the valuation was ***December 31, 2024.***

This report should not be relied on for any purpose other than those described above. It was prepared at the request of the Board and is intended for use by the Pension 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 signing actuaries are independent of the plan sponsor.

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

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 was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.

The contribution rate in this report is determined using the actuarial assumptions and methods disclosed in Section D of this report. This report includes risk metrics on pages B-8 through B-10, but does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

This report has been prepared by actuaries who have substantial experience valuing public employee pension systems. To the best of our knowledge, this report is complete and accurate and was made in accordance with generally recognized actuarial methods in compliance with Act 345 of the Public Acts of 1937, as amended. The actuarial assumptions used for the valuations produce results which, individually and in the aggregate, are reasonable.

Casey T. Ahlbrandt-Rains and Derek Henning are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

Derek Henning, ASA, EA, FCA, MAAA

CTA/DH:sc

C0756

SECTION A

OPERATION OF THE SYSTEM

Basic Funding Objective and Operation of the Pension System

Benefit Promises Made Which Must Be Paid For: A pension system is an orderly means of handing out, keeping track of, and funding contingent pension promises to a group of employees. As each member of the pension system acquires a unit of service credit they are, in effect, handed an "IOU" which reads: *"Your Act 345 Pension System promises to pay you one unit of retirement benefits, payments in cash commencing when you retire."*

The principal related financial question is: ***When shall the money required to cover the "IOU" be contributed?*** This year, when the benefit of the member's service is received? Or, some future year when the "IOU" becomes a cash demand?

The **Constitution of the State of Michigan** is directed to the question:

> *"Financial benefits arising on account of service rendered in each fiscal year shall be funded during that year and such funding shall not be used for financing unfunded accrued liabilities."*

Section 9(2) of Act 345 is also directed to the question:

> *"Sec. 9(2). - - - For the purpose of creating and maintaining a fund for the payment of the pensions and other benefits payable hereunder, the said city, village or municipality, subject to the provisions of this act, shall appropriate, at the end of such regular intervals as may be adopted, quarterly, semi-annually, or annually, an amount sufficient to maintain actuarially determined reserves covering pensions payable or which might be payable on account of service performed and to be performed by active members and pensions being paid retired members and beneficiaries - - -."*

Section 20(m) of Act 728 of 2002 requires an annual required contribution shall consist of a current service cost (the normal cost) and a payment for unfunded actuarial liability (both interest and principal).

This Pension System meets these requirements by having the following ***Funding Objective: To establish and receive contributions expressed as percents of active member payroll which will remain approximately level from year to year*** and which will not have to be increased for future generations of taxpayers.

If contributions to the Pension System are less than the preceding amount, the difference, plus investment earnings not realized thereon, will have to be contributed at some later time, or, benefits will have to be reduced, to satisfy the fundamental fiscal equation under which all retirement programs must operate; that is:

$$\mathbf{B = C + I - E}$$

Benefit payments to any group of members and their beneficiaries cannot exceed the sum of:

Contributions received on behalf of the group

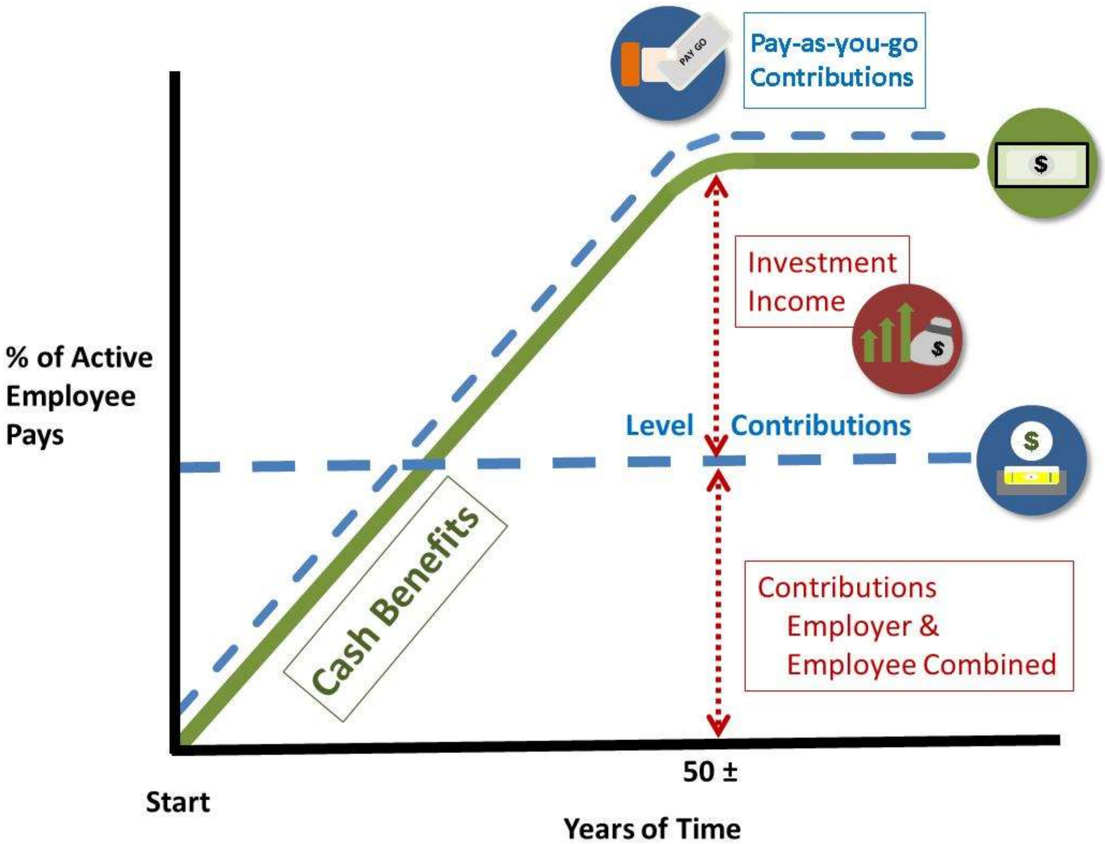
. . . plus . . .

Investment earnings on contributions received and not required for immediate payment of benefits

. . . minus . . .

Expenses incurred in operating the program.

A by-product of a level percent-of-payroll contribution objective is the accumulation of invested assets. Investment income on accumulated assets becomes a major contributor to the pension system, and the amount is directly related to the amount of contributions and investment performance.

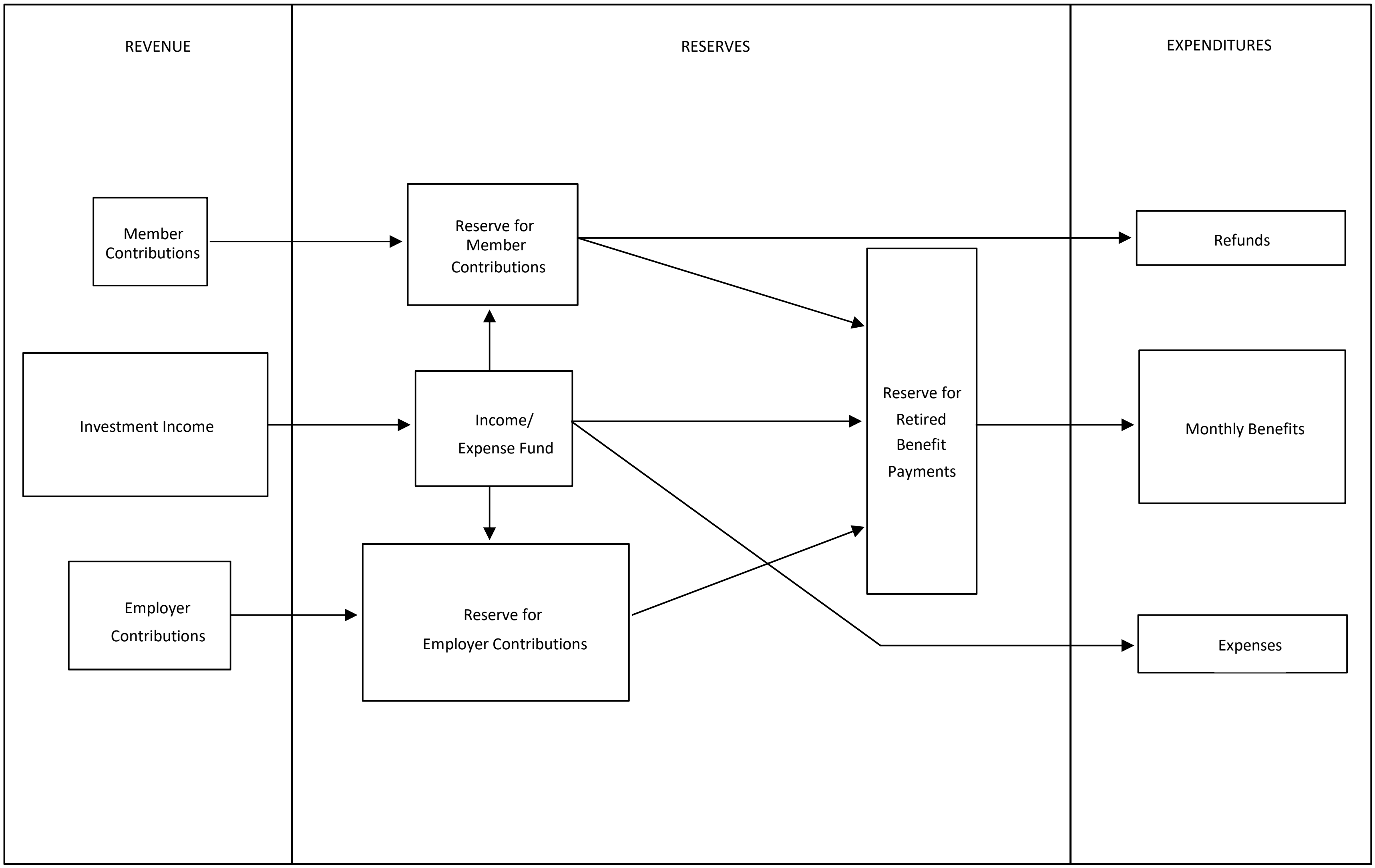


CASH BENEFITS LINE. This relentlessly increasing line is the fundamental reality of retirement plan financing. It happens each time a new benefit is added for future retirements (and happens regardless of the design for contributing for benefits).

LEVEL CONTRIBUTION LINE. Determining the level contribution line requires detailed assumptions concerning a variety of experiences in future decades, including:

- **Economic Risk Areas**
  - Rates of investment return
  - Rates of pay increase
  - Changes in active member group size
- **Non-Economic Risk Areas**
  - Ages at actual retirement
  - Rates of mortality
  - Rates of withdrawal of active members (turnover)
  - Rates of disability

Flow of Money Through the Pension System



SECTION B

VALUATION RESULTS

Contributions to Provide Benefits
Fiscal Year Beginning January 1, 2026

Contributions for	% of Active Payroll
Normal Cost of Benefits	
Age & service	15.97 %
Disability	4.67
Death before retirement	0.27
Refunds of member contributions	0.36
Total	21.27
Member contributions#	5.00
Employer Normal Cost	16.27 %
Unfunded actuarial accrued liabilities*	13.46
REQUIRED EMPLOYER CONTRIBUTION	**29.73** %

* *Amortized as a level percent of payroll over a closed period of 20 years.*

\# *Weighted average of various contribution rates.*

Determining Employer Dollar Contributions

For any period of time, the percent-of-payroll contribution rate needs to be converted to dollars -- and then promptly contributed to the Pension System.

The recommended procedure is: (1) ***at the end of each payroll period, multiply the active member payroll for the period by the employer contribution percent***; and (2) ***promptly contribute the dollar amount so determined***.

Valuation Assets and
Unfunded Actuarial Accrued Liability

Valuation assets are equal to reported market value of assets, except that 20% of the difference between the actual investment earnings and the assumed earnings are recognized each year. Such smoothing reduces the fluctuation in the City's computed contribution rate which might otherwise be caused by market value fluctuations. The derivation of valuation assets is shown on page B-12. The valuation assets as of December 31, 2024 total $34,448,876. When applied against actuarial accrued liabilities, the resulting unfunded actuarial accrued liability is $6,624,165. Changes in this amount from the prior year are reconciled on the following page.

Derivation of Experience Gain/(Loss)
Year Ended December 31, 2024

Actual experience will never (except by coincidence) coincide exactly with assumed experience. It is hoped that gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain/(loss) is shown below:

(1) UAAL* at start of year	$	6,397,551
(2) Total normal cost from last year		725,503
(3) Actual employer and employee contributions		1,147,005
(4) Interest accrual: [(1) + 1/2 ((2) - (3))] x 6.75%		417,609
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)		6,393,658
(6) Change from benefit provision amendments		0
(7) Change from revised actuarial assumptions & methods		0
(8) Expected UAAL after changes: (5) + (6) + (7)		6,393,658
(9) Actual UAAL at end of year		6,624,165
(10) Gain/(loss): (8) - (9)	$	(230,507)

* *Unfunded actuarial accrued liabilities.*

Breakdown of Gain (Loss)		
Investment Experience	$	364,150
Demographic Experience		(594,657)
	$	**(230,507)**

Summary Statement of System Resources and Obligations
Year Ended December 31, 2024

Present Resources and Expected Future Resources

A.	Present valuation assets:	
	1. Net assets from System financial statements	$35,031,605
	2. Market value adjustment	(582,729)
	3. Valuation assets	34,448,876
B.	Actuarial present value of expected future employer contributions:	
	1. For normal costs	4,815,136
	2. For unfunded actuarial accrued liability	6,624,165
	3. Total	11,439,301
C.	Actuarial present value of expected future member contributions	1,520,595
D.	Total present and expected future resources	$47,408,772

Actuarial Present Value of Expected Future Benefit Payments

A.	To retirees and beneficiaries:	
	1. Annual pensions	$28,715,654
	2. Reserve	none
	3. Total	28,715,654
B.	To vested terminated members	362,032
C.	To present active members:	
	1. Allocated to service rendered prior to valuation date - actuarial accrued liability	11,995,355
	2. Allocated to service likely to be rendered after valuation date	6,335,731
	3. Total	18,331,086
D.	Total actuarial present value of expected future benefit payments	$47,408,772

Valuation Results
Comparative Schedule

Valuation Date Dec. 31		Actuarial Accrued Liabilities Computed Total	Assets	Unfunded	Amortiz. Period	Computed Employer Contributions %	$
1995	*	$ 10,271,536	$ 9,851,127	$ 420,409	37	21.57 %	$ 309,957
1996		11,571,181	10,916,079	655,102	36	22.09	341,572
1997	*	11,989,742	12,296,505	(306,763)	35	20.09	362,020
1998		11,518,215	13,955,009	(2,436,794)	34	9.60	174,079
1999	*	12,356,510	16,005,900	(3,649,390)	33	6.77	132,003
2000		13,525,725	17,255,129	(3,729,404)	20	4.28	92,315
2001	*	13,979,211	17,919,175	(3,939,964)	20	4.24	96,145
2002		14,729,261	17,532,361	(2,803,100)	20	6.83	166,024
2003	*	15,518,689	17,225,631	(1,706,942)	20	10.23	249,376
2004	*	16,309,949	16,837,905	(527,956)	20	13.31	343,214
2005		16,671,051	16,828,869	(157,818)	20	14.20	354,066
2006		17,256,054	17,650,089	(394,035)	20	13.93	358,823
2007	*	17,859,262	19,240,015	(1,380,753)	20	11.39	290,314
2008		18,450,495	17,545,223	905,272	30	16.35	437,091
2009	*	19,147,372	17,862,495	1,284,877	30	17.10	463,148
2010		19,983,867	18,328,315	1,655,552	30	17.99	463,837
2011		20,912,606	18,149,864	2,762,742	30	19.85	537,388
2012		23,831,734	17,962,082	5,869,652	30	27.26	747,621
2013	*	24,375,398	19,356,003	5,019,395	30	25.68	708,175
2014		24,905,872	20,642,630	4,263,242	30	24.44	665,727
2015		26,184,366	21,610,072	4,574,294	29	24.22	732,666
2016		27,158,447	23,015,673	4,142,774	28	23.73	708,754
2017	*	28,575,055	24,826,651	3,748,404	27	22.74	696,614
2018	*	30,115,330	25,583,802	4,531,528	26	24.10	744,611
2019		32,101,316	26,874,398	5,226,918	25	25.46	779,317
2020	*	33,129,353	28,837,029	4,292,324	24	23.48	757,805
2021	*	36,475,496	31,409,158	5,066,338	23	27.53	881,679
2022		38,286,121	31,797,685	6,488,436	22	30.79	974,346
2023	*	39,558,785	33,161,234	6,397,551	21	29.87	998,193
2024		**41,073,041**	**34,448,876**	**6,624,165**	**20**	**29.73**	**1,038,841**

* *After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.*

Comments and Conclusion

Comment A: Overall experience for the year ending December 31, 2024 was less favorable than expected. Actuarial losses totaled $230,507 (see page B-3). The losses were primarily due to lower retiree mortality than expected and actuarial experience among active members. Recognized investment gains partially offset these losses.

Comment B: There were no updates to the actuarial assumptions or changes to benefit provisions for the December 31, 2024 valuation. Actuarial assumptions were last updated for the December 31, 2021 valuation.

Comment C: Currently actuarial accrued liabilities exceed valuation assets by $6.6 million. This amount is used to generate the percent-of-pay amortization charge for Unfunded Actuarial Accrued Liabilities (UAAL) of 13.46% that appears on page B-1. UAAL were amortized as a level percent of payroll over 20 years.

Market Value of assets exceeded the valuation assets by about $0.6 million (see page B-12). If the valuation assets were reset to the market value of assets, the UAAL contribution would be decreased by 1.18% of payroll using a 20-year amortization period. The funded ratio would increase from 83.9% to 85.3%. This is not a recommendation, but is presented to show the effects of the smoothing method.

Comment D: The following table shows necessary disclosures for Michigan Public Act 202 of 2017 under the Uniform Actuarial Assumptions for Fiscal Year 2024. These results use a 6.75% investment return assumption, 3.25% minimum salary increases, a 15-year closed amortization period, Pub-2010 mortality tables, and MP-2021 projection scales:

	Total
Funding Value of Assets (FVA)	$ 34,448,876
Actuarial Accrued Liability (AAL)	41,073,041
Funded Status	83.9%
Total City Contribution Requirement	
as Percents of Payroll	32.59%
as annual dollar amounts	$ 1,138,777

Conclusion: It is the actuary's opinion that the required contribution rates determined by this actuarial valuation are reasonable, and sufficient to meet the System's financial objective, presuming continued receipt of required contributions when due.

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 6.75% on the actuarial value of assets), it is expected that:

1) The unfunded actuarial accrued liabilities will be fully amortized after 20 years;
2) The funded status of the plan will increase gradually towards a 100% funded ratio; and
3) The employer normal cost is sufficient to cover the cost of benefits accruing each year.

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. 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.

Limitations 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.

Risks to Future Employer Contribution Requirements

There are ongoing risks to future employer contribution requirements to which the Pension System is exposed, such as:

- Actual <u>and</u> Assumed Investment Rate of Return
- Actual <u>and</u> Assumed Mortality Rates
- Amortization Policy

Risks Associated with Measuring the Accrued Liability and Actuarially Determined Contribution

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 Risk** – 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.

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:

	2024	2023
Ratio of the market value of assets to total payroll	10.03	9.65
Ratio of actuarial accrued liability to payroll	11.75	11.84
Ratio of actives to retirees and beneficiaries	0.70	0.70
Ratio of net cash flow to market value of assets	(3.9)%	(4.7)%
Duration of the actuarial accrued liability	13.35	13.14

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 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

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.

Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, a duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

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.

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the "Low-Default-Risk Obligation Measure" (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

"The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the "right" liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**"

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of the City of Mt. Pleasant Fire and Police Pension System is to finance each member's retirement benefits over the period from the member's date of hire until the member's projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities is set equal to the **expected return** on the System's diversified portfolio of assets (referred to sometimes as the investment return assumption). The current investment return assumption is 6.75%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the entry age normal actuarial cost method and discount rates based upon the December 2024 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10-, and 30-year rates follow: 4.29%, 4.29%, 4.37% and 4.64%. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on risk in a diversified portfolio.

Valuation Accrued Liabilities	LDROM
$41,073,041	$53,272,107

Derivation of 5-Year Smoothed Actuarial Value of Assets

	2023	2024	2025	2026	2027	2028
Beginning of Year:						
(1) Market Value	$28,969,674	$32,237,336				
(2) Valuation Assets	31,797,685	33,161,234				
End of Year:						
(3) Market Value	32,237,336	35,031,605				
(4) Net Additions to Assets, Excluding Investment Income	(1,362,204)	(1,271,963)				
(5) Total Investment Income: = (3) - (1) - (4)	4,629,866	4,066,232				
(6) Projected Rate of Return	6.75%	6.75%				
(7) Projected Investment Income: = (6) x [(2) + .5 x (4)]	2,100,369	2,195,455				
(8) Investment Income in Excess of Projected Income	2,529,497	1,870,777				
(9) Excess Investment Income Recognized this Year (5-year recognition)						
(9a) From this year	505,899	374,155				
(9b) From one year ago	(1,519,347)	505,899	$ 374,155			
(9c) From two years ago	607,099	(1,519,347)	505,899	$ 374,155		
(9d) From three years ago	396,344	607,099	(1,519,347)	505,899	$ 374,155	
(9e) From four years ago	635,389	396,344	607,101	(1,519,346)	505,901	$ 374,157
(10) Change in Valuation Assets: = (4) + (7) + 9 [a..e]	1,363,549	1,287,642				
End of Year:						
(3) Market Value	32,237,336	35,031,605				
(11a) Preliminary Valuation Assets: = (2) + (10)	33,161,234	34,448,876				
(11b) Upper Corridor Limit (120%)	38,684,803	42,037,926				
(11c) Lower Corridor Limit (80%)	25,789,869	28,025,284				
(11d) Valuation Assets	**33,161,234**	**34,448,876**				
(12) Ratio of Valuation Assets to Market Value	103%	98%				
(13) Rate of Return on Valuation Assets	8.8%	7.9%				

Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry-Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
12-31-05	$16,828,869	$16,671,051	$ (157,818)	101	$2,493,426	0 %
12-31-06 *	17,650,089	17,256,054	(394,035)	102	2,577,755	0
12-31-07	19,240,015	17,859,262	(1,380,753)	108	2,548,849	0
12-31-08 *	17,545,223	18,450,495	905,272	95	2,673,340	34
12-31-09	17,862,495	19,147,372	1,284,877	93	2,708,465	47
12-31-10	18,328,315	19,983,867	1,655,552	92	2,578,305	64
12-31-11	18,149,864	20,912,606	2,762,742	87	2,707,244	102
12-31-12 *	17,962,082	23,831,734	5,869,652	75	2,742,557	214
12-31-13	19,356,003	24,375,398	5,019,395	79	2,757,689	182
12-31-14	20,642,630	24,905,872	4,263,242	83	2,723,924	157
12-31-15	21,610,072	26,184,366	4,574,294	83	3,025,045	151
12-31-16 *	23,015,673	27,158,447	4,142,774	85	2,986,743	139
12-31-17 *	24,826,651	28,575,055	3,748,404	87	3,063,384	122
12-31-18	25,583,802	30,115,330	4,531,528	85	3,089,673	147
12-31-19 *	26,874,398	32,101,316	5,226,918	84	3,060,945	171
12-31-20 *	28,837,029	33,129,353	4,292,324	87	3,227,447	133
12-31-21 *	31,409,158	36,475,496	5,066,338	86	3,202,611	158
12-31-22	31,797,685	38,286,121	6,488,436	83	3,164,487	205
12-31-23 *	33,161,234	39,558,785	6,397,551	84	3,341,791	191
12-31-24	**34,448,876**	**41,073,041**	**6,624,165**	**84**	**3,494,253**	**190**

** After changes in benefit provisions and/or actuarial assumptions and/or actuarial cost methods.*

Schedule of Employer Contributions

Year Ended December 31	Annual Contribution	Percent Contributed
2004	$ 166,024	100 %
2005	249,376	100
2006	343,214	100
2007	354,066	100
2008	358,823	100
2009	290,314	100
2010	437,091	100
2011	463,148	100
2012	463,837	100
2013	537,388	100
2014	747,621	100
2015	708,175	100
2016	665,727	100
2017	732,666	100
2018	708,754	100
2019	696,614	100
2020	744,611	100
2021	779,317	100
2022	757,805	100
2023	881,679	100
2024	**974,346**	**100**

Supplementary Information

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

Valuation date	December 31, 2024
Actuarial cost method	Individual entry-age
Amortization method for unfunded actuarial accrued liabilities	Level percent closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	6.75%
Projected salary increases including inflation at 3.00%	3.00% - 6.00%
Cost-of-living adjustments	None, but 13th check payable under certain circumstances

Membership of the plan consisted of the following at December 31, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	56
Terminated plan members entitled to but not yet receiving benefits	2
Active plan members	39
Total	97

SECTION C

BENEFIT PROVISIONS AND VALUATION DATA

Brief Summary of Act 345 Benefit Conditions Evaluated (December 31, 2024)

Eligibility	Amount
SERVICE RETIREMENT	
Age 50 with 25 or more years of service or age 60 regardless of service.	Fire: Straight life pension equals 2.75% of 3-year Average Final Compensation (AFC) times first 25 years of service plus 1% of AFC times years of service in excess of 25 years (maximum benefit is 80% of AFC). Fire Hired After January 1, 2020 – Straight life pension equals 2.50% of 3-year AFC times all years of service (maximum benefit is 75% of AFC). Police: Straight life pension equals 2.75% of 3-year AFC times the greater of 25 years of service or years of service to age 50, plus 1% of AFC times years of service to which the 2.75% multiplier did not apply (maximum benefit is 75% of AFC). Police Hired After January 1, 2019 - Straight life pension equals 2.50% of 3-year AFC (maximum benefit is 75% of AFC). Both: Plus, "13th Check" (see "Post-Retirement Benefit Increases" on page C-2).
DEFERRED RETIREMENT	
10 or more years of service.	Computed as service retirement but based upon service, AFC and benefit in effect at termination. Benefit begins at date retirement would have occurred had member remained in employment.
DEATH AFTER RETIREMENT SURVIVOR'S PENSION	
Payable to a surviving spouse, if any, upon the death of a retired member who was receiving a straight life pension which was effective July 1, 1975 or later.	Spouse's pension equals 60% of the straight life pension the deceased retiree was receiving.
NON-DUTY DEATH-IN-SERVICE SURVIVOR'S PENSION	
Payable to a surviving spouse, if any, upon the death of a member with 10 or more years of service.	Accrued straight life pension actuarially reduced in accordance with an Option I election.

Brief Summary of Act 345 Benefit Conditions Evaluated (December 31, 2024) (Concluded)

Eligibility	Amount
DUTY DEATH-IN-SERVICE SURVIVOR'S PENSION	
Payable upon the expiration of worker's compensation to the survivors of a member who died in the line of duty.	Same amount that was paid by worker's compensation.
NON-DUTY DISABILITY	
Payable upon the total and permanent disability of a member with 5 or more years of service.	To Age 55: 1.5% of AFC times years of service. At Age 55: Same as Service Retirement Pension.
DUTY DISABILITY	
Payable upon the total and permanent disability of a member in the line of duty.	To Age 55: 50% of AFC. At Age 55: Same as Service Retirement Pension with service credit from date of disability to age 55.
MEMBER CONTRIBUTIONS	
	5% of pay for Police hired prior to January 1, 2019. 4% for Police if hired after January 1, 2019 and the Pension Fund has an 86% or greater funding position, otherwise 5%. 5% for Fire.
POST-RETIREMENT BENEFIT INCREASES ("13th Check")	
Pre 1/1/2000 Firefighters: Payable to all retirees and beneficiaries who retired prior to 1/1/2000 provided the Pension System remains at least 84% funded.	Amount equal to 5.0% times benefits paid to Firefighter retirees and beneficiaries for prior year times the proportion of pre-2000 Firefighter retirees to all Firefighter retirees divided by the number of Firefighter retirees retired prior to 1/1/2000.
Post 1/1/2000 Firefighters: Payable to all retirees and beneficiaries retired after 1/1/2000 provided the Pension System remains at least 84% funded. **Benefit terminated for members not retired as of January 1, 2023.**	Amount equal to 7.5% times benefits paid to Firefighter retirees and beneficiaries for prior year times the proportion of post-1999 Firefighter retirees to all Firefighter retirees divided by the number of Firefighter retirees retired after 1/1/2000.
"Old Police": Payable to retirees who meet the following conditions: retired for 15 years, retired prior to January 1, 1992, current annual benefit is less than $10,000, and Pension System remains at least 84% funded.	Amount equal to 5.0% times benefits paid to Police retirees and beneficiaries for prior year divided by number of "old Police" retirees. Amount not to exceed $3,000.
Police Officers: Payable to all retirees and beneficiaries whose benefits commence on or after January 1, 1993 and before January 1, 2001 provided that the Pension System remains at least 84% funded.	Amount equal to 7.5% times benefits paid to eligible Police retirees and beneficiaries for prior year divided by number of eligible Police retirees and beneficiaries.

Retirees and Beneficiaries Added to and Removed from Rolls
Comparative Statement

Year Ended December 31	Added to Rolls		Removed from Rolls		Rolls End of Year		Average Pensions	Present Value of Pensions
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions		
2000	1 #	$ 43,922			30	$ 709,510	$ 23,650	$ 7,542,999
2001	2	33,983	2 *	$ 56,638	30	686,855	22,895	7,198,467
2002	3	149,974 *			33	836,829	25,358	8,668,309
2003	2	58,815 *			35	895,644	25,590	9,254,923
2004		1,235 *	1	21,698	34	875,181	25,741	8,960,594
2005		1,709 *			34	876,890	25,791	8,816,983
2006	1	31,441	1	37,629	34	870,702	25,609	8,593,196
2007	1	43,563	1	17,914	34	896,351	26,363	8,764,332
2008	1	67,291		45,575	35	918,067	26,230	8,747,966
2009	1	70,567 *	1	8,583	35	980,051	28,001	9,316,499
2010	3	163,515 *	1	22,059	37	1,121,507	30,311	10,897,212
2011	3	90,863 *	1	20,930	39	1,191,440	30,550	11,527,239
2012	3	166,262			42	1,357,702	32,326	14,340,375
2013	2	25,644	2	15,710	42	1,367,636	32,563	14,185,677
2014		3,370 *			42	1,371,006	32,643	13,942,842
2015					42	1,371,006	32,643	13,650,485
2016		400 *	3	28,467	39	1,342,939	34,434	13,255,642
2017	2	25,142 *	2	50,489	39	1,317,592	33,784	13,676,412
2018	1	57,739 *	1	1,559	39	1,373,772	35,225	14,211,822
2019	4	277,074			43	1,650,846	38,392	17,449,672
2020					43	1,650,846	38,392	17,140,614
2021	6	276,490	3	70,026	46	1,857,310	40,376	20,509,593
2022	9	461,008	2	88,029	53	2,230,290	42,081	25,416,633
2023	4	228,059	3	103,068	54	2,355,281	43,616	27,340,448
2024	**2**	**141,174**	**0**	**0**	**56**	**2,496,454**	**44,580**	**28,715,654**

* *Includes adjustments.*
[#] *Data adjustment.*

Retirees and Beneficiaries as of December 31, 2024
Tabulated by Type of Pensions Being Paid

Type of Pension Being Paid	No.	Annual Pensions
Age and Service Pensions:		
Spouse Coverage	36	$1,959,666
Straight Life	7	292,645
Survivors Pension	11	224,356
Total Age and Service Pensions	54	2,476,668
Casualty Pensions:		
Duty Disability		
Non-Duty Disability		
Duty Death		
Non-Duty Death	2	19,787
Total Casualty Pensions	2	19,787
Total Pensions Being Paid	**56**	**$2,496,454**

Retirees and Beneficiaries as of December 31, 2024
Tabulated by Attained Age

Attained Age	No.	Annual Pensions
50-54	9	$ 544,847
55-59	7	450,606
60-64	8	379,502
65-69	5	236,699
70-74	7	320,477
75-79	6	213,374
80-84	9	260,862
85-89	3	70,455
90-94	2	19,633
95-99		
Totals	**56**	**$2,496,455**

Vested Terminated Members as of December 31, 2024
Tabulated by Attained Age

Attained Age	No.	Annual Benefit
40-44	1	$23,052 *
45-49	1	19,612 *
Totals	**2**	**$42,664**

* *Estimated benefit for purposes of this valuation.*

Active Members in Valuation
Comparative Schedule

Valuation Date Dec. 31	No.	Valuation Payroll	Average Pay	% Incr.	Age	Years of Service
1995	34	$ 1,436,981	$ 42,264	3.5	41.8	13.4 yrs.
1996	34	1,546,276	45,479	7.6	40.2	12.1
1997	40	1,801,993	45,050	(0.9)	38.1	9.3
1998	40	1,813,321	45,333	0.6	37.6	9.1
1999	39	1,949,819	49,995	10.3	37.0	9.8
2000	43	2,156,881	50,160	0.3	37.2	10.0
2001	44	2,278,324	51,780	3.2	37.9	10.3
2002	44	2,430,802	55,246	6.7	37.1	9.5
2003	43	2,437,692	56,691	2.6	36.8	9.9
2004	42	2,578,620	61,396	8.3	38.2	11.0
2005	42	2,493,426	59,367	(3.3)	39.2	11.9
2006	42	2,577,755	61,375	3.4	40.2	12.9
2007	40	2,548,849	63,721	3.8	40.9	13.8
2008	40	2,673,340	66,834	4.9	41.0	14.1
2009	41	2,708,465	66,060	(1.2)	41.4	14.1
2010	39	2,578,305	66,110	0.1	41.4	13.4
2011	39	2,707,244	69,417	5.0	42.1	14.1
2012	39	2,742,557	70,322	1.3	41.1	12.7
2013	39	2,757,689	70,710	0.6	42.1	13.7
2014	38	2,723,924	71,682	1.4	43.3	14.7
2015	40	3,025,045	75,626	5.5	44.1	15.0
2016	40	2,986,743	74,669	(1.3)	45.1	16.0
2017	40	3,063,384	76,585	2.6	46.1	17.2
2018	39	3,089,673	79,222	3.4	47.1	18.1
2019	39	3,060,945	78,486	(0.9)	46.2	16.2
2020	40	3,227,447	80,686	2.8	47.2	16.7
2021	39	3,202,611	82,118	1.8	45.9	15.1
2022	38	3,164,487	83,276	1.4	44.0	12.7
2023	38	3,341,791	87,942	5.6	43.2	11.4
2024	**39**	**3,494,253**	**89,596**	**1.9**	**42.0**	**11.0**

Additions to and Removals from Active Membership
Actual and Expected Numbers

Year Ended	Number Added During Year		Normal Retirement		Disability Retirement		Died-in-Service		Terminations		Active Members End of Year
	A	E	A	E	A	E	A	E	A	E	
12/31/2015	2			0.2		0.3		0.1		0.5	40
12/31/2016				0.3		0.4		0.1		0.6	40
12/31/2017				0.3		0.4		0.1		0.5	40
12/31/2018		1	1	0.7		0.4				0.3	39
12/31/2019	4	4	4	1.6		0.4		0.1		0.3	39
12/31/2020	1			0.7		0.4		0.1		0.2	40
12/31/2021	4	5	4	0.7		0.4		0.1	1	0.2	39
12/31/2022	5	6	6	3.4		0.2				0.1	38
12/31/2023	4	4	3	3.4		0.2			1	0.1	38
12/31/2024	4	3	2	3.4		0.2			1	0.1	39
Five-Year Total	18	18	15	12		1.4		0.2	3	0.7	

A: Actual
E: Estimated

Active Members as of December 31, 2024
by Attained Age and Years of Service

Attained 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
20-24	2							2	$ 169,408
25-29	5							5	376,700
30-34	3	1						4	336,858
35-39	3	3	1					7	585,785
40-44			1	2				3	313,461
45-49	1	2		1	1			5	460,716
50-54		1	1	1	4	2		9	861,313
55-59						1		1	106,380
60-64				3				3	283,632
Totals	**14**	**7**	**3**	**7**	**5**	**3**		**39**	**$ 3,494,253**

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

Age:	42.0	years
Service:	11.0	years
Annual Pay:	$89,596	

Asset Information
Submitted for Valuation

Balance Sheet

Reported Assets - Market Value	
Cash & equivalents	$ 2,334,797
Receivables & accruals	0
Stock mutual funds	26,117,724
Bonds	6,579,084
Other	
Total Current Assets	$ 35,031,605

Revenues and Expenditures

	2024	2023
Balance - January 1	$32,237,336	$28,969,674
Revenues		
Employees' contributions	172,659	169,118
Employer contributions	974,346	881,679
Investment income (net including unrealized appreciation/depreciation)	4,101,544	4,663,294
Expenditures		
Benefit payments	2,418,968	2,413,001
"13th" Check	0	0
Refunds of member contributions	0	0
Administrative Expenses	35,312	33,428
Balance - December 31	$35,031,605	$32,237,336

SECTION D

VALUATION METHODS AND ASSUMPTIONS

Actuarial Cost Methods

Age and Service and Casualty Benefits*.* Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an *individual entry age actuarial cost 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 Liabilities. Unfunded actuarial accrued liabilities were amortized by level (principal and interest combined) percent-of-payroll contributions over a closed period of 20 years.

Actuarial Assumptions Used for the Valuation

The contribution requirements and benefit values of the System are calculated by applying actuarial assumptions to the benefit provisions and people information furnished, using the actuarial cost method described on the previous page. All actuarial assumptions used in this report are estimates of future experience not market measures.

The principal areas of financial risk which require assumptions about future experiences are:

(i) Long-term rates of investment return to be generated by the assets of the System;
(ii) Patterns of pay increases to members;
(iii) Rates of mortality among members, retirees and beneficiaries;
(iv) Rates of withdrawal of active members (without entitlement to a retirement benefit);
(v) Rates of disability among members; and
(vi) The age patterns of actual retirement.

The monetary effect of each assumption is calculated for as long as a present covered person survives --- a period of time which can be as long as a century.

Actual experience of the System will not coincide exactly with assumed experience, regardless of the wisdom of the assumptions. 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 adjustments (usually small) to the computed contribution rate.

From time-to-time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

The rate of net investment return used was 6.75% a year, compounded annually. The assumption consists of 4.25% for a real rate of return (over price inflation).

This assumption, used to discount the value of future payments due at different points in time, was first used for the December 31, 2021 valuation. Approximate investment returns on a funding value basis, for the purpose of comparisons with assumed returns, have been as follows:

	Year Ended December 31				
	2024	**2023**	**2022**	**2021**	**2000**
Nominal rate	7.9%	8.8%	5.1%	12.2%	10.5%

These rates of return, on the basis of the actuarial value of assets, should not be used for measurement of an investment advisor's performance or for comparisons with other systems -- to do so will mislead.

The rates of salary increase used are in accordance with the following graded table. The assumption consists of 3.00% in recognition of wage inflation and a graded allowance for promotion and longevity. Price inflation was assumed to be 2.50% a year.

	Annual Rate of Pay Increase for Sample Ages		
Sample Ages	**Base Wage**	**Merit and Longevity**	**Totals**
20	3.00%	3.00%	6.00%
25	3.00%	3.00%	6.00%
30	3.00%	2.60%	5.60%
35	3.00%	1.10%	4.10%
40	3.00%	0.20%	3.20%
45	3.00%	0.20%	3.20%
50	3.00%	0.20%	3.20%
55	3.00%	0.10%	3.10%
60	3.00%	0.00%	3.00%

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

If the number and distribution of active members remains constant, then the total active member payroll will increase 3.00% annually, the base portion of the salary increase assumptions. This increasing payroll was recognized in amortizing the unfunded actuarial accrued liability.

Actual valuation payroll has increased at the following rates:

	Year Ended December 31					5-Year
	2024	2023	2022	2021	2020	Average*
Total payroll	4.6 %	5.6 %	(1.2)%	(0.8)%	5.4 %	2.7 %
Average pay	1.9 %	5.6 %	1.4 %	1.8 %	2.8 %	2.7 %

* *Compound rate of increase.*

The mortality table used to measure post-retirement mortality is the Pub-2010, Amount Weighted, Safety, Healthy Retiree table for males and females. The corresponding Disabled and Employee tables were used to measure Disabled mortality and Pre-Retirement mortality, respectively. A base year of 2010 with fully generational mortality improvement projected using scale MP-2021 was used. Additional margin for future mortality improvements are included in the projection scale.

This assumption was first used for the December 31, 2021 valuation. Related values are shown below:

Sample Attained Ages	Present Value of $1.00 Monthly for Life		Future Life Expectancy (Years)	
in 2024	Men	Women	Men	Women
50	$159.79	$162.39	35.65	37.69
55	151.66	154.92	30.60	32.58
60	141.29	145.58	25.70	27.66
65	128.70	134.23	21.09	23.00
70	113.78	120.43	16.79	18.60
75	96.57	104.13	12.87	14.52
80	77.92	86.16	9.43	10.89

This assumption is used to measure the probabilities of members dying before retirement and the probabilities of each benefit payment being made after retirement. Disability tables are the same as those used for healthy mortality.

For purposes of the 60% joint and survivor benefit, 90% of males and 90% of females are assumed to be married at retirement. Males are assumed to be three years older than their spouses.

All deaths-in-service are assumed to be non-duty related.

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Retirement Ages	Percents of Active Members Retiring within Next Year	
	Police	Fire
50	35%	20%
51	25%	15%
52	20%	15%
53	20%	15%
54	20%	15%
55	20%	15%
56	20%	15%
57	20%	15%
58	20%	20%
59	30%	30%
60	100%	100%

A member was assumed to be eligible for retirement after both attaining age 50 and completing 25 or more years of service, or, after attaining age 60 regardless of service.

Rates of separation from active membership were as shown below (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	% of Active Members Separating within Next Year	
		Police	Fire
ALL	0	12.00%	10.00%
	1	9.00%	7.00%
	2	7.00%	5.00%
	3	5.00%	4.00%
	4	4.50%	3.50%
25	5 & Over	4.50%	3.50%
30		3.90%	2.90%
35		2.30%	1.50%
40		0.90%	0.60%
45		0.50%	0.50%
50		0.50%	0.50%
55		0.50%	0.50%
60		0.50%	0.50%

The interest rate currently being credited on refunds of accumulated contributions paid to terminating members was assumed to be 2% per annum.

Rates of disability were as follows:

Sample Ages	Percent Becoming Disabled within Next Year
20	0.11%
25	0.18%
30	0.37%
35	0.61%
40	0.85%
45	1.09%
50	1.33%
55	1.58%
60	1.83%

These rates were first used for the June 30, 1976 valuation. All disabilities are assumed to be duty related.

Summary of Assumptions Used
December 31, 2024

Pensions in an Inflationary Environment

Value of $1,000/Month Retirement Benefit to an Individual Who Retires at Age 50 in an Environment of 3.00% Wage Inflation

Age	Value
50	$ 1,000
51	971
52	943
53	915
54	888
55	863
60	744
65	642
70	554
75	478
80	412
85	355

The life expectancy of a 50-year-old male retiree in 2024 is age 86.

The life expectancy for a 50-year-old female retiree in 2024 is age 88.

Half of the people will outlive their life expectancy. The effects of even moderate amounts of inflation can be significant for those who live to an advanced age.

Miscellaneous and Technical Assumptions

Pay Increase Timing:	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.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	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.
Benefit Service:	The nearest whole year of service is used to determine the amount of benefit payable.
Decrement Relativity:	Decrement rates are not adjusted for multiple decrement table effects.
Decrement Operation:	Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
Normal Form of Benefit:	The assumed normal form of benefit is the 60% spouse benefit.
Loads:	None.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent-of-payroll shown in this report, and the actual payroll payable at the time contributions are made. New entrant normal cost contributions are applied to the funding of new entrant benefits.
Accrued Service:	All active members were assumed to have accrued one year of benefit service during this past fiscal year.

Miscellaneous and Technical Assumptions

Data Adjustments: Salaries for active new hires (and rehires) were annualized.

Member Contributions: Beginning of year member contributions were increased by 2% to account for interest credit.

Future Employee Contributions: Employee contributions for certain members change based on the System's funded status. For purposes of calculating the AAL and NC, we have assumed that future employee contributions continue at the rate calculated in this report. This assumption does not have a material effect on the calculations.

Glossary

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turn-over and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of wage inflation.

Actuarial Cost Method. A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Experience Gain/(Loss). A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Plan Termination Liability. The actuarial present value of future plan benefits based on the assumption that there will be no further accruals for the future service and salary. The termination liability will generally be less than the liabilities computed on a “going-concern” basis and is not normally determined in a routine actuarial valuation.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Glossary (Concluded)

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes. Generally based on market value, adjusted to eliminate some of the market value fluctuation.

Financing Unfunded Actuarial Accrued Liabilities Which Were Calculated Using a Wage Inflation Assumption of 3.00% and an Investment Return Assumption of 6.75% Compounded Annually

Level % of Payroll Amortization:
Closed Amortization Over 20 Years
($ in Thousands)

Year	Valuation Payroll	Unfunded Actuarial Accrued Liability	Annual UAAL Contributions		UAAL as % of Payroll
			Dollars	% of Payroll	
1	$3,494	$6,624	$ 470	13.46%	189.6%
2	3,599	6,780	484	13.46%	188.4%
3	3,707	6,722	499	13.46%	181.3%
4	3,818	6,644	514	13.46%	174.0%
5	3,933	6,547	529	13.46%	166.5%
6	4,051	6,425	545	13.46%	158.6%
7	4,173	6,279	562	13.46%	150.5%
8	4,298	6,105	579	13.46%	142.0%
9	4,427	5,901	596	13.46%	133.3%
10	4,560	5,666	614	13.46%	124.2%
11	4,697	5,395	632	13.46%	114.9%
12	4,838	5,086	651	13.46%	105.1%
13	4,983	4,736	671	13.46%	95.1%
14	5,132	4,342	691	13.46%	84.6%
15	5,286	3,900	711	13.46%	73.8%
16	5,445	3,406	733	13.46%	62.6%
17	5,608	2,856	755	13.46%	50.9%
18	5,776	2,245	777	13.46%	38.9%
19	5,949	1,569	801	13.46%	26.4%
20	6,127	822	825	13.46%	13.4%

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

April 8, 2025

Ms. Lauren Pavlowski
Finance Director
City of Mt. Pleasant Fire and
Police Pension System
320 West Broadway Street
Mt. Pleasant, Michigan 48858

Dear Ms. Pavlowski:

Please find electronic copy of the Fifty-Seventh Annual Actuarial Valuation as of December 31, 2024 for the City of Mt. Pleasant Fire and Police Pension System.

Sincerely,
Gabriel, Roeder, Smith & Company

Casey T. Ahlbrandt-Rains, ASA, FCA, MAAA

CTA:sc
Enclosures

cc: Peter Haefner
Vredeveld Haefner, LLC

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

Attn: Mr. Peter Haefner
Vredeveld Haefner LLC
4001 Granada Ct.
Grand Rapids, MI 49534

July 28, 2025

City of Mt. Pleasant Defined Benefit retirement plan review.

Tony Radjenovich
MERS Regional Manager

Please follow along with the City of Mt. Pleasant's 2024 Annual Actuarial Valuation.

1. Executive Summary, page 6, shows that the City's DB plan is 70% funded.
2. Page 8, Gives an example of reaching 100% funded in 10 years by contributing more. Starting in F/Y 2025 if the city would contribute $178,196.00 instead of $146,412.00 a month this will help the City reach 100% sooner than the current amortization period.
3. Page 8, Shows the MERS Investment Return Assumption is 6.93%. This was lowered in 2023 and remined the same in 2024 using the MERS Dedicated Gains Policy. The result is that MERS is using nearly the same Investment Return Assumption as the State of Michigan, 7%.
4. Pages 9 & 10, Discusses smoothing of the market returns. The 5-year smoothed Rate of Return is 3.79%. While the actual market returns for 2024 were 7.28%.
5. Page 12, Shows a table with a 6-year projection of funding level and required contributions to fund the defined benefit plan. Please note: This table does not include the $2,123,412.00 assets in the unassociated Surplus Funds Division, SFD. That is why this table shows the city as 65% fund instead of the overall funding of 70% which includes the SFD.
6. Page 13, Shows 2 graphs. The top graph shows when the city will be 100% funded making the minimum required contributions and assuming all assumptions are met. The city will be 100% funded in 2040. The bottom graph shows the required contributions based on the current plans and assumptions being met. You will notice that once the defined benefit plan is 100% funded the required contributions drop from just under $2.5 million to about $100,000 a year. Eventually there will be no required contributions once all defined benefit payments have been received.
7. Page 14 Table 1 shows the required contributions for F/Y 2026. Please note that all the divisions are shown to be closed. All new hires, hired after 1/1/24, for the city will be earning a defined contribution plan.
8. Page 17 Table 3, Shows that there are 235 participants in the defined benefit plan. 70 actives, 30 vested former members, 117 retirees or beneficiaries, 18 former non-vested that have a pending refund of employee contributions. These numbers have slightly changed from 2023's report.
9. Page 19 Table 5 shows the flow of assets. Employer contributions and additional and other important values.
10. Page 20 Table 6, shows the liabilities and assets of the city overall and by division. The assets in the SFD are shown here as well.

Please ask questions during my presentation as you may have them.

If you are interested in learning more about reading and understanding the Annual Actuarial Valuation MERS has a resource page at [Annual Actuarial Valuations (AAV) - MERS | Municipal Employees' Retirement System of Michigan (mersofmich.com)]

Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report
December 31, 2024 - Mt. Pleasant, City of (3701)

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

Spring 2025

Mt. Pleasant, City of

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

This report presents the results of the Annual Actuarial Valuation, prepared for Mt. Pleasant, City of (3701) as of December 31, 2024. The report includes the determination of liabilities and contribution rates resulting from the participation in the Municipal Employees' Retirement System of Michigan ("MERS"). This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Document, Actuarial Policy, the Michigan Constitution, and governing statutes. Mt. Pleasant, City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees.

The purposes of this valuation are to:

- Measure funding progress as of December 31, 2024,
- Establish contribution requirements for the fiscal year beginning January 1, 2026,
- Provide information regarding the identification and assessment of risk,
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements, and
- Provide information to assist the local unit of government with State reporting requirements.

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

The findings in this report are based on data and other information through December 31, 2024. The valuation was based upon information furnished by MERS concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by MERS.

The Municipal Employees' Retirement Act, PA 427 of 1984 and the MERS' Plan Document Article VI Sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. As the fiduciary of the plan, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed regularly through a comprehensive study, most recently in the Spring of 2025. The MERS Retirement Board adopted a Dedicated

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

Gains Policy at the February 17, 2022 Board meeting. The Dedicated Gains Policy automatically reduces the assumed rate of investment return in conjunction with recognizing excess investment gains to mitigate the impact on employer contributions the first year. The policy was effective with the December 31, 2021 annual actuarial valuation.

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202, of 2017, reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found at the end of this report for information for this filing.

For a full list of all the assumptions used, please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:
https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2024AnnualActuarialValuation-Appendix.pdf

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic).

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to the Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The LDROM calculation is provided in aggregate, along with aggregate employer results, in a separate report titled “Summary Report of the 79th Annual Actuarial Valuations,” and will be available on the MERS website during the fall of 2025.

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 Mt. Pleasant, City of as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Rebecca L. Stouffer, Mark Buis, Kurt Dosson, and Shana M. Neeson are members of the American Academy of Actuaries. These actuaries meet the Academy’s Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor. GRS maintains independent consulting agreements with certain local units of government for services unrelated to the actuarial consulting services provided in this report.

The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

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

This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible for the consequences of any unauthorized use. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS (6377).

Sincerely,
Gabriel, Roeder, Smith & Company

Rebecca L. Stouffer

Rebecca L. Stouffer, ASA, FCA, MAAA

Mark Buis

Mark Buis, FSA, FCA, EA, MAAA

Kurt Dosson, ASA, FCA, MAAA

Shana M Neeson

Shana M. Neeson, ASA, FCA, MAAA

Table of Contents

Executive Summary

Funded Ratio

The funded ratio of a plan is the percentage of the dollar value of the actuarial accrued liability that is covered by the actuarial value of assets. While the funded ratio may be a useful plan measurement, understanding a plan's funding trend may be more important than a particular point in time. Refer to Table 7 to find a history of this information.

	12/31/2024	12/31/2023
Funded Ratio*	70%	70%

* Reflects assets from Surplus divisions, if any.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS' technology service provider.

Required Employer Contributions

Your required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the employer contributions.

Effective with the December 31, 2021 valuation, the MERS Retirement Board adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return. Following the completion of an Experience Study and effective with the 2024 valuations, the MERS Retirement Board adopted updated demographic and economic assumptions. **The combined impact of the implementation of updated assumptions and application of the Dedicated Gains Policy is shown in the contribution requirements below.**

	Percentage of Payroll		Monthly $ Based on Projected Payroll	
Valuation Date:	**12/31/2024**	**12/31/2023**	**12/31/2024**	**12/31/2023**
Fiscal Year Beginning:	**January 1, 2026**	**January 1, 2025**	**January 1, 2026**	**January 1, 2025**
Division				
01 - TPOAM	-	-	$ 44,387	$ 40,539
05 - Fire/Vol	-	-	782	601
10 - Gnrl Adm	-	-	80,449	74,659
11 - Grl Admin after 1/1/16	-	9.83%	10,153	11,980
12 - TPOAM hired aft 5/1/17	-	-	10,641	8,894
Total Municipality - Estimated Monthly Contribution			**$ 146,412**	**$ 136,673**
Total Municipality - Estimated Annual Contribution			**$ 1,756,944**	**$ 1,640,076**

Employee contribution rates:

	Employee Contribution Rate	
Valuation Date:	**12/31/2024**	**12/31/2023**
Division		
01 - TPOAM	4.00%	4.00%
05 - Fire/Vol	5.00%	5.00%
10 - Gnrl Adm	4.00%	4.00%
11 - Grl Admin after 1/1/16	4.00%	4.00%
12 - TPOAM hired aft 5/1/17	4.00%	4.00%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. Employers making contributions in excess of the minimum requirements may elect to apply the excess contribution immediately to a particular division, or segregate the excess into one or more "Surplus" divisions. An election in the first case would immediately reduce any unfunded accrued liability and lower the amortization payments throughout the remaining amortization period. Additional contribution into one or more Surplus divisions would not immediately lower future contributions, however the assets from the Surplus division(s) could be transferred to an unfunded division in the future to reduce the unfunded liability in future years, or to be used to pay all or a portion of the minimum required contribution in a future year. For purposes of this report, the assets in any Surplus division have been included in the municipality's total assets, unfunded accrued liability, and funded status; however, these assets are not used in calculating the minimum required contribution.

MERS strongly encourages employers to contribute more than the minimum contribution shown above. With the implemented dedicated gains policy, market gains and losses will continue to be smoothed over five years; however, excess returns are used to lower the investment assumption. Thus, there will be fewer gains to smooth in down markets. Having additional funds in Surplus divisions will assist plans with navigating potential short-term market volatility.

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the fiscal year beginning in 2026 for the entire employer would be $178,196, instead of $146,412.

The required employer contribution rates, or dollars if the division is closed, determined in this report are reasonable under Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, based on:

- The use of reasonable actuarial assumptions and cost methods;
- The use of reasonable amortization and asset valuation methods; and
- Application of the MERS funding policy which will accumulate sufficient assets to make benefit payments when due, assuming all assumptions will be realized, and the required employer contributions are made when due.

How and Why Do These Numbers Change?

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

- Changes in benefit provisions (see Table 2);
- Changes in actuarial assumptions and methods (see the Appendix); and
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions.

These impacts are reflected in various tables in the report. For more information, please contact your Regional Manager.

Comments on Investment Rate of Return Assumption

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

The MERS Investment Return Assumption is **6.93%** per year. This, along with all other actuarial assumptions, is reviewed at least every five years in an Experience Study that compares the assumptions used against actual experience and recommends adjustments if necessary. If your municipality would like to explore contributions at lower assumed investment return assumptions, please review the “What If” projection scenarios later in this report.

Assumption and Method Changes in 2024

Effective February 17, 2022, the MERS Retirement Board adopted a dedicated gains policy that automatically lowers the assumed rate of investment return by using excess asset gains to mitigate large increases in required contributions to the Plan. Full details of this dedicated gains policy are available in the Actuarial Policy found on the MERS website. Some goals of the dedicated gains policy are to:

- Provide a systematic approach to lower the assumed rate of investment return between experience studies; and
- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first contribution year after application (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

The dedicated gains policy was implemented with the December 31, 2021 annual actuarial valuation and was reflected in the computed employer contribution amounts beginning in fiscal year 2023.

Investment performance measured for the one-year period ending December 31, 2024 resulted in no change to the assumed rate of investment return of 6.93%.

On February 12, 2025, the MERS Retirement Board adopted the results of an Experience Study covering the period, January 1, 2019 through December 31, 2023. The study examined recent experience and trends, with consideration for the COVID-19 pandemic. The study resulted in incremental assumption updates, with limited impact on employer contributions and funded status, for most employers when results are measured on the new assumption basis. The results of this study are reflected in the December 31, 2024 annual actuarial valuations.

MI Local Retirement Grant

Michigan lawmakers adopted Public Act 119 of 2023, which provided relief to local units of government with the most significant burden from qualified pension and retirement health benefit systems on their annual budget and revenues. As authorized under Public Act 119 of 2023, Section 990, the state pension and OPEB grants were awarded to eligible local governments in September 2024.

A smaller number of municipalities qualified for the ***MI Local Retirement Grant*** than the ***Protecting MI Pension Grant Program*** of the previous year. Pension funds received by municipalities were deposited into the MERS trust during September 2024 and are reflected in this valuation.

Comments on Asset Smoothing

To avoid dramatic spikes and dips in annual contribution requirements due to short-term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. After initial application of asset smoothing, remaining excess market gains are used to buy down the assumed rate of investment return and increase the level of valuation assets, to the extent allowed by the dedicated gains policy. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. **The (smoothed) actuarial rate of return for 2024 was 3.79%, while the actual market rate of return was 7.28%.** The actuarial rate of return is below the assumed rate of return, which will put upward pressure on the employer contribution requirements determined in this valuation. To see historical details of the market rate of return compared to the smoothed actuarial rate of return, refer to this report's Appendix or view the "How Smoothing Works" video on the Defined Benefit resource page of the MERS website.

As of December 31, 2024, the actuarial value of assets is 107% of market value due to asset smoothing. This means that there are deferred investment losses, which will put upward pressure on contributions in the short term.

If the December 31, 2024 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 66% (instead of 70%); and
- Your total employer contribution requirement for the fiscal year starting January 1, 2026 would be $1,914,036 (instead of $1,756,944).

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

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore, the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

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

Many assumptions are important in determining the required employer contributions. In the following table, we show the impact of varying the Investment Return assumption. Lower investment returns would generally result in higher required employer contributions, and vice versa. The three economic scenarios below provide a quantitative risk assessment for the impact of investment returns on the plan's projected financial condition for funding purposes.

The relative impact of the economic scenarios below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2024 valuation and are for the municipality in total, not by division.

It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group's size. Projections are not predictions. Future valuations will be based on actual future experience.

12/31/2024 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	**4.93%**	**5.93%**	**6.93%**
Accrued Liability	$ 52,323,720	$ 46,731,208	$ 42,073,404
Valuation Assets[1]	$ 29,421,987	$ 29,421,987	$ 29,421,987
Unfunded Accrued Liability	$ 22,901,733	$ 17,309,221	$ 12,651,417
Funded Ratio	56%	63%	70%
Monthly Normal Cost	$ 55,948	$ 41,637	$ 30,771
Monthly Amortization Payment	$ 174,919	$ 142,583	$ 115,641
Total Employer Contribution[2]	$ 230,867	$ 184,220	$ 146,412

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

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

Projection Scenarios

The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections account for the past investment experience that will continue to affect the actuarial rate of return in the short term.

The 6.93% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 6.93% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively and make contributions in addition to the minimum requirements. The 5.93% and 4.93% projection scenarios provide an indication of the potential required employer contribution if these assumptions were met over the long term.

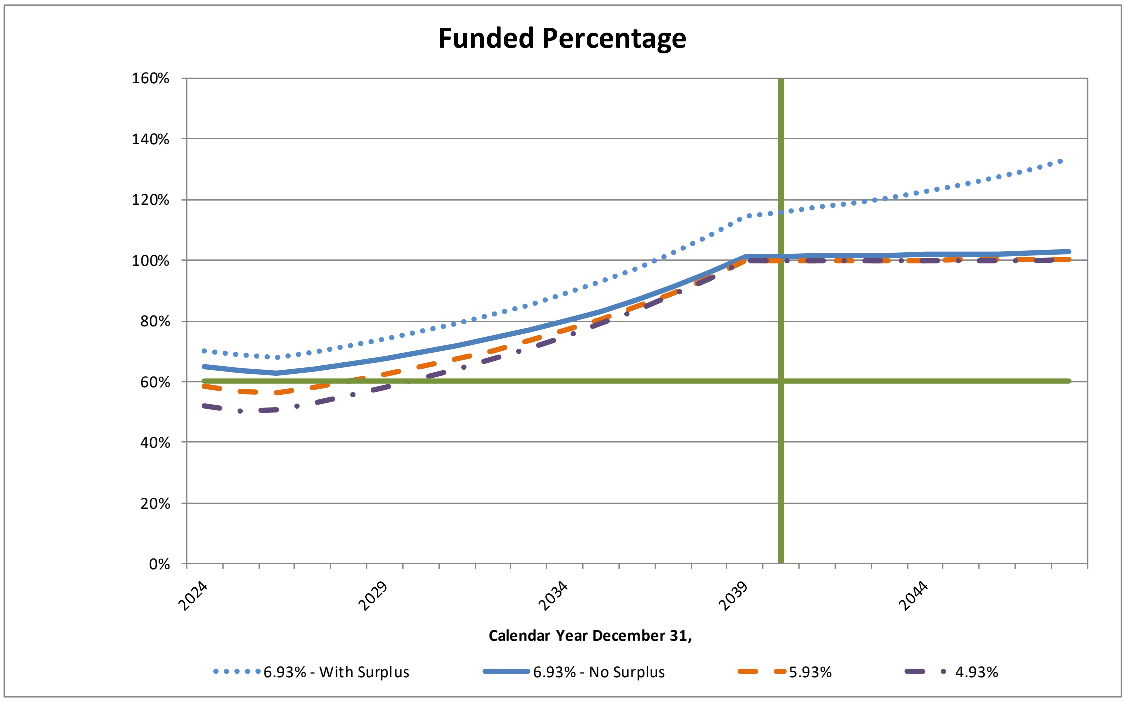
Your municipality includes one or more Surplus divisions. Extra contributions in a Surplus division may be used to reduce future employer contributions or to accelerate the date by which the municipality becomes 100% funded. The timing and use of these Surplus assets within the plan is discretionary.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

The Funded Percentage graph shows projections of funded status under the 6.93% investment return assumption, both including the Surplus assets (contributed as of the valuation date), and without the Surplus assets. The graph including the Surplus assets assumes these Surplus assets grow with interest and are not used to lower future employer contributions. We modeled the projections including the Surplus assets in this fashion because the use of these assets within the plan is discretionary by the employer and we do not know when and how the employer will use them. Once the employer uses these Surplus assets, any future employer contributions are expected to be lower than those shown in the projections.

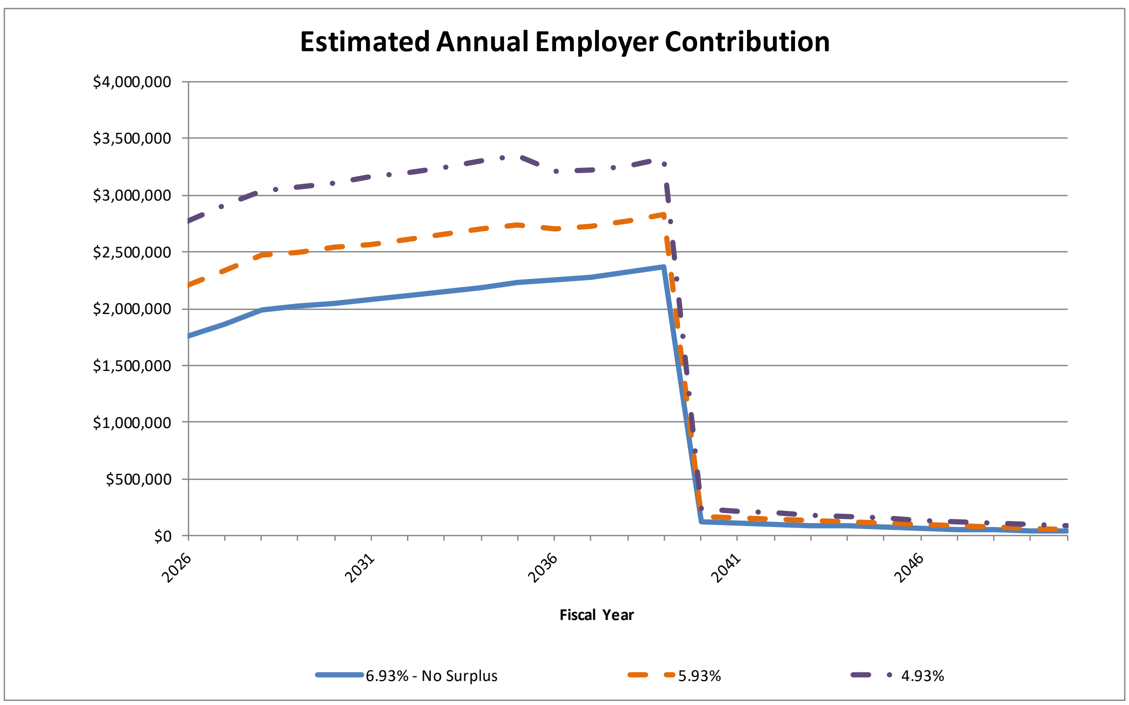
Valuation Year Ending 12/31	Fiscal Year Beginning 1/1	Actuarial Accrued Liability	Valuation Assets[2]	Funded Percentage	Estimated Annual Employer Contribution
6.93%[1]					
2024	2026	$ 42,073,404	$ 27,298,575	65%	$ 1,756,944
2025	2027	$ 42,500,000	$ 27,100,000	64%	$ 1,860,000
2026	2028	$ 42,900,000	$ 26,900,000	63%	$ 1,990,000
2027	2029	$ 43,200,000	$ 27,700,000	64%	$ 2,020,000
2028	2030	$ 43,500,000	$ 28,600,000	66%	$ 2,050,000
2029	2031	$ 43,700,000	$ 29,500,000	68%	$ 2,080,000
5.93%[1]					
2024	2026	$ 46,731,208	$ 27,298,575	58%	$ 2,210,640
2025	2027	$ 47,100,000	$ 26,800,000	57%	$ 2,330,000
2026	2028	$ 47,500,000	$ 26,800,000	56%	$ 2,470,000
2027	2029	$ 47,900,000	$ 27,900,000	58%	$ 2,500,000
2028	2030	$ 48,100,000	$ 29,000,000	60%	$ 2,540,000
2029	2031	$ 48,300,000	$ 30,200,000	62%	$ 2,570,000
4.93%[1]					
2024	2026	$ 52,323,720	$ 27,298,575	52%	$ 2,770,404
2025	2027	$ 52,700,000	$ 26,500,000	50%	$ 2,910,000
2026	2028	$ 53,100,000	$ 26,900,000	51%	$ 3,040,000
2027	2029	$ 53,500,000	$ 28,200,000	53%	$ 3,070,000
2028	2030	$ 53,700,000	$ 29,700,000	55%	$ 3,110,000
2029	2031	$ 53,800,000	$ 31,200,000	58%	$ 3,160,000

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

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



Notes:
Assumes assets from the Surplus division(s) will grow at the denoted investment return assumption and will not be used to lower employer contributions of non-surplus divisions during the projection period. Also assumes no additional contributions in future years to the surplus division(s). The green indicator lines have been added at 60% funded and 16 years following the valuation date for PA 202 purposes.



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

Table 1: Employer Contribution Details for the Fiscal Year Beginning January 1, 2026

Division	Total Normal Cost	Employee Contribution Rate	Employer Contributions[1]			Blended ER Rate[5]	Employee Contribution Conversion Factor[2]
			Employer Normal Cost[6]	Payment of the Unfunded Accrued Liability[4]	Computed Employer Contribution		
Percentage of Payroll							
01 - TPOAM	14.30%	4.00%	-	-	-		
05 - Fire/Vol	12.68%	5.00%	-	-	-		
10 - Gnrl Adm	14.11%	4.00%	-	-	-		
11 - Grl Admin after 1/1/16	13.26%	4.00%	-	-	-		
12 - TPOAM hired aft 5/1/17	12.75%	4.00%	-	-	-		
Estimated Monthly Contribution[3]							
01 - TPOAM			$ 5,483	$ 38,904	$ 44,387		
05 - Fire/Vol			184	598	782		
10 - Gnrl Adm			5,868	74,581	80,449		
11 - Grl Admin after 1/1/16			10,153	0	10,153		
12 - TPOAM hired aft 5/1/17			9,083	1,558	10,641		
Total Municipality			**$ 30,771**	**$ 115,641**	**$ 146,412**		
Estimated Annual Contribution[3]			**$ 369,252**	**$ 1,387,692**	**$ 1,756,944**		

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

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

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

4 Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions not to add across.

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

6 For divisions with a negative employer normal cost, employee contributions cover the normal cost and a portion of the payment of any unfunded accrued liability.

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

Table 2: Benefit Provisions

01 - TPOAM: Closed to new hires

	2024 Valuation	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/20	55/20
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	4.00%	4.00%
DC Plan for New Hires:	1/1/2024	1/1/2024
Act 88:	Yes (Adopted 12/16/1968)	Yes (Adopted 12/16/1968)

05 - Fire/Vol: Closed to new hires

	2024 Valuation	2023 Valuation
Benefit Multiplier:	1.70% Multiplier (no max)	1.70% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	20 & Out	20 & Out
Early Retirement (Reduced):	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	5.00%	5.00%
Act 88:	Yes (Adopted 12/16/1968)	Yes (Adopted 12/16/1968)

10 - Gnrl Adm: Closed to new hires

	2024 Valuation	2023 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/20	55/20
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	4.00%	4.00%
RS50% Percentage:	50%	50%
DC Plan for New Hires:	1/1/2024	-
Act 88:	Yes (Adopted 12/16/1968)	Yes (Adopted 12/16/1968)

11 - Grl Admin after 1/1/16: Closed to new hires

	2024 Valuation	2023 Valuation
Benefit Multiplier:	2.00% Multiplier (80% max)	2.00% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/20	55/20
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	4.00%	4.00%
DC Plan for New Hires:	1/1/2024	-
Act 88:	Yes (Adopted 12/16/1968)	Yes (Adopted 12/16/1968)

12 - TPOAM hired aft 5/1/17: Closed to new hires

	2024 Valuation	2023 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/20	55/20
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	4.00%	4.00%
DC Plan for New Hires:	1/1/2024	1/1/2024
Act 88:	Yes (Adopted 12/16/1968)	Yes (Adopted 12/16/1968)

Table 3: Participant Summary

Division	2024 Valuation		2023 Valuation		2024 Valuation		
	Number	Annual Payroll[1]	Number	Annual Payroll[1]	Average Age	Average Benefit Service[2]	Average Eligibility Service[2]
01 - TPOAM							
Active Employees	13	$ 749,025	16	$ 875,267	54.1	19.2	19.2
Vested Former Employees	9	91,189	8	64,487	47.7	8.7	11.2
Retirees and Beneficiaries	58	1,216,157	57	1,191,552	71.9		
Pending Refunds	2		2				
05 - Fire/Vol							
Active Employees	3	$ 44,130	4	$ 53,529	60.4	30.9	34.1
Vested Former Employees	2	10,965	2	10,965	53.6	25.0	25.0
Retirees and Beneficiaries	10	41,107	11	35,553	62.2		
Pending Refunds	3		4				
10 - Gnrl Adm							
Active Employees	9	$ 733,854	12	$ 953,718	48.5	16.4	16.4
Vested Former Employees	16	340,906	13	203,765	49.1	12.4	14.9
Retirees and Beneficiaries	48	1,513,761	49	1,519,127	72.2		
Pending Refunds	6		6				
11 - Grl Admin after 1/1/16							
Active Employees	19	$ 1,379,200	19	$ 1,269,123	42.5	5.7	8.9
Vested Former Employees	2	9,208	2	36,275	46.4	3.3	5.7
Retirees and Beneficiaries	1	23,203	0	0	55.4		
Pending Refunds	2		1				
12 - TPOAM hired aft 5/1/17							
Active Employees	26	$ 1,331,402	28	$ 1,275,082	41.5	3.9	5.3
Vested Former Employees	1	1,879	1	1,879	42.6	1.8	10.8
Retirees and Beneficiaries	0	0	0	0	0.0		
Pending Refunds	5		4				
Total Municipality							
Active Employees	**70**	**$ 4,237,611**	**79**	**$ 4,426,719**	**45.8**	**10.0**	**11.5**
Vested Former Employees	**30**	**454,147**	**26**	**317,371**	**48.6**	**11.2**	**13.7**
Retirees and Beneficiaries	**117**	**2,794,228**	**117**	**2,746,232**	**71.1**		
Pending Refunds	**18**		**17**				
Total Participants	**235**		**239**				

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

2 Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

Table 4: Reported Assets (Market Value)

Division	2024 Valuation		2023 Valuation	
	Employer and Retiree[1]	Employee[2]	Employer and Retiree[1]	Employee[2]
01 - TPOAM	$ 10,328,819	$ 760,257	$ 10,310,948	$ 772,073
05 - Fire/Vol	651,952	106,123	634,763	100,851
10 - Gnrl Adm	10,091,360	981,824	10,465,646	940,810
11 - Grl Admin after 1/1/16	1,594,629	359,561	1,104,843	254,927
12 - TPOAM hired aft 5/1/17	512,810	236,300	412,191	193,495
S1 - Surplus Unassoc.	1,993,127	0	1,341,141	0
Municipality Total[3]	**$ 25,172,696**	**$ 2,444,065**	**$ 24,269,532**	**$ 2,262,157**
Combined Assets[3]	**$27,616,761**		**$26,531,689**	

1 Reserve for Employer Contributions and Benefit Payments.

2 Reserve for Employee Contributions.

3 Totals may not add due to rounding.

The December 31, 2024 valuation assets (actuarial value of assets) are equal to 1.065367 times the reported market value of assets (compared to 1.099555 as of December 31, 2023). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Assets in the Surplus division(s) are employer assets that have been reserved separately and may be used within the plan at the employer's discretion at some point in the future. These assets are not used in calculating the employer contribution for the fiscal year beginning January 1, 2026.

Table 5: Flow of Valuation Assets

Year Ended 12/31	Employer Contributions Required	Employer Contributions Additional	Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
2014	$ 727,768	$ 0	$ 162,103	$ 1,125,405	$ (1,545,181)	$ 0	$ 0	$ 20,349,481
2015	825,664	0	168,884	994,567	(1,584,119)	(14,056)	0	20,740,421
2016	793,235	0	172,213	1,099,541	(1,661,973)	(2,907)	0	21,140,530
2017	1,094,895	0	174,229	1,329,897	(1,747,233)	(3,342)	31,664	22,020,640
2018	998,264	0	171,858	790,334	(1,919,008)	0	0	22,062,088
2019	1,036,609	240,000	179,847	1,099,240	(2,099,203)	(5,828)	0	22,512,753
2020	1,260,308	100,000	200,974	1,792,642	(2,178,646)	(69,472)	0	23,618,559
2021	1,465,951	0	182,853	4,056,477	(2,285,534)	(12,236)	0	27,026,070
2022	1,530,182	1,200,000	195,951	983,577	(2,433,913)	0	0	28,501,867
2023	1,647,527	0	194,198	1,451,608	(2,622,055)	(94)	0	29,173,051
2024	1,074,117	550,000	187,884	1,060,940	(2,738,957)	(1,532)	116,484	29,421,987

Notes:

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

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

The Valuation Asset balance includes assets from Surplus divisions, if any.

Years where historical information is not available will be displayed with zero values.

Table 6: Actuarial Accrued Liabilities and Valuation Assets as of December 31, 2024

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - TPOAM	$ 3,819,149	$ 557,274	$ 12,495,184	$ 21,259	$ 16,892,866	$ 11,813,935	69.9%	$ 5,078,931
05 - Fire/Vol	225,106	97,124	534,215	7,717	864,162	807,629	93.5%	56,533
10 - Gnrl Adm	3,139,951	2,758,529	15,618,212	43,534	21,560,226	11,797,005	54.7%	9,763,221
11 - Grl Admin after 1/1/16	1,448,263	57,772	289,361	11,483	1,806,879	2,081,929	115.2%	(275,050)
12 - TPOAM hired aft 5/1/17	918,419	6,922	0	23,930	949,271	798,077	84.1%	151,194
S1 - Surplus Unassoc.	0	0	0	0	0	2,123,412		(2,123,412)
Total	**$ 9,550,888**	**$ 3,477,621**	**$ 28,936,972**	**$ 107,923**	**$ 42,073,404**	**$ 29,421,987**	**69.9%**	**$ 12,651,417**

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

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

Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	$ 23,576,829	$ 18,695,806	79%	$ 4,881,023
2011	24,574,813	19,122,334	78%	5,452,479
2012	25,376,963	19,372,693	76%	6,004,270
2013	26,640,962	19,879,386	75%	6,761,576
2014	27,461,039	20,349,481	74%	7,111,558
2015	30,336,516	20,740,421	68%	9,596,095
2016	31,140,206	21,140,530	68%	9,999,676
2017	32,558,804	22,020,640	68%	10,538,164
2018	33,630,275	22,062,088	66%	11,568,187
2019	35,577,331	22,512,753	63%	13,064,578
2020	36,768,259	23,618,559	64%	13,149,700
2021	39,133,558	27,026,070	69%	12,107,488
2022	40,447,388	28,501,867	70%	11,945,521
2023	41,433,306	29,173,051	70%	12,260,255
2024	42,073,404	29,421,987	70%	12,651,417

Notes: Actuarial assumptions were revised for the 2010, 2011, 2012, 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.

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

Years where historical information is not available will be displayed with zero values.

Throughout this report are references to valuation results generated prior to the 2018 valuation date. Results prior to 2018 were received directly from the prior actuary or extracted from the previous valuation system by MERS's technology service provider.

Tables 8 and 9: Division-Based Comparative Schedules

Division 01 - TPOAM

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 12,216,419	$ 9,642,730	79%	$ 2,573,689
2015	13,550,911	9,885,823	73%	3,665,088
2016	13,861,603	10,128,561	73%	3,733,042
2017	14,270,893	10,574,537	74%	3,696,356
2018	14,684,430	10,572,681	72%	4,111,749
2019	15,457,987	10,659,230	69%	4,798,757
2020	15,528,480	11,066,425	71%	4,462,055
2021	16,059,752	12,523,940	78%	3,535,812
2022	16,474,777	12,230,029	74%	4,244,748
2023	16,814,456	12,186,391	72%	4,628,065
2024	16,892,866	11,813,935	70%	5,078,931

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

The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2014	44	$ 1,919,994	16.49%	4.00%
2015	44	1,992,524	20.68%	4.00%
2016	45	1,959,744	21.06%	4.00%
2017	42	1,896,742	$ 34,424	4.00%
2018	38	1,802,915	$ 37,389	4.00%
2019	32	1,587,554	$ 41,603	4.00%
2020	29	1,468,130	$ 38,583	4.00%
2021	27	1,354,888	$ 32,780	4.00%
2022	21	1,086,190	$ 38,153	4.00%
2023	16	875,267	$ 40,539	4.00%
2024	13	749,025	$ 44,387	4.00%

[1] For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

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

Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Table 8-05: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 527,480	$ 453,029	86%	$ 74,451
2015	533,642	486,391	91%	47,251
2016	653,499	526,545	81%	126,954
2017	649,499	562,431	87%	87,068
2018	663,439	594,073	90%	69,366
2019	697,216	629,990	90%	67,226
2020	755,391	677,906	90%	77,485
2021	729,044	786,235	108%	(57,191)
2022	797,072	799,125	100%	(2,053)
2023	843,182	808,848	96%	34,334
2024	864,162	807,629	93%	56,533

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.
The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-05: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2014	13	$ 111,998	$ 863	5.00%
2015	12	106,782	$ 722	5.00%
2016	12	144,784	$ 1,508	5.00%
2017	11	120,941	$ 1,089	5.00%
2018	11	119,185	$ 1,020	5.00%
2019	9	90,088	$ 983	5.00%
2020	8	84,964	$ 1,124	5.00%
2021	5	47,429	$ 169	5.00%
2022	5	57,689	$ 238	5.00%
2023	4	53,529	$ 601	5.00%
2024	3	44,130	$ 782	5.00%

[1] For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.
[2] For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.
Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 14,717,140	$ 10,253,722	70%	$ 4,463,418
2015	16,251,963	10,368,207	64%	5,883,756
2016	16,618,220	10,481,112	63%	6,137,108
2017	17,341,577	10,793,145	62%	6,548,432
2018	17,892,517	10,664,675	60%	7,227,842
2019	18,871,885	10,703,758	57%	8,168,127
2020	19,682,355	11,102,513	56%	8,579,842
2021	21,138,421	12,595,567	60%	8,542,854
2022	21,572,501	12,406,599	58%	9,165,902
2023	21,779,890	12,542,026	58%	9,237,864
2024	21,560,226	11,797,005	55%	9,763,221

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.
The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-10: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2014	30	$ 1,862,587	24.44%	4.00%
2015	33	2,154,107	$ 50,992	4.00%
2016	31	2,059,618	$ 51,454	4.00%
2017	28	1,857,363	$ 52,755	4.00%
2018	25	1,740,323	$ 56,590	4.00%
2019	24	1,756,745	$ 64,983	4.00%
2020	20	1,510,134	$ 67,871	4.00%
2021	18	1,360,647	$ 68,599	4.00%
2022	16	1,256,766	$ 74,226	4.00%
2023	12	953,718	$ 74,659	4.00%
2024	9	733,854	$ 80,449	4.00%

[1] For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.
[2] For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.
Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Division 11 - Grl Admin after 1/1/16

Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 0	$ 0	0%	$ 0
2015	0	0	0%	0
2016	6,884	4,312	63%	2,572
2017	296,781	90,022	30%	206,759
2018	377,501	209,827	56%	167,674
2019	497,367	411,406	83%	85,961
2020	638,708	613,240	96%	25,468
2021	896,244	847,300	95%	48,944
2022	1,097,586	1,200,420	109%	(102,834)
2023	1,291,524	1,495,143	116%	(203,619)
2024	1,806,879	2,081,929	115%	(275,050)

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.
The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-11: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2014	0	$ 0	$ 0	0.00%
2015	0	0	$ 0	0.00%
2016	2	73,551	9.03%	4.00%
2017	6	317,781	10.10%	4.00%
2018	7	397,325	9.31%	4.00%
2019	10	558,511	7.86%	4.00%
2020	12	648,783	8.61%	4.00%
2021	16	997,000	10.06%	4.00%
2022	19	1,183,453	9.33%	4.00%
2023	19	1,269,123	9.83%	4.00%
2024	19	1,379,200	$ 10,153	4.00%

[1] For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.
[2] For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.
Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Division 12 - TPOAM hired aft 5/1/17

Table 8-12: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 0	$ 0	0%	$ 0
2015	0	0	0%	0
2016	0	0	0%	0
2017	54	505	935%	(451)
2018	12,388	20,832	168%	(8,444)
2019	52,876	108,369	205%	(55,493)
2020	163,325	158,475	97%	4,850
2021	310,097	273,028	88%	37,069
2022	505,452	466,748	92%	38,704
2023	704,254	665,985	95%	38,269
2024	949,271	798,077	84%	151,194

Notes: Actuarial assumptions were revised for the 2015, 2019, 2020, 2021, 2023, and 2024 actuarial valuations.
The percent funded does not reflect valuation assets from Surplus divisions, if any.

Table 9-12: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2014	0	$ 0	$ 0	0.00%
2015	0	0	$ 0	0.00%
2016	0	0	$ 0	0.00%
2017	1	27,043	5.36%	4.00%
2018	5	176,314	6.56%	4.00%
2019	13	453,019	6.18%	4.00%
2020	14	539,013	7.32%	4.00%
2021	19	767,540	8.59%	4.00%
2022	22	1,016,653	8.50%	4.00%
2023	28	1,275,082	$ 8,894	4.00%
2024	26	1,331,402	$ 10,641	4.00%

[1] For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.
[2] For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.
Note: The contributions shown in Table 9 reflect the full employer contribution requirement.

See the Benefit Provision History, later in this report, for past benefit provision changes.

Years where historical information is not available will be displayed with zero values.

Division S1 - Surplus Unassoc.

Table 8-S1: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2014	$ 0	$ 0		$ 0
2015	0	0		0
2016	0	0		0
2017	0	0		0
2018	0	0		0
2019	0	0		0
2020	0	0		0
2021	0	0		0
2022	0	1,398,946		(1,398,946)
2023	0	1,474,658		(1,474,658)
2024	0	2,123,412		(2,123,412)

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

Years where historical information is not available will be displayed with zero values.

Table 10: Division-Based Layered Amortization Schedule

Division 01 - TPOAM

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance[1]	Original Amortization Period[2]	Amounts for Fiscal Year Beginning 1/1/2026: Outstanding UAL Balance[3]	Remaining Amortization Period[2]	Annual Amortization Payment
Initial	12/31/2015	$ 3,665,088	23	$ 3,609,850	14	$ 336,204
(Gain)/Loss	12/31/2016	(54,721)	22	(55,702)	14	(5,184)
(Gain)/Loss	12/31/2017	(65,117)	21	(65,852)	14	(6,132)
(Gain)/Loss	12/31/2018	395,312	20	397,993	14	37,068
(Gain)/Loss	12/31/2019	205,026	19	205,220	14	19,116
Assumption	12/31/2019	435,287	19	419,952	14	39,108
Experience	12/31/2020	(376,517)	18	(379,289)	14	(35,328)
Experience	12/31/2021	(881,372)	17	(893,333)	14	(83,196)
Experience	12/31/2022	825,589	16	848,576	14	79,032
Experience	12/31/2023	370,405	15	387,306	14	36,072
Experience	12/31/2024	502,937	14	537,791	14	50,088
Total				**$ 5,012,512**		**$ 466,848**

[1] For each type of UAL (layer), this is the original balance as of the date the layer was established.

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

[3] This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

Table 10-05: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance[1]	Original Amortization Period[2]	Amounts for Fiscal Year Beginning 1/1/2026 Outstanding UAL Balance[3]	Remaining Amortization Period[2]	Annual Amortization Payment
Experience	12/31/2023	$ 34,334	10	$ 34,640	9	$ 4,596
Experience	12/31/2024	19,821	10	21,195	10	2,580
Total				**$ 55,835**		**$ 7,176**

[1] For each type of UAL (layer), this is the original balance as of the date the layer was established.

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

[3] This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

Table 10-10: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance[1]	Original Amortization Period[2]	Amounts for Fiscal Year Beginning 1/1/2026: Outstanding UAL Balance[3]	Remaining Amortization Period[2]	Annual Amortization Payment
Initial	12/31/2015	$ 5,883,756	23	$ 5,810,247	14	$ 541,128
(Gain)/Loss	12/31/2016	40,530	22	41,275	14	3,840
(Gain)/Loss	12/31/2017	355,557	21	359,595	14	33,492
(Gain)/Loss	12/31/2018	610,499	20	614,637	14	57,240
(Gain)/Loss	12/31/2019	316,657	19	316,943	14	29,520
Assumption	12/31/2019	547,546	19	520,569	14	48,480
Experience	12/31/2020	360,907	18	363,555	14	33,864
Experience	12/31/2021	(37,672)	17	(38,180)	14	(3,552)
Experience	12/31/2022	732,536	16	752,939	14	70,128
Experience	12/31/2023	132,225	15	138,254	14	12,876
Experience	12/31/2024	682,401	14	729,691	14	67,956
Total				**$ 9,609,525**		**$ 894,972**

[1] For each type of UAL (layer), this is the original balance as of the date the layer was established.

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

[3] This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

Table 10-11: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance[1]	Original Amortization Period[2]	Amounts for Fiscal Year Beginning 1/1/2026: Outstanding UAL Balance[3]	Remaining Amortization Period[2]	Annual Amortization Payment
Experience	12/31/2022	$ (109,748)	15	$ (111,763)	13	$ (11,016)
Experience	12/31/2023	(96,202)	15	(100,590)	14	(9,372)
Experience	12/31/2024	(76,459)	10	(81,758)	10	(9,948)
Total				**$ (294,111)**		**$ (30,336)**

[1] For each type of UAL (layer), this is the original balance as of the date the layer was established.

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

[3] This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

Division 12 - TPOAM hired aft 5/1/17

Table 10-12: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance[1]	Original Amortization Period[2]	Amounts for Fiscal Year Beginning 1/1/2026: Outstanding UAL Balance[3]	Remaining Amortization Period[2]	Annual Amortization Payment
Experience	12/31/2020	$ 10,039	15	$ 9,542	11	$ 1,080
Experience	12/31/2021	26,259	15	25,871	12	2,712
Experience	12/31/2022	60	15	60	13	12
Experience	12/31/2023	431	10	431	9	60
Experience	12/31/2024	113,996	10	121,896	10	14,832
Total				**$ 157,800**		**$ 18,696**

[1] For each type of UAL (layer), this is the original balance as of the date the layer was established.

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

[3] This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

The unfunded accrued liability (UAL) as of December 31, 2024 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2024 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

Note: The original balance and original amortization periods prior to 12/31/2018 were received from the prior actuary.

GASB Statement No. 68 Information

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

Actuarial Valuation Date:		12/31/2024
Measurement Date of the Total Pension Liability (TPL):		12/31/2024
At 12/31/2024, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		117
Inactive employees entitled to but not yet receiving benefits (including refunds):		48
Active employees:		70
		235
Total Pension Liability as of 12/31/2023 measurement date:	$	40,398,352
Total Pension Liability as of 12/31/2024 measurement date:	$	41,032,123
Service Cost for the year ending on the 12/31/2024 measurement date:	$	548,818
Change in the Total Pension Liability due to:		
- Benefit changes[1]:	$	0
- Differences between expected and actual experience[2]:	$	82,861
- Changes in assumptions[2]:	$	(79,339)
Average expected remaining service lives of all employees (active and inactive):		3

[1] A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

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

Covered employee payroll (Needed for Required Supplementary Information):	$	4,237,611

Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

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

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Change in Net Pension Liability as of 12/31/2024:	$ 4,455,208	$ 0	$ (3,747,896)

Note: The current discount rate shown for GASB Statement No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB Statement No. 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

GASB Statement No. 68 Information

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

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

Actuarial Valuation Date:		12/31/2024
Measurement Date of the Total Pension Liability (TPL):		12/31/2025

At 12/31/2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	117
Inactive employees entitled to but not yet receiving benefits (including refunds):	48
Active employees:	70
	235

Total Pension Liability as of 12/31/2024 measurement date:	$	40,904,052
Total Pension Liability as of 12/31/2025 measurement date:	$	41,405,648
Service Cost for the year ending on the 12/31/2025 measurement date:	$	542,050
Change in the Total Pension Liability due to:		
- Benefit changes[1]:	$	0
- Differences between expected and actual experience[2]:	$	222,302
- Changes in assumptions[2]:	$	(92,766)
Average expected remaining service lives of all employees (active and inactive):		3

[1] A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

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

Covered employee payroll (Needed for Required Supplementary Information):	$	4,237,611

Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

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

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
Change in Net Pension Liability as of 12/31/2025:	$ 4,466,875	$ 0	$ (3,759,905)

Note: The current discount rate shown for GASB Statement No. 68 purposes is higher than the MERS assumed rate of return. This is because for GASB Statement No. 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

Benefit Provision History

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

01 - TPOAM

1/1/2024	DC Adoption Date 01-01-2024
8/1/2023	Non-Standard Transfer Rules
11/1/2022	Non Standard Compensation Definition
1/1/2021	Custom Wages
1/1/2021	FMLA - Service Granted
1/1/2021	Other Leave - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
1/1/2020	Dual Enrollment with MERS DC
12/1/2016	Service Credit Purchase Estimates - Yes
4/1/2006	Temporary Benefit F50 (With 30 Years of Service) (04/01/2006 - 06/30/2006)
1/1/2005	Flexible E $33.00 Monthly COLA Adopted (01/01/2005)
6/1/2002	2.50% Multiplier (Capped at 80% of FAC)
6/1/2002	6 Year Vesting
1/1/2000	Flexible E $36.67 Monthly COLA Adopted (01/01/2000)
11/8/1999	Blanket Resolution (All Service)
4/1/1997	Benefit FAC-3 (3 Year Final Average Compensation)
4/1/1996	Member Contribution Rate 4.00%
4/1/1993	Benefit F55 (With 20 Years of Service)
4/1/1992	2.25% Multiplier (Capped at 80% of FAC)
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
4/1/1989	Benefit F55 (With 25 Years of Service)
10/1/1988	2.00% Multiplier
12/16/1968	Covered by Act 88
5/1/1967	1.20% Multiplier on FAC < $4,200 and 1.70% Multiplier on FAC > $4,200
1/1/1947	1.00% Multiplier on FAC < $4,200 and 1.50% Multiplier on FAC > $4,200
1/1/1947	10 Year Vesting
1/1/1947	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1947	Member Contribution Rate 3.00% Under $4,200.00 - Then 5.00%
	Fiscal Month - January
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

05 - Fire/Vol

1/1/2021	Custom Wages
1/1/2021	Public Safety Employees - Yes
1/1/2021	Service Credit Qualification - 360 hours
1/1/2021	Workers Compensation - Service Granted
12/1/2020	Non-Accelerated Amortization
12/31/2018	Accelerated to 5-year Amortization
12/1/2016	Service Credit Purchase Estimates - Yes

05 - Fire/Vol

1/1/2011	20 Years & Out
1/1/2011	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2011	Day of work defined as 360 Hours a Month for All employees.
1/1/2001	Flexible E $12.50 Monthly COLA Adopted (01/01/2001)
11/8/1999	Blanket Resolution (All Service)
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
12/16/1968	Covered by Act 88
5/1/1967	1.70% Multiplier
1/1/1947	0.84% Multiplier
1/1/1947	10 Year Vesting
1/1/1947	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1947	Member Contribution Rate 5.00%
	Fiscal Month - January
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

10 - Gnrl Adm

1/1/2024	DC Adoption Date 01-01-2024
8/1/2023	Non-Standard Transfer Rules
1/1/2021	Contract Employees - Included
1/1/2021	Custom Wages
1/1/2021	FMLA - Service Granted
1/1/2021	Other Leave - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
1/1/2020	Dual Enrollment with MERS DC
12/1/2016	Service Credit Purchase Estimates - Yes
7/1/2010	Temporary Benefit F55 (With 15 Years of Service) (07/01/2010 - 12/27/2010)
1/1/2005	Flexible E $33.00 Monthly COLA Adopted (01/01/2005)
7/1/2003	2.50% Multiplier (Capped at 80% of FAC)
1/1/2000	6 Year Vesting
1/1/2000	Benefit F55 (With 20 Years of Service)
1/1/2000	Flexible E $36.67 Monthly COLA Adopted (01/01/2000)
11/8/1999	Blanket Resolution (All Service)
6/1/1995	Benefit RS 50 (50% Post-Ret. Spouse Benefits)
1/1/1990	2.25% Multiplier (Capped at 80% of FAC)
1/1/1990	Flexible E 2% COLA Adopted (01/01/1990)
1/1/1990	Member Contribution Rate 4.00%
4/1/1989	Benefit F55 (With 25 Years of Service)
1/1/1988	10 Year Vesting
1/1/1988	2.00% Multiplier
1/1/1988	Benefit FAC-3 (3 Year Final Average Compensation)
12/16/1968	Covered by Act 88
	Fiscal Month - January
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

11 - Grl Admin after 1/1/16

1/1/2024	DC Adoption Date 01-01-2024
8/1/2023	Non-Standard Transfer Rules
1/1/2021	Contract Employees - Included
1/1/2021	Custom Wages
1/1/2021	FMLA - Service Granted
1/1/2021	Other Leave - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
1/1/2020	Dual Enrollment with MERS DC
12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2016	2.00% Multiplier (Capped at 80% of FAC)
1/1/2016	6 Year Vesting
1/1/2016	Benefit F55 (With 20 Years of Service)
1/1/2016	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2016	Day of work defined as 8 Hours a Month for All employees.
1/1/2016	Exclude Temporary Employees requiring less than 12 months
1/1/2016	Participant Contribution Rate 4%
1/1/2016	Non Standard Compensation Definition
12/16/1968	Covered by Act 88
	Fiscal Month - January
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
	Normal Retirement Age (DB) - 60

12 - TPOAM hired aft 5/1/17

1/1/2024	DC Adoption Date 01-01-2024
8/1/2023	Non-Standard Transfer Rules
1/1/2021	Custom Wages
1/1/2021	FMLA - Service Granted
1/1/2021	Other Leave - Service Granted
1/1/2021	Public Safety Employees - Yes
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Workers Compensation - Service Granted
1/1/2020	Dual Enrollment with MERS DC
5/1/2017	2.00% Multiplier
5/1/2017	6 Year Vesting
5/1/2017	Benefit F55 (With 20 Years of Service)
5/1/2017	Benefit FAC-3 (3 Year Final Average Compensation)
5/1/2017	Day of Work defined as 10 8 hour days
5/1/2017	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years
5/1/2017	Exclude Temporary Employees
5/1/2017	Normal Retirement Age (DB) - 60
5/1/2017	Participant Contribution Rate 4%
5/1/2017	Probationary Period 6 Months
5/1/2017	Service Credit Purchase Estimates - Yes
5/1/2017	Non Standard Compensation Definition
12/16/1968	Covered by Act 88
	Fiscal Month - January

S1 - Surplus Unassoc.

Fiscal Month - January

Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

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

Increase in Final Average Compensation

Division	Increase Assumption
All Divisions	4.00%

Miscellaneous and Technical Assumptions

Loads – None.

Amortization Policy for Closed Not Linked Divisions: The default funding policy for closed not linked divisions, including open divisions with zero active members, is to follow a non-accelerated amortization, where each closed period decreases by one year each year until the period is exhausted.

Risk Commentary

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

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

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

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks –** members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

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

Plan Maturity Measures

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

	Ratio of:				
December 31,	Market Value of Assets to Total Payroll	Actuarial Accrued Liability to Payroll	Actives to Retirees and Beneficiaries	Market Value of Assets to Benefit Payments	Net Cash Flow to Market Value of Assets (BOY)
2018	4.8	7.9	0.9	10.5	-3.4%
2019	5.0	8.0	0.8	10.6	-3.2%
2020	5.7	8.6	0.8	10.8	-3.1%
2021	6.0	8.6	0.8	11.8	-2.7%
2022	5.4	8.8	0.7	10.1	1.8%
2023	6.0	9.4	0.7	10.1	-3.2%
2024	6.5	9.9	0.6	10.1	-3.1%

Ratio of Market Value of Assets to Total Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

Ratio of Actives to Retirees and Beneficiaries

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

Ratio of Market Value of Assets to Benefit Payments

The MERS' Actuarial Policy requires a total minimum contribution equal to the excess (if any) of three times the expected annual benefit payments over the projected market value of assets as of the participating municipality or court's Fiscal Year for which the contribution applies. The ratio of market value of assets to benefit payments as of the valuation date provides an indication of whether the division is at risk for triggering the minimum contribution rule in the near term. If the division triggers this minimum contribution rule, the required employer contributions could increase dramatically relative to previous valuations.

Ratio of Net Cash Flow to Market Value of Assets

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

State Reporting

The following information has been prepared to provide some of the information necessary to complete the Public Act 202 pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form No. 5572). Additional resources are available at www.mersofmich.com and on the State website.

Form 5572 Line Reference	Description	Result
10	**Membership as of December 31, 2024**	
11	Indicate number of active members	70
12	Indicate number of inactive members (excluding pending refunds)	30
13	Indicate number of retirees and beneficiaries	117
14	**Investment Performance for Calendar Year Ending December 31, 2024**[1]	
15	Enter actual rate of return - prior 1-year period	7.72%
16	Enter actual rate of return - prior 5-year period	6.91%
17	Enter actual rate of return - prior 10-year period	6.62%
18	**Actuarial Assumptions**	
19	Actuarial assumed rate of investment return[2]	6.93%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any[3]	14
22	Is each division within the system closed to new employees?[4]	Yes
23	**Uniform Assumptions**	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	$28,546,672
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions[5]	$42,073,404
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending December 31, 2025	$2,111,292

1 The Municipal Employees' Retirement System's investment performance has been provided to GRS from MERS Investment Staff and is included here for reporting purposes. The investment performance figures reported are net of investment expenses on a rolling calendar year basis for the previous 1-, 5-, and 10-year periods as required under PA 530.

2 Net of administrative and investment expenses.

3 Populated with the longest amortization period remaining in the amortization schedule, across all divisions in the plan. This is when each division and the plan in total is expected to reach 100% funded if all assumptions are met.

4 If all divisions within the employer are closed, "yes." If at least one division is open (including shadow divisions), "no."

5 Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which may differ from the valuation assumptions. In accordance with the March 4, 2025 memo on the selection of Uniform Assumptions, "[f]or retirement systems that utilize an investment rate of return that is less than 7.00% for funding purposes, the local government should use the lower investment rate of return for the uniform assumption as well." In particular, the assumed rate of return for PA 202 purposes is 6.93%.

City of Mt. Pleasant
OPEB Presentation
Review of December 31, 2024 GASB No. 74 and No. 75 Report

Christian R. Veenstra, FCA, ASA, MAAA, EA
Watkins Ross

Agenda

- Terminology
  - Implicit vs explicit costs
  - Actuarial reconciliation from prior year
- Report pages
  - Police Officers Explicit Liability
  - City Implicit Liability

Terminology

- Implicit vs explicit costs
  - Explicit costs – direct cost of providing coverage, i.e. premiums

	Pre-65	Medicare
Single	$8,304	$4,740

Terminology

- Implicit vs explicit costs
  - Explicit costs – direct cost of providing coverage, i.e. premiums
  - Implicit costs – the true underlying costs paid by the insurance company

	Participant		Spouse	
Age	Male	Female	Male	Female
50	$ 8,916	$10,573	$10,926	$12,956
55	11,591	12,223	14,204	14,978
60	14,874	14,545	18,227	17,823
65	4,740	4,740	4,740	4,740

Terminology

- Reconciliation from prior year
  - GASB Statement Nos. 74 and 75 require a full actuarial valuation be performed once every 2 years
  - Non valuation years use a “Roll-forward” from prior year with adjustments for changes in actuarial assumptions
  - December 31, 2024 was a roll-forward from prior year

Terminology

- Reconciliation from prior year
  - Service cost – additional liability earned by active, covered lives

Terminology

- Reconciliation from prior year
  - Service cost – additional liability earned by active, covered lives
  - Interest – Liabilities are values of benefits paid in the future discounted to the valuation date

Terminology

- Reconciliation from prior year
  - Service cost – additional liability earned by active, covered lives
  - Interest – Liabilities are values of benefits paid in the future discounted to the valuation date
  - Experience (gains)/losses

Terminology

- Reconciliation from prior year
  - Service cost – additional liability earned by active, covered lives
  - Interest – Liabilities are values of benefits paid in the future discounted to the valuation date
  - Experience (gains)/losses
  - Changes in actuarial assumptions

Terminology

- Reconciliation from prior year
  - Service cost – additional liability earned by active, covered lives
  - Interest – Liabilities are values of benefits paid in the future discounted to the valuation date
  - Experience (gains)/losses
  - Changes in actuarial assumptions
  - Benefit payments – benefits paid during the year reduce the liability as those benefits are settled (no longer included in the liability at the end of the year)

Report pages – Police Explicit Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	$3,546,082	$2,644,704	$901,378
Changes during the Year			
Service Cost	17,378		17,378
Interest	199,749		199,749
Experience (Gains)/Losses	(12,997)		(12,997)
Change in plan terms	0		0
Change in actuarial assumptions	(46,578)		(46,578)
Contributions to OPEB trust		161,686	(161,686)
Contributions/benefit from general operating funds		24,799	(24,799)
Employee Contributions		14,435	(14,435)
Net Investment Income		328,552	(328,552)
Benefit Payments;			
Including Refunds of Employee Contributions	(93,478)	(93,478)	0
Administrative Expenses		(22,631)	22,631
Other Changes		0	0
Total Changes	64,074	413,363	(349,289)
Balance at December 31, 2024	$3,610,156	$3,058,067	$552,089

Report pages – Police Contribution

Actuarially Determined Contribution (ADC)	Fiscal Year Ending December 31,	
	2025	2024
Discount rate	5.68%	5.68%
Amortization period	6 years	8 years
Amortization method	Level $	Level $
Service cost	16,221	17,378
Amortization of Net OPEB Liability	105,174	135,618
Interest to end of year	6,895	8,690
Total ADC	$128,290	$161,686

Report pages – Police Contribution

The City of Mt. Pleasant's Police Officer's OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	Included in Investment Rate of Return
Salary increases	3.25% (for purpose of allocating liability)
Investment rate of return	5.68% (including inflation)
20-year Aa Municipal bond rate	4.28%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash and Equivalents	1.4%	0.38%
Taxable Bonds	32.7%	2.83%
Domestic Equity	52.0%	7.35%
International Equity	14.0%	6.64%

The sum of each target allocation times its long-term expected rate of return is 5.68%.

Report pages – City's Implicit liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	$3,402,842	$0	$3,402,842
Changes during the Year			
Service Cost	102,818		102,818
Interest	137,020		137,020
Experience (Gains)/Losses	6,511		6,511
Change in plan terms	0		0
Change in actuarial assumptions	(559,631)		(559,631)
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds		160,374	(160,374)
Employee Contributions		0	0
Net Investment Income		0	0
Benefit Payments;			
Including Refunds of Employee Contributions	(160,374)	(160,374)	0
Administrative Expenses		0	0
Other Changes		0	0
Total Changes	(473,656)	0	(473,656)
Balance at December 31, 2024	$2,929,186	$0	$2,929,186

Report pages – City's Implicit liability

The City of Mt. Pleasant's OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	Not applicable
Salary increases	3.25% (for purpose of allocating liability)
Investment rate of return	N/A; this plan is not pre-funded
20-year Aa Municipal bond rate	4.28%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

This plan is not pre-funded so there is no expected rate of return.

Discount Rate

The discount rate used to measure the total OPEB liability was **4.28%**. Projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023 the discount rate used to value OPEB liabilities was 4.00%.

Watkins Ross

Christian R. Veenstra, FCA, ASA, MAAA, EA
cveenstra@watkinsross.com
www.watkinsross.com/services

WATKINS ROSS

200 Ottawa Ave NW Suite 600
Grand Rapids MI 49503
WatkinsRoss.com
616.456.9696

May 12, 2025

PERSONAL & CONFIDENTIAL

Lauren Pavlowski
City of Mt. Pleasant
320 West Broadway Street
Mt. Pleasant, MI 48858

RE: City of Mt. Pleasant Police Officers Post-Retirement Medical Plan

Dear Lauren:

Transmitted via email, this is a copy of your OPEB accounting report for the fiscal year ending December 31, 2024. This information is intended to assist you in complying with Governmental Accounting Standards Board Statement No. 74 (GASB 74) Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, and Statement No. 75 (GASB 75) Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

The actuarial values shown in this report are based on December 31, 2023 results rolled forward to December 31, 2024.

If you have any questions about this report, please call me at (616) 742-9244.

Sincerely,

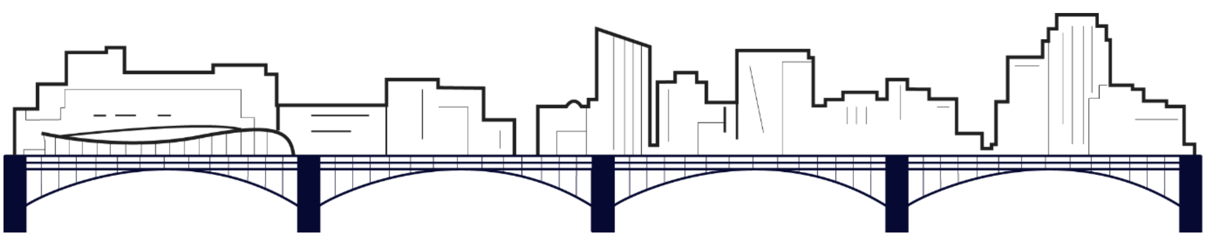
Christian R. Veenstra, FCA, ASA, MAAA
President / Enrolled Actuary

Enclosure

City of Mt. Pleasant Police Officers Post-Retirement Medical Plan

Accounting Report

for the Period Ending December 31, 2024
under GASB Statement 74 & 75



WATKINS ROSS | 200 OTTAWA AVE N.W. | SUITE 600 | GRAND RAPIDS, MI 49503 | 616.456.9696

R:\55253\2024\GASB\GASB-RPT 74-75 20241231 Police.docx

Report presented by:

WATKINS ROSS

May 2025

CONTENTS

INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared to provide the information necessary to comply with Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. This information may, at the discretion of the management of the plan sponsor and its auditor, be used for the preparation of its financial statements. The calculations herein have been made based on our understanding of GASB 74 and 75 and may be inappropriate for other purposes.

The calculations summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate, and their use would produce different results.

This report contains additional information and details related to plan provisions and recommended contribution calculations.

This report was prepared based on participant data and asset values as reported to us by the plan sponsor. Watkins Ross relied upon the data as submitted and has no reason to believe that any information which would have a material effect on the results of this valuation, was not considered in the preparation of the report.

The actuary certifying this report represents herself as meeting the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained in the report.

Prepared and Certified by:

Leah A. Dudley, FCA, ASA, MAAA
Health Actuary

Reviewed by:

Glen W. Bradley
Senior Pension Analyst

COMMENTS

Purpose of Governmental Accounting Standards Board (GASB) Reporting

The objective of GASB is to provide guidelines and requirements for accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources and methods and assumptions that are required to be used to project benefit payments and discount those payments to their actuarial present value.

State of Michigan Public Act 202

Public Act 202 (PA 202) was drafted to address the underfunded status of pension and retiree healthcare plans of local governments in Michigan. Accordingly, PA 202 included transparency and funding requirements. In addition, in order that the plans' funded status be reported on a consistent basis, Uniform Assumptions were published. While all of the Uniform Assumptions have a sound and reasonable basis, some might not be appropriate for each plan and therefore may be different than what is used for funding. Additionally, some of the assumptions may differ from what is required for reporting under GASB.

PA 202 further requires that plans covering 100 or more Plan Members – active and inactive:

1. **At least every 5 years, the local unit of government (city, village, township, county, county road commission or other districts, authorities created by the state or 1 or more these entities) shall have an actuarial experience study conducted by the plan actuary for each retirement system of the local unit of government and**
2. **At least every 8 years, the local unit of government shall do at least 1 of the following:**
    a. **Have a peer actuarial audit conducted by an actuary that is not the plan actuary**
    b. **Replace the plan actuary**

Actuarial Experience Study – Not applicable because the Plan has fewer than 100 members

Changes in Actuarial Assumptions, Plan Changes and Expected Actuarial Experience

There was a gain to the plan of $12,997, due to the retiree benefit payments being lower than projected. The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated a decrease in liability of $46,578.

Peer Review and rotation of Certifying Actuary

Current year Certifying Actuary: Leah A. Dudley, FCA, ASA, MAAA

Peer reviewed/change in Actuary: December 31, 2023

PLAN DESCRIPTION

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the City of Mt. Pleasant Police Officers Post-Retirement Medical Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City of Mt. Pleasant. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

City of Mt. Pleasant Police Officers Post-Retirement Medical Plan is a single employer plan established and administered by ***City of Mt. Pleasant*** and can be amended at its discretion.

Benefits Provided

A summary of the benefits provided is available in the Plan Provisions section of the report.

Summary of Plan Participants

As of December 31, 2023, Retirement Plan membership consisted of the following:

	2023
Active members	11
Inactive members	5
Retirees and beneficiaries	15
Total members	31

Contributions

The City of Mt. Pleasant Police Officers Post-Retirement Medical Plan was established and is being funded under the authority of the City. The City has two approaches to covering retiree healthcare. One approach is to allow retirees to participate in the healthcare plan provided to all employees. These retirees are charged the illustrative rate as set by a third-party administrator. The other approach to retiree healthcare coverage is for the employer to pay the illustrative rate for certain police officers – this latter approach is funded by employer and employee contributions to a dedicated OPEB trust as determined by an annual actuarial valuation and represented in this report. There are no long-term contracts for contributions to the plan. The plan's funding policy is that the City will make contributions as necessary to adequately fund the plan.

ASSUMPTIONS AND METHODS

The City of Mt. Pleasant's OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	Included in Investment Rate of Return
Salary increases	3.25% (for purpose of allocating liability)
Investment rate of return	5.68% (including inflation)
20-year Aa Municipal bond rate	4.28%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of retirement plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the retirement plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Cash and Equivalents	1.4%	0.38%
Taxable Bonds	32.7%	2.83%
Domestic Equity	52.0%	7.35%
International Equity	14.0%	6.64%

The sum of each target allocation times its long-term expected rate of return is 5.68%.

Discount Rate

The discount rate used to measure the total OPEB liability was **5.68%**. The projection of cash flows used to determine the discount rate assumed that City contributions will be made to adequately fund the plan. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023 the discount rate used to value OPEB liabilities was 5.68%.

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	$3,546,082	$2,644,704	$901,378
Changes during the Year			
Service Cost	17,378		17,378
Interest	199,749		199,749
Experience (Gains)/Losses	(12,997)		(12,997)
Change in plan terms	0		0
Change in actuarial assumptions	(46,578)		(46,578)
Contributions to OPEB trust		161,686	(161,686)
Contributions/benefit from general operating funds		24,799	(24,799)
Employee Contributions		14,435	(14,435)
Net Investment Income		328,552	(328,552)
Benefit Payments; Including Refunds of Employee Contributions	(93,478)	(93,478)	0
Administrative Expenses		(22,631)	22,631
Other Changes		0	0
Total Changes	64,074	413,363	(349,289)
Balance at December 31, 2024	$3,610,156	$3,058,067	$552,089

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the City, calculated using trend and discount rates 1% higher and lower than base assumptions:

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$4,145,643	$3,610,156	$3,176,042
Plan Fiduciary Net Position	3,058,067	3,058,067	3,058,067
Net OPEB Liability	$1,087,576	$552,089	$117,975

Trend	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$3,126,847	$3,610,156	$4,205,246
Plan Fiduciary Net Position	3,058,067	3,058,067	3,058,067
Net OPEB Liability	$68,780	$552,089	$1,147,179

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2024
Service Cost	$17,378
Interest on Total OPEB Liability	199,749
Experience (Gains)/Losses	(81,989)
Changes in Plan Terms	0
Changes in Assumptions	47,986
Employee Contributions	(14,435)
Projected Earnings on OPEB Plan Investments	(152,628)
Investment Earnings (Gains)/Losses	(29,035)
Administrative Expenses	22,631
Other Changes in Fiduciary Net Position	0
Total OPEB Expense	$9,657

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2024 is $3,058,067.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	49,247	120,137
Changes of Assumptions	53,834	17,659
Investment Earnings (Gains)/Losses	0	106,955
Total	$103,081	$244,751

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount Recognized
2025	$(27,434)
2026	(1,143)
2027	(77,909)
2028	(35,184)
2029	0
Thereafter	0

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2023	$901,378
Total OPEB expense	9,657
Contributions	(186,485)
Change in deferred outflows of resources	(238,680)
Change in deferred inflows of resources	66,219
Net OPEB Liability December 31, 2024	$552,089

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	$1,290,178
Inactive participants	630,004
Retirees and beneficiaries	1,689,974
Total OPEB Liability	$3,610,156

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Description of Actuarially Determined Contributions

Although not required as part of GASB reporting, we have included an Actuarially Determined Contribution in order to provide information for funding. This recommended contribution is designed to eventually fund your plan enough that you can pay retiree benefits directly from the trust instead of general operating funds. The amortization period is based on average future working years for active employees.

Actuarially Determined Contribution (ADC)[1]	Fiscal Year Ending December 31,	
	2025	2024
Discount rate	5.68%	5.68%
Amortization period	6 years	8 years
Amortization method	Level $	Level $
Service cost	16,221	17,378
Amortization of Net OPEB Liability	105,174	135,618
Interest to end of year	6,895	8,690
Total ADC	$128,290	$161,686

PA 202 was issued by the State of Michigan and requires the calculation of other "contribution" amounts. These are

1. The Actuarially Determined Contribution (ADC) using Assumptions for financial reporting and
2. The minimum required amount to be deposited into an OPEB trust

The first of these contributions as shown above, $161,686, is an amount required to be reported to the State of Michigan and may be used to determine whether a Corrective Action Plan (CAP) must be adopted if one hasn't yet been implemented. *It is not a required contribution.*

The second of these numbers is the actual minimum amount the State of Michigan requires you to deposit into a trust and it is based on the service cost (actuarially calculated) for those covered by your plan and hired after June 30, 2018. Because anyone hired after 2010 is not eligible for this benefit, this requirement is not applicable.

[1] ADC for 2024 and 2025 is based on actuarial assumptions consistent with reporting as of December 31, 2023 and December 31, 2024, respectively.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

State of Michigan Public Acts 530 and 202 Information

Financial information	2024
Assets (Fiduciary net position)	3,058,067
Liabilities (Total OPEB Liability)	3,610,156
Funded ratio for the Plan Year	84.71%
Actuarially Determined Contribution	$161,686
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

Membership	2024
Number of active members	11
Number of inactive members	5
Number of retirees and beneficiaries	15
Premiums paid on behalf of the retirants	$93,478

Investment Performance
This information is available from the Investment Manager

Actuarial Assumptions	2024
Actuarially assumed rate of investment return	5.68%
Discount rate	5.68%
Amortization method used for funding unfunded liability	Level $
Amortization period used for funding unfunded liability	8 years
Is each division closed to new employees	Yes
Healthcare inflation assumption next year	7.25%
Healthcare inflation assumption - long term	4.50%

Uniform Assumptions	2024
Actuarial value of assets using uniform assumptions	3,058,067
Actuarial accrued liability using uniform assumptions	3,610,156
Funded ratio using uniform assumptions	84.71%
Actuarially Determined Contribution (ADC) using uniform assumptions	$161,686

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total OPEB Liability					
Service Cost	$17,378	$23,288	$24,134	$29,327	$27,816
Interest	199,749	204,550	197,897	178,476	144,314
Changes of Benefit Terms	0	0	0	(256,924)	0
Difference between Expected and Actual Experience	(12,997)	(282,406)	(9,611)	388,507	374,290
Change of Assumptions	(46,578)	(51,552)	20,731	566,553	42,239
Benefit Payments (Including Refunds of Employee Contributions)	(93,478)	(87,180)	(83,578)	(65,195)	(64,000)
Net Change in Total OPEB Liability	64,074	(193,300)	149,573	840,744	524,659
Total OPEB Liability – Beginning	3,546,082	3,739,382	3,589,809	2,749,065	2,224,406
Total OPEB Liability – Ending (a)	$3,610,156	$3,546,082	$3,739,382	$3,589,809	$2,749,065
Plan Fiduciary Net Position					
Contributions to OPEB trust	$161,686	$261,800	$183,219	$96,000	$93,000
Employee contributions	14,435	21,466	26,510	32,269	33,386
Net Investment Income	328,552	336,255	(334,697)	263,670	214,034
Benefit Payments (Including Refunds of Employee Contributions)	(93,478)	(87,180)	(83,578)	(65,195)	(64,000)
Administrative Expenses	(22,631)	(17,004)	(18,327)	(16,581)	(15,671)
Contributions/benefit payments made from general operating funds	24,799	0	0	0	0
Net Change in Fiduciary Net Position	413,363	515,337	(226,873)	310,163	260,749
Plan Fiduciary Net Position – Beginning	2,644,704	2,129,367	2,356,240	2,046,077	1,785,328
Plan Fiduciary Net Position – Ending (b)	3,058,067	2,644,704	2,129,367	2,356,240	2,046,077
Net OPEB Liability – Ending (a)-(b)	$552,089	$901,378	$1,610,015	$1,233,569	$702,988
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	84.7%	74.6%	56.9%	65.6%	74.4%
Covered Employee Payroll	$977,493	$1,093,169	$1,325,476	$1,613,454	$1,439,676
Net OPEB Liability as Percentage of Payroll	56.5%	82.5%	121.5%	76.5%	48.8%
Actuarially Determined Contribution	$161,686	$278,732	$203,219	$129,022	$42,891
Employer Contribution/benefit payments	(161,686)	(261,800)	(183,219)	(96,000)	(93,000)
Employee Contributions	$(14,435)	(21,466)	(26,510)	(32,269)	(33,386)
Contribution Deficiency/(Excess)	$(14,435)	$(4,534)	$(6,510)	$753	$(83,495)
ADC as a Percentage of Covered Payroll	16.5%	25.5%	15.3%	8.0%	3.0%
Employer Contribution as a Percentage of Covered Payroll	16.5%	23.9%	13.8%	5.9%	6.5%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability			
Service Cost	$31,166	$30,107	$20,565
Interest	168,699	149,284	135,355
Changes of Benefit Terms	(144,732)	0	0
Difference between Expected and Actual Experience	(328,501)	18,621	(9,226)
Change of Assumptions	145,956	143,807	198,369
Benefit Payments (Including Refunds of Employee Contributions)	(53,975)	(52,860)	(65,918)
Net Change in Total OPEB Liability	(181,387)	288,959	279,145
Total OPEB Liability – Beginning	2,405,793	2,116,834	1,837,689
Total OPEB Liability – Ending (a)	$2,224,406	$2,405,793	$2,116,834
Plan Fiduciary Net Position			
Contributions to OPEB trust	$93,000	$67,000	$67,930
Employee contributions	35,808	36,336	35,197
Net Investment Income	257,617	(73,230)	202,020
Benefit Payments (Including Refunds of Employee Contributions)	(53,975)	(52,860)	(65,918)
Administrative Expenses	(11,955)	(13,965)	0
Other	0	0	0
Net Change in Fiduciary Net Position	320,495	(36,719)	239,229
Plan Fiduciary Net Position – Beginning	1,464,833	1,501,552	1,262,323
Plan Fiduciary Net Position – Ending (b)	1,785,328	1,464,833	1,501,552
Net OPEB Liability – Ending (a)-(b)	$439,078	$940,960	$615,282
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	80.3%	60.9%	70.9%
Covered Employee Payroll	$1,790,410	$1,816,822	$1,759,841
Net OPEB Liability as Percentage of Payroll	24.5%	51.8%	35.0%
Actuarially Determined Contribution	$92,775	$65,722	$79,526
Employer Contribution/benefit payments	(93,000)	(67,000)	(67,930)
Employee Contributions	(35,808)	(36,336)	(35,197)
Contribution Deficiency/(Excess)	$(36,033)	$(37,614)	$(23,601)
ADC as a Percentage of Covered Payroll	5.2%	3.6%	4.5%
Employer Contribution as a Percentage of Covered Payroll	5.2%	3.7%	3.9%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date	December 31, 2023
Measurement date	December 31, 2024
Reporting date	December 31, 2024
Actuarial Methods	
Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Market value

Actuarial Assumptions

Discount Rate – **5.68**% for 2024 liability and the 2024 and 2025 contributions
Rationale – Blended rate based on long term expected return and the 20-year Aa Municipal Bond rate

20-year Aa Municipal Bond Rate – 4.28%
Rationale – S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024

Salary Scale – 3.25% (for purpose of allocating liability)
Rationale – Per employer expectations

Return on Plan Assets – 5.68% (including inflation)
Rationale – Provided by investment manager

Mortality Rates
Employees and Retirees: Public Safety 2010 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021
Spouses: Public General 2010 Employee and Healthy Retiree, Headcount weighted, IRS 2024 Adjusted Scale MP-2021
Rationale – Most current mortality rates available for municipalities

Utilization – Eligible employees will elect coverage at retirement consistent with current coverage; actual coverage used for non-active
Rationale – Historical

Termination Rates – See sample rates below:

Service	Rate	Age	Rate
0	18%	30	9%
1	18	35	7
2	16	40	5
3	12	45	4
4	10	50	4

Rationale – Based on past employer experience

Retirement Rates

Age	Rate	Age	Rate
50	25%	56	25%
51-52	10	57	0
53	25	58	33
54	0	59	0
55	20	60	100

Rationale – Based on past employer experience

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Marital Assumption – Not applicable
Rationale – Dependent coverage paid for in full by retiree

Terminated Vested – Terminated employees who met retirement service eligibility will begin coverage at age 60
Rationale – Consistent with employer expectations

Claims Costs – See rates (annual) below:

	Pre-65	Medicare
Pre-65	$8,304	$4,740

Rationale – Provided by BCBS

Implicit Subsidy – Not valued
Rationale – Liability shown in this report reflects the explicit costs of covering Police retiree premiums not paid by participants; implicit costs are valued and included in separately issued report

Medical Trend
Pre-65: 7.25% for two years, then graded down to 4.5% by 0.25% per year
Post-65: 5.5% for two years, then graded down to 4.5% by 0.25% per year
Rationale – Based on State of Michigan trend survey

Data Collection
Date and form of data - All personnel and asset data were prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross

Assumption changes since prior valuation

- Retirement rates updated per the Actuarial Experience Study provided on July 15, 2024
- Medical trend updated such that the trend rate does not decrease by the anticipated 0.25% after the first year
- Mortality improvement scale updated from MP-2021

Assumptions used for PA 202 Reporting

All assumptions are the same as used for GASB

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Difference between Actual and Expected Experience

Year	Difference between expected and actual Experience	Recognition period (years)	Amount Recognized in Year Ended December 31, 2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2017	(9,226)	8.16	(1,131)	(178)						-	(178)
2018	18,621	7.64	2,437	1,562						1,562	-
2019	(328,501)	7.72	(42,552)	(42,552)	(30,637)					-	(73,189)
2020	374,290	5.73	65,321	47,685						47,685	-
2021	388,507	3.20	24,283							-	-
2022	(9,611)	2.20	(873)							-	-
2023	(282,406)	2.37	(119,159)	(44,088)						-	(44,088)
2024	(12,997)	1.26	(10,315)	(2,682)	-	-	-	-	-	-	(2,682)
Net recognized in OPEB expense			$ (81,989)	$ (40,253)	$ (30,637)	$ -	$ -	$ -	$ -	$ 49,247	$ (120,137)

Schedule of Changes in Assumptions

Year	Changes in Assumptions	Recognition period (years)	Amount Recognized in Year Ended December 31, 2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2017	198,369	8.16	24,310	3,889						3,889	-
2018	143,807	7.64	18,823	12,046						12,046	-
2019	145,956	7.72	18,906	18,906	13,614					32,520	-
2020	42,239	5.73	7,372	5,379						5,379	-
2021	566,553	3.20	35,409							-	-
2022	20,731	2.20	1,885							-	-
2023	(51,552)	2.37	(21,752)	(8,048)						-	(8,048)
2024	(46,578)	1.26	(36,967)	(9,611)	-	-	-	-	-	-	(9,611)
Net recognized in OPEB expense			$ 47,986	$ 22,561	$ 13,614	$ -	$ -	$ -	$ -	$ 53,834	$ (17,659)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

Year	Difference between expected and actual earnings on OPEB assets	Recognition period (years)	Amount Recognized in Year Ended December 31, 2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2020	(96,469)	5.00	(19,293)							-	-
2021	(128,115)	5.00	(25,623)	(25,623)						-	(25,623)
2022	468,954	5.00	93,791	93,791	93,790					187,581	-
2023	(213,624)	5.00	(42,725)	(42,725)	(42,725)	(42,724)				-	(128,174)
2024	(175,924)	5.00	(35,185)	(35,185)	(35,185)	(35,185)	(35,184)			-	(140,739)
Net recognized in OPEB expense			$ (29,035)	$ (9,742)	$ 15,880	$ (77,909)	$ (35,184)			$ 187,581	$ (294,536)

Total Deferred Outflow/(Inflow) of Resources

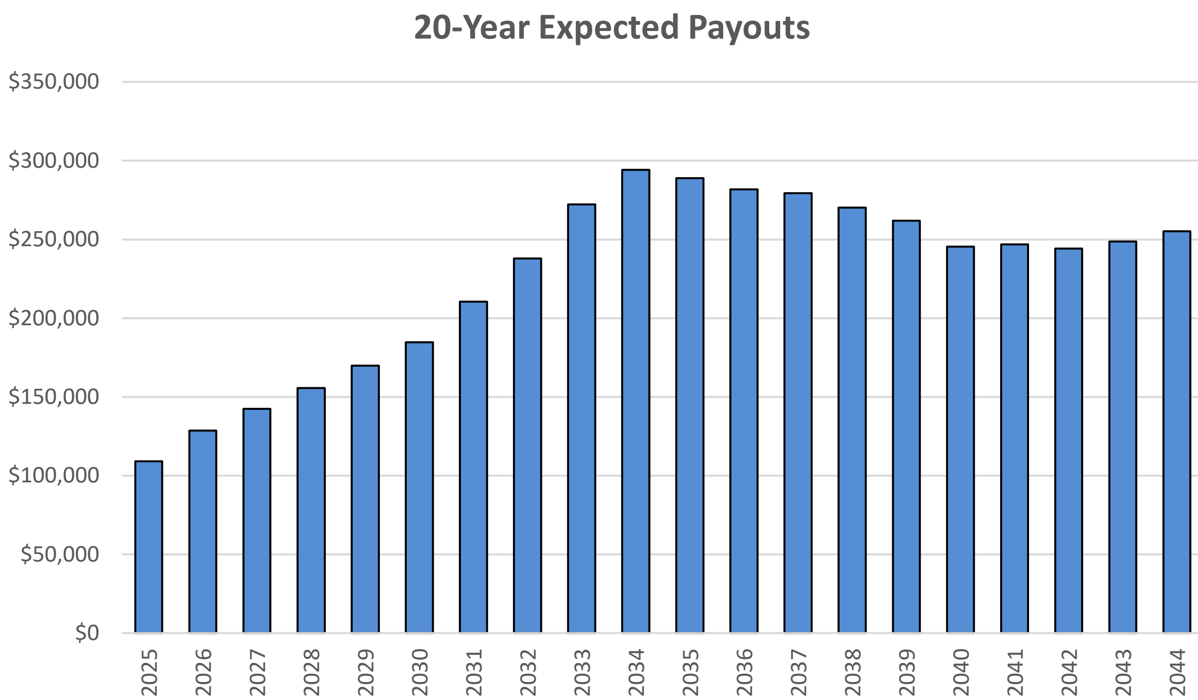
	Amount Recognized in Year Ended December 31, 2025	2026	2027	2028	2029	2030+
Total Deferred Outflow/(Inflow) of Resources	$ (27,434)	$ (1,143)	$ (77,909)	$ (35,184)	$ -	$ -

TRUSTEE INFORMATION

Projected benefit payments

A graphic illustration of 20 years of projected benefit payments for the current group of covered lives is shown below.

The chart below reflects expected cash flows to pay benefits for current plan participants.



SUMMARY OF PLAN PROVISIONS

Plan name	City of Mt. Pleasant Police Officers Post-Retirement Medical Plan
Eligibility	Hired prior to 2010 and retire on or after January 1, 2001 and age 50 with 25 years of service or age 60 with 10 years of service
Employer benefits	Retiree medical premiums
Spouse coverage	Spouse covered to death or remarriage at expense of retiree
Retiree contribution	Full premium for spouse and/or dependent
Changes since prior report	None

GLOSSARY

A number of special terms and concepts are used in connection with OPEB plans and the OPEB accounting report. The following list reviews a number of these terms and provides a brief discussion of their meaning.

Actuarially Determined Contribution (ADC) – A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Cost Method – This is a mathematical formula which is used to allocate the present value of projected benefits to past and future plan years.

Amortization – The difference between actual and expected investment returns, the difference between actual and expected experience, and the impact of any plan or assumption changes will be amortized and paid over future years.

Depletion Date (Cross-over Point) – The projected date (if any) where plan assets, including future contributions, are no longer sufficient to pay Projected Benefit Payments to current members.

Long-term expected rate of return – The rate of return based on the nature and mix of current and expected plan investments and over the time period from when an employee is hired to when all benefits to the employee have been paid.

Market Value of Assets – The market value of all assets in the fund including any accrued contribution for the previous plan year, which was not paid by the end of the year.

Measurement Date – The date the Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability are determined.

Net OPEB Liability (NOL) – The Total OPEB Liability less the Plan Fiduciary Net Position.

Normal Cost – For GASB 74/75 purposes, normal cost is the equivalent of service cost (see definition of service cost).

Other Post-Employment Benefits (OPEB) – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

OPEB Expense (OE) – The change in the Net OPEB Liability (NOL) recognized in the current measurement period. Changes to the NOL not fully recognized in a given year's OPEB expense will be maintained as deferred inflows and deferred outflows. These will be recognized incrementally in the OPEB expense over time.

GLOSSARY

Plan assets – Stocks, bonds and other investments that have been segregated and restricted (usually in a trust) to provide for post-retirement benefits. Assets not segregated in a trust, or otherwise effectively restricted so that they cannot be used by the employer for other purposes, are not plan assets, even though it may be intended that those assets be used to provide post-retirement benefits.

Plan Fiduciary Net Position – The market value of plan assets as of the measurement date.

Present Value – The present value of a future payment or a series of payments is the amount of each payment, discounted to recognize the time value of money, and further reduced for the probability that the payment might not be made because of death, disability or termination of employment.

Projected Benefit Payments – All benefits projected to be payable to current active and inactive participants as a result of their past service and their expected future service.

Real Rate of Return – The rate of return on an investment after the adjustment to eliminate inflation.

Reporting Date – The date that represents the fiscal year end for the plan or employer.

Service Cost – The value of portion of Total OPEB Liability earned during the current year computed in accordance with GAAP accounting rules.

Single Equivalent Discount Rate – The single rate that gives the same total present value as discounting the Projected Benefit Payments with the long-term expected rate of return until the Depletion Date and discounting any remaining Projected Benefit Payments with the yield on a 20-year AA/Aa tax-exempt municipal bond index.

Total OPEB Liability (TOL) – The actuarial present value of the accrued benefit determined under the Entry Age actuarial cost method calculated using the blended Single Equivalent Discount Rate.

Valuation Date – The date as of which an actuarial valuation is performed.

WATKINS ROSS

200 Ottawa Ave NW Suite 600
Grand Rapids MI 49503
WatkinsRoss.com
616.456.9696

May 12, 2025

PERSONAL & CONFIDENTIAL

Lauren Pavlowski
City of Mt. Pleasant
320 West Broadway Street
Mt. Pleasant, MI 48858

RE: City of Mt. Pleasant Post-Retirement Medical Plan

Dear Lauren:

Transmitted via email, this is a copy of your OPEB accounting report for the fiscal year ending December 31, 2024. This information is intended to assist you in complying with Governmental Accounting Standards Board Statement No. 75 (GASB 75) Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

The actuarial values shown in this report are based on December 31, 2023 results rolled forward to December 31, 2024.

If you have any questions about this report, please call me at (616) 742-9244.

Sincerely,

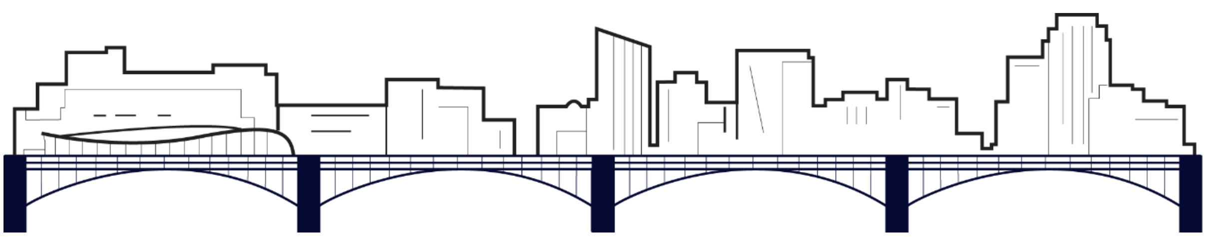
Christian R. Veenstra, FCA, ASA, MAAA
President / Enrolled Actuary

Enclosure

City of Mt. Pleasant
Post-Retirement Medical Plan

Accounting Report

for the Period Ending December 31, 2024
under GASB Statement 75



WATKINS ROSS | 200 OTTAWA AVE N.W. | SUITE 600 | GRAND RAPIDS, MI 49503 | 616.456.9696

Report presented by:

WATKINS ROSS

May 2025

CONTENTS

INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared to provide the information necessary to comply with Governmental Accounting Standards Board (GASB) Statement Nos. 75. This information may, at the discretion of the management of the plan sponsor and its auditor, be used for the preparation of its financial statements. The calculations herein have been made based on our understanding of GASB 75 and may be inappropriate for other purposes.

The calculations summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate, and their use would produce different results.

This report contains additional information and details related to plan provisions and recommended contribution calculations.

This report was prepared based on participant data and asset values as reported to us by the plan sponsor. Watkins Ross relied upon the data as submitted and has no reason to believe that any information which would have a material effect on the results of this valuation, was not considered in the preparation of the report.

The actuary certifying this report represents herself as meeting the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained in the report.

Prepared by:	**Certified by:**
Glen W. Bradley	Leah A. Dudley
Glen W. Bradley Senior Pension Analyst	Leah A. Dudley, FCA, ASA, MAAA Health Actuary

COMMENTS

Purpose of Governmental Accounting Standards Board (GASB) Reporting

The objective of GASB is to provide guidelines and requirements for accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources and methods and assumptions that are required to be used to project benefit payments and discount those payments to their actuarial present value.

State of Michigan Public Act 202

Public Act 202 (PA 202) was drafted to address the underfunded status of pension and retiree healthcare plans of local governments in Michigan. Accordingly, PA 202 included transparency and funding requirements. In addition, in order that the plans' funded status be reported on a consistent basis, Uniform Assumptions were published. While all of the Uniform Assumptions have a sound and reasonable basis, some might not be appropriate for each plan and therefore may be different than what is used for funding. Additionally, some of the assumptions may differ from what is required for reporting under GASB.

PA 202 further requires that plans covering 100 or more Plan Members – active and inactive:

1. **At least every 5 years, the local unit of government (city, village, township, county, county road commission or other districts, authorities created by the state or 1 or more these entities) shall have an actuarial experience study conducted by the plan actuary for each retirement system of the local unit of government and**
2. **At least every 8 years, the local unit of government shall do at least 1 of the following:**
    a. **Have a peer actuarial audit conducted by an actuary that is not the plan actuary**
    b. **Replace the plan actuary**

Actuarial Experience Study – An experience study was provided on July 15, 2024 and the recommended changes to the retirement rates have been implemented in this report.

Changes in Actuarial Assumptions, Plan Changes and Expected Actuarial Experience

There was an actuarial loss (increase in liability) of $6,511, due to actual benefit payments higher than projected. The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated a decrease in liability of $559,631.

Peer Review and rotation of Certifying Actuary

Current year Certifying Actuary: Leah A. Dudley, FCA, ASA, MAAA

Peer reviewed/change in Actuary: 12/31/2023

PLAN DESCRIPTION

Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the City of Mt. Pleasant Post-Retirement Medical Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City of Mt. Pleasant. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Plan Description

City of Mt. Pleasant Post-Retirement Medical Plan is a single employer plan established and administered by ***City of Mt. Pleasant*** and can be amended at its discretion.

Benefits Provided

A summary of the benefits provided is available in the Plan Provisions section of the report.

Summary of Plan Participants

As of December 31, 2023, Retirement Plan membership consisted of the following:

Active members	110
Inactive members	14
Retirees and beneficiaries	49
Total members	173[1]

Contributions

The City of Mt. Pleasant Post-Retirement Medical Plan was established and is being funded under the authority of the City. The plan's funding policy is that the employer will fund the plan on a pay-as-you-go basis. There are no long-term contracts for contributions to the plan.

[1] Thirty-one of these plan members are over the age of 65. Because post-65 participants pay the full cost of coverage under this plan, there is no liability for these members.

ASSUMPTIONS AND METHODS

The City of Mt. Pleasant's OPEB liability was measured as of December 31, 2024.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. The following actuarial assumptions were used in the measurement:

Inflation	Not applicable
Salary increases	3.25% (for purpose of allocating liability)
Investment rate of return	N/A; this plan is not pre-funded
20-year Aa Municipal bond rate	4.28%
Mortality	Public General and Public Safety 2010 Employee and Healthy Retiree, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

This plan is not pre-funded so there is no expected rate of return.

Discount Rate

The discount rate used to measure the total OPEB liability was **4.28%**. Projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2023 the discount rate used to value OPEB liabilities was 4.00%.

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2023	$3,402,842	$0	$3,402,842
Changes during the Year			
Service Cost	102,818		102,818
Interest	137,020		137,020
Experience (Gains)/Losses	6,511		6,511
Change in plan terms	0		0
Change in actuarial assumptions	(559,631)		(559,631)
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds		160,374	(160,374)
Employee Contributions		0	0
Net Investment Income		0	0
Benefit Payments;			
Including Refunds of Employee Contributions	(160,374)	(160,374)	0
Administrative Expenses		0	0
Other Changes		0	0
Total Changes	(473,656)	0	(473,656)
Balance at December 31, 2024	$2,929,186	$0	$2,929,186

Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the City, calculated using trend and discount rates 1% higher and lower than base assumptions:

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$3,131,308	$2,929,186	$2,743,920
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	3,131,308	$2,929,186	2,743,920

Trend	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	$2,682,656	$2,929,186	$3,208,856
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	2,682,656	$2,929,186	3,208,856

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2024
Service Cost	$102,818
Interest on Total OPEB Liability	137,020
Experience (Gains)/Losses	(97,962)
Changes in Plan Terms	0
Changes in Assumptions	(508,025)
Employee Contributions	0
Projected Earnings on OPEB Plan Investments	0
Investment Earnings (Gains)/Losses	0
Administrative Expenses	0
Other Changes in Fiduciary Net Position	0
Total OPEB Expense	$(366,149)

OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2024 is $0; the plan is not pre-funded.

Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	346,892	278,053
Changes of Assumptions	338,092	1,632,623
Investment Earnings (Gains)/Losses	0	0
Total	$684,984	$1,910,676

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount Recognized
2025	$(689,665)
2026	(378,139)
2027	(101,956)
2028	(55,932)
2029	0
Thereafter	0

RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2023	$3,402,842
Total OPEB expense	(366,149)
Contributions	(160,374)
Change in deferred outflows of resources	(677,516)
Change in deferred inflows of resources	730,383
Net OPEB Liability December 31, 2024	$2,929,186

Total OPEB Liability by Participant Status

	Total OPEB Liability
Active participants	$1,553,551
Inactive participants	620,953
Retirees and beneficiaries	754,682
Total OPEB Liability	$2,929,186

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Description of Actuarially Determined Contributions

Although not required as part of GASB reporting, we have included an Actuarially Determined Contribution in order to provide information for funding. This recommended contribution is designed to eventually fund your plan enough that you can pay retiree benefits directly from the trust instead of general operating funds. The amortization period is based on average future working years for active employees.

Actuarially Determined Contribution (ADC)[1]	Fiscal Year Ending December 31,	
	2025	**2024**
Discount rate	4.28%	4.00%
Amortization period	9 years	10 years
Amortization method	Level % of pay	Level % of pay
Service cost	76,265	102,818
Amortization of Net OPEB Liability	338,537	351,474
Interest to end of year	17,753	18,172
Total ADC	$432,555	$472,464

PA 202 was issued by the State of Michigan and requires the calculation of other "contribution" amounts. These are

1. The Actuarially Determined Contribution (ADC) using Assumptions for financial reporting and
2. The minimum required amount to be deposited into an OPEB trust

The first of these contributions as shown above, $472,464, is an amount required to be reported to the State of Michigan and may be used to determine whether a Corrective Action Plan (CAP) must be adopted if one hasn't yet been implemented. *It is not a required contribution.*

The second of these numbers is the actual minimum amount the State of Michigan requires you to deposit into a trust and it is based on the service cost (actuarially calculated) for those covered by your plan and hired after June 30, 2018. The service cost for new hires was $49,359 for 2024 and is projected to be $43,826 for 2025.

In addition to the service cost contribution noted in the preceding paragraph, minimum funding rules under PA 202 require that retiree healthcare benefits continue to be paid from general operating funds until a satisfactory level of funding is attained. That amount ($160,374) when added to what you are required to deposit into a trust, generates a total minimum required amount of $209,733 as shown on the following page of this report. Considering contributions to the Police Officer OPEB trust and benefit payments made from general operating funds for retiree healthcare coverage, this contribution requirement has been met.

[1] ADC for 2024 and 2025 is based on actuarial assumptions consistent with reporting as of December 31, 2023 and December 31, 2024, respectively.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

State of Michigan Public Acts 530 and 202 Information

Financial information	2024
Assets (Fiduciary net position)	0
Liabilities (Total OPEB Liability)	2,929,186
Funded ratio for the Plan Year	0.00%
Actuarially Determined Contribution	$472,464
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

Membership	2024
Number of active members	110
Number of inactive members	14
Number of retirees and beneficiaries	49
Premiums paid on behalf of the retirants	$160,374

Investment Performance
This information is available from the Investment Manager

Actuarial Assumptions	2024
Actuarially assumed rate of investment return	Not applicable
Discount rate	4.28%
Amortization method used for funding unfunded liability	Level % of Pay
Amortization period used for funding unfunded liability	10 years
Is each division closed to new employees	No
Healthcare inflation assumption next year	7.25%
Healthcare inflation assumption - long term	4.50%

Uniform Assumptions	2024
Actuarial value of assets using uniform assumptions	0
Actuarial accrued liability using uniform assumptions	3,054,498
Funded ratio using uniform assumptions	0.00%
Actuarially Determined Contribution (ADC) using uniform assumptions	$484,492

Information for Summary Report (minimum required contribution)[1]	2024
Retiree insurance premiums for the year (1)	160,374
Service cost for employees hired after June 30, 2018 (2)	49,359
Minimum required contribution under PA 202 (1) + (2)	$209,733

[1] Senate Bill 686 requires that a local unit must contribute at least both of the following – Service cost for employees first hired after June 30, 2018, and retiree premiums due to retirants in the retirement system; In order to obtain 40% funding, higher contributions may be needed.

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020
Total OPEB Liability					
Service Cost	$102,818	$83,289	$133,065	$255,850	$188,246
Interest	137,020	141,197	84,127	157,126	205,450
Changes of Benefit Terms	0	(62,052)	0	219,039	0
Difference between Expected and Actual Experience	6,511	16,908	50,194	(968,155)	(80,122)
Change of Assumptions	(559,631)	105,845	(605,433)	(3,754,686)	1,636,760
Benefit Payments (Including Refunds of Employee Contributions)	(160,374)	(150,195)	(120,088)	(137,105)	(220,662)
Net Change in Total OPEB Liability	(473,656)	134,992	(458,135)	(4,227,931)	1,729,672
Total OPEB Liability – Beginning	3,402,842	3,267,850	3,725,985	7,953,916	6,224,244
Total OPEB Liability – Ending (a)	$2,929,186	$3,402,842	$3,267,850	$3,725,985	$7,953,916
Plan Fiduciary Net Position					
Contributions to OPEB trust	$0	$0	$0	$0	$0
Contributions/benefit payments made from general operating funds	160,374	150,195	120,088	137,105	220,662
Net Investment Income	0	0	0	0	0
Benefit Payments (Including Refunds of Employee Contributions)	(160,374)	(150,195)	(120,088)	(137,105)	(220,662)
Administrative Expenses	0	0	0	0	0
Other	0	0	0	0	0
Net Change in Fiduciary Net Position	0	0	0	0	0
Plan Fiduciary Net Position – Beginning	0	0	0	0	0
Plan Fiduciary Net Position – Ending (b)	0	0	0	0	0
Net OPEB Liability – Ending (a)-(b)	$2,929,186	$3,402,842	$3,267,850	$3,725,985	$7,953,916
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$8,137,187	$8,165,835	$8,070,620	$8,066,348	$7,798,132
Net OPEB Liability as Percentage of Payroll	36.0%	41.7%	40.5%	46.2%	102.0%
Actuarially Determined Contribution	$472,464	$489,613	$509,557	$909,532	$695,519
Employer Contribution/benefit payments	(160,374)	(150,195)	(120,088)	(137,105)	(220,662)
Contribution Deficiency/(Excess)	$312,090	$339,418	$389,469	$772,427	$474,857
ADC as a Percentage of Covered Payroll	5.8%	6.0%	6.3%	11.3%	8.9%
Employer Contribution as a Percentage of Covered Payroll	2.0%	1.8%	1.5%	1.7%	2.8%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability			
Service Cost	$139,536	$123,617	$96,654
Interest	147,881	127,989	166,686
Changes of Benefit Terms	0	0	0
Difference between Expected and Actual Experience	1,376,143	111,734	(926,935)
Change of Assumptions	(174,013)	640,040	683,181
Benefit Payments (Including Refunds of Employee Contributions)	(110,282)	(195,858)	(105,266)
Net Change in Total OPEB Liability	1,379,265	807,522	(85,680)
Total OPEB Liability – Beginning	4,844,979	4,037,457	4,123,137
Total OPEB Liability – Ending (a)	$6,224,244	$4,844,979	$4,037,457
Plan Fiduciary Net Position			
Contributions to OPEB trust	$0	$0	$0
Contributions/benefit payments made from general operating funds	110,282	195,858	105,266
Net Investment Income	0	0	0
Benefit Payments (Including Refunds of Employee Contributions)	(110,282)	(195,858)	(105,266)
Administrative Expenses	0	0	0
Other	0	0	0
Net Change in Fiduciary Net Position	0	0	0
Plan Fiduciary Net Position – Beginning	0	0	0
Plan Fiduciary Net Position – Ending (b)	0	0	0
Net OPEB Liability – Ending (a)-(b)	$6,224,244	$4,844,979	$4,037,457
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%
Covered Employee Payroll	$7,740,024	$7,507,587	$7,301,081
Net OPEB Liability as Percentage of Payroll	80.4%	64.5%	55.3%
Actuarially Determined Contribution	$495,182	$400,501	$376,893
Employer Contribution/benefit payments	(110,282)	(195,858)	(105,266)
Contribution Deficiency/(Excess)	$384,900	$204,643	$271,627
ADC as a Percentage of Covered Payroll	6.4%	5.3%	5.2%
Employer Contribution as a Percentage of Covered Payroll	1.4%	2.6%	1.4%

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date December 31, 2023

Measurement date December 31, 2024

Reporting date December 31, 2024

Actuarial Methods

Cost method Entry Age Normal (level percentage of compensation)

Asset valuation method Not applicable; the plan is not pre-funded

Actuarial Assumptions

Discount Rate – **4.00**% for 2023 contribution; **4.28**% for 2024 Liability and 2025 contribution
Rationale – 20-year Aa Municipal Bond rate

20-year Aa Municipal Bond Rate – 4.28%
Rationale – S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2024

Salary Scale – 3.25% (for purpose of allocating liability)
Rationale – Per employer expectations

Return on Plan Assets – N/A; this plan is not pre-funded

Mortality Rates
Public Safety: Public Safety 2010 Employee and Healthy Retiree, headcount weighted with 2024 IRS adjusted Scale MP-2021
All others: Public General 2010 Employee and Healthy Retiree, headcount weighted with 2024 IRS adjusted Scale MP-2021
Rationale – Most current mortality rates available for municipalities

Utilization – Eligible employees will elect coverage at retirement consistent with current coverage; actual coverage used for non-active
Rationale – historical

Termination Rates – See sample rates below:

Service	Rate	Age	Rate
0	18%	30	9%
1	18	35	7
2	16	40	5
3	12	45	4
4	10	50	4

Rationale – Based on past employer experience

Annual retiree contribution basis

	Pre-65	Medicare
Single	$ 8,304	$ 4,740
Double	18,480	9,480
Family	19,596	

Rationale – Illustrative rates in effect as of the valuation date

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Retirement Rates – Rates as shown below:

Age	Rate	Age	Rate
50	10%	58	10%
51-53	5	59	0
54	0	60	40
55	10	61-62	0
56	5	63	33
57	0	64	50
		65	100

Rationale – These rates were chosen based on this plan's historical experience

Marital Assumption – 30% of active employees will have a covered spouse with females 3 years younger than males; Actual marital status used for retirees
Rationale – Consistent with experience

Claims Costs – see rates (monthly) below:

	Participant		Spouse	
Age	Male	Female	Male	Female
50	$ 8,916	$10,573	$10,926	$12,956
55	11,591	12,223	14,204	14,978
60	14,874	14,545	18,227	17,823
65	4,740	4,740	4,740	4,740

Rationale – Age-weighted pre-65 costs, post-65 illustrative premiums

Implicit Subsidy – Age-weighted costs valued

Medical Trend
Pre-65 medical – 7.25% for 2 years, then graded down 0.25% per year to 4.5% per year
Medicare eligible – 5.5% for 2 years, then graded down by 0.25% per year to 4.5% per year
Rationale – Based on State of Michigan trend survey

Data Collection
Date and form of data - All personnel and asset data were prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross

Assumption changes since prior valuation

- Mortality Improvement Scale updated from MP-2021 to the 2024 IRS Adjusted Scale MP-2021
- Retirement rates updated per experience study conducted during 2024
- Initial rate remained at 7.25% (failing to decline by 0.25% as projected in prior year assumption)
- Discount rate changed from 4.00% to 4.28%

Assumptions used for PA 202 Reporting

Discount rate - 3.65%

All other assumptions are the same as used for GASB

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Difference between Actual and Expected Experience

Year	Difference between expected and actual Experience	Recognition period (years)	Amount Recognized in Year Ended December 31, 2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2017	(926,935)	8.16	(113,595)	(18,175)						-	(18,175)
2018	111,734	7.64	14,625	9,359						9,359	-
2019	1,376,143	7.72	178,257	178,257	128,344					306,601	-
2020	(80,122)	5.73	(13,983)	(10,207)						-	(10,207)
2021	(968,155)	5.39	(179,621)	(179,621)	(70,050)					-	(249,671)
2022	50,194	4.39	11,434	11,434	4,458					15,892	-
2023	16,908	4.89	3,458	3,458	3,458	3,076				9,992	-
2024	6,511	4.45	1,463	1,463	1,463	1,463	659	-	-	5,048	-
Net recognized in OPEB expense			$ (97,962)	$ (4,032)	$ 67,673	$ 4,539	$ 659	$ -	$ -	$ 346,892	$ (278,053)

Schedule of Changes in Assumptions

Year	Changes in Assumptions	Recognition period (years)	Amount Recognized in Year Ended December 31, 2024	2025	2026	2027	2028	2029	2030+	Deferred Outflow of Resources	Deferred Inflow of Resources
2017	683,181	8.16	83,723	13,397						13,397	-
2018	640,040	7.64	83,775	53,615						53,615	-
2019	(174,013)	7.72	(22,541)	(22,541)	(16,226)					-	(38,767)
2020	1,636,760	5.73	285,647	208,525						208,525	-
2021	(3,754,696)	5.39	(696,602)	(696,602)	(271,686)					-	(968,288)
2022	(605,433)	4.39	(137,912)	(137,912)	(53,785)					-	(191,697)
2023	105,845	4.89	21,645	21,645	21,645	19,265				62,555	-
2024	(559,631)	4.45	(125,760)	(125,760)	(125,760)	(125,760)	(56,591)	-	-	-	(433,871)
Net recognized in OPEB expense			$ (508,025)	$ (685,633)	$ (445,812)	$ (106,495)	$ (56,591)	$ -	$ -	$ 338,092	$ (1,632,623)

Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

Not applicable; the plan is not pre-funded

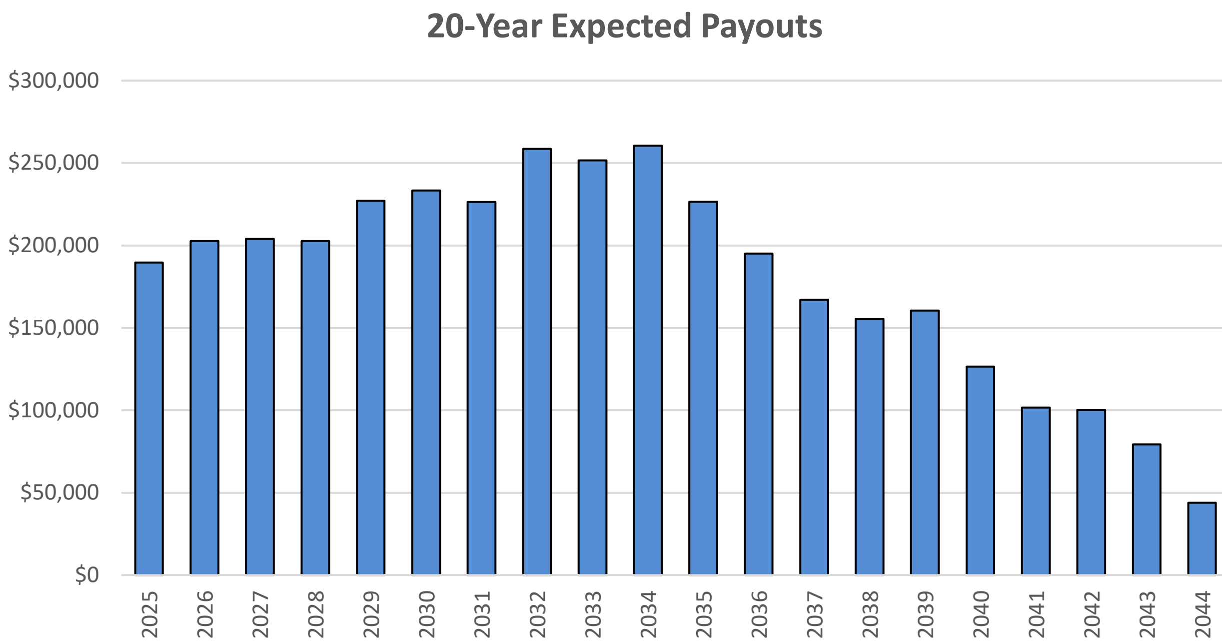
Total Deferred Outflow/(Inflow) of Resources

	Amount Recognized in Year Ended December 31, 2025	2026	2027	2028	2029	2030+
Total Deferred Outflow/(Inflow) of Resources	$ (689,665)	$ (378,139)	$ (101,956)	$ (55,932)	$ -	$ -

TRUSTEE INFORMATION

A graphic illustration of 20 years of projected benefit payments for the current group of covered lives is shown below. Plans open to new participants could see higher than expected payments if new members are hired and are eligible to retire during the projection period.

The chart below reflects expected cash flows to pay benefits for current plan participants.



SUMMARY OF PLAN PROVISIONS

Plan name	City of Mt. Pleasant Post-Retirement Medical Plan
Benefit eligibility	
Housing	Not eligible for health coverage
PACT	Age 55 with 20 years of service or age 60 with 6 years of service
Part-time fire	Age 50 with 10 years of service
Full-time fire	Age 50 with 25 years of service or age 60 with 10 years of service
Police Officers (POAM, COAM)	Age 50 with 25 years of service or age 60 with 10 years of service (hired prior to 2010 for City premium payment)
Technical professional and office workers (TPOAM)	Age 55 with 20 years of service or age 60 with 6 years of service
Benefit	Retiree health care coverage
Retiree contribution	Annual premium as determined by third party administrator
Changes since prior valuation	None

GLOSSARY

A number of special terms and concepts are used in connection with OPEB plans and the OPEB accounting report. The following list reviews a number of these terms and provides a brief discussion of their meaning.

Actuarially Determined Contribution (ADC) – A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

Actuarial Cost Method – This is a mathematical formula which is used to allocate the present value of projected benefits to past and future plan years.

Amortization – The difference between actual and expected investment returns, the difference between actual and expected experience, and the impact of any plan or assumption changes will be amortized and paid over future years.

Depletion Date (Cross-over Point) – The projected date (if any) where plan assets, including future contributions, are no longer sufficient to pay Projected Benefit Payments to current members.

Long-term expected rate of return – The rate of return based on the nature and mix of current and expected plan investments and over the time period from when an employee is hired to when all benefits to the employee have been paid.

Market Value of Assets – The market value of all assets in the fund including any accrued contribution for the previous plan year, which was not paid by the end of the year.

Measurement Date – The date the Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability are determined.

Net OPEB Liability (NOL) – The Total OPEB Liability less the Plan Fiduciary Net Position.

Normal Cost – For GASB 74/75 purposes, normal cost is the equivalent of service cost (see definition of service cost).

Other Post-Employment Benefits (OPEB) – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.

OPEB Expense (OE) – The change in the Net OPEB Liability (NOL) recognized in the current measurement period. Changes to the NOL not fully recognized in a given year's OPEB expense will be maintained as deferred inflows and deferred outflows. These will be recognized incrementally in the OPEB expense over time.

GLOSSARY

Plan assets – Stocks, bonds and other investments that have been segregated and restricted (usually in a trust) to provide for post-retirement benefits. Assets not segregated in a trust, or otherwise effectively restricted so that they cannot be used by the employer for other purposes, are not plan assets, even though it may be intended that those assets be used to provide post-retirement benefits.

Plan Fiduciary Net Position – The market value of plan assets as of the measurement date.

Present Value – The present value of a future payment or a series of payments is the amount of each payment, discounted to recognize the time value of money, and further reduced for the probability that the payment might not be made because of death, disability or termination of employment.

Projected Benefit Payments – All benefits projected to be payable to current active and inactive participants as a result of their past service and their expected future service.

Real Rate of Return – The rate of return on an investment after the adjustment to eliminate inflation.

Reporting Date – The date that represents the fiscal year end for the plan or employer.

Service Cost – The value of portion of Total OPEB Liability earned during the current year computed in accordance with GAAP accounting rules.

Single Equivalent Discount Rate – The single rate that gives the same total present value as discounting the Projected Benefit Payments with the long-term expected rate of return until the Depletion Date and discounting any remaining Projected Benefit Payments with the yield on a 20-year AA/Aa tax-exempt municipal bond index.

Total OPEB Liability (TOL) – The actuarial present value of the accrued benefit determined under the Entry Age actuarial cost method calculated using the blended Single Equivalent Discount Rate.

Valuation Date – The date as of which an actuarial valuation is performed.

Memorandum

Mt. Pleasant
[meet here]

TO: Aaron Desentz, City Manager

FROM: Lauren Pavlowski, Finance Director

DATE: July 16th, 2025

SUBJECT: Investment Report

Attached please find the 2025 2nd Quarter Investment Report. The investment portfolio for all funds, less the pension and OPEB plans and WRRF bond proceeds, has a cost basis of $31.5 million. The investment portfolio earned a weighted average yield of 3.60%, which is down from the previous quarter by 0.41% from the weighted average yield of 4.01%.

Requested Action:

Please include the Investment Report for June 30th, 2025, with the July 28th City Commission Petitions and Communications.

Current Portfolio

City of Mt. Pleasant portfolio as of 06/30/2025

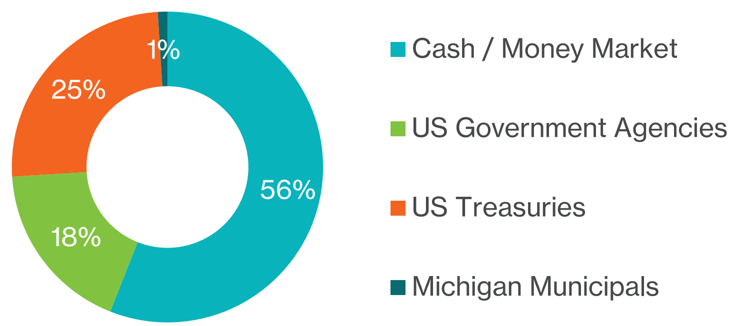
Your Portfolio

Cash	$17,105,540
Securities	$13,665,000
Total	$30,770,540

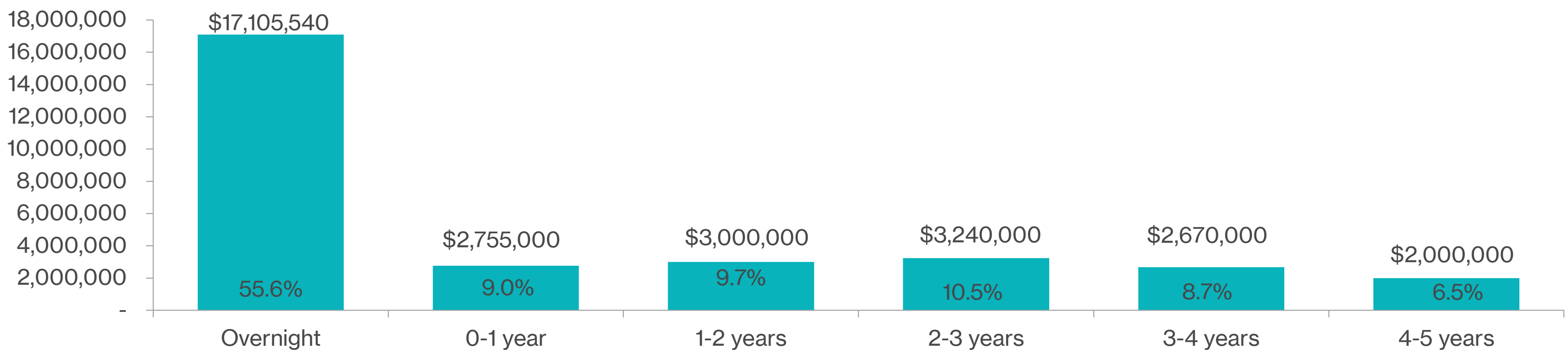
Your Securities

Weighted Average Maturity*	1.07 years
Weighted Average Yield*	3.78%

Your Asset Allocation



Your Maturity Distribution



*THE ABOVE DATA CONTAINS CALCULATIONS THAT WERE DERIVED IN PART FROM OUTSIDE SOURCES. THEY ARE ASSUMED TO BE ACCURATE BUT ARE SUBJECT TO VERIFICATION AND REVISION. IN THE EVENT OF A DISCREPANCY BETWEEN THE ABOVE AND THE CITY'S BANK AND CUSTODY STATEMENTS, THE INFORMATION IN THE STATEMENTS SHOULD BE CONSIDERED ACCURATE.

YIELD AND INTEREST INCOME INFORMATION IS ANNUALIZED. ALL YIELD INFORMATION IS SHOWN GROSS OF ANY ADVISORY AND CUSTODY FEES AND IS BASED ON YIELD TO MATURITY AT COST. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE RESULTS.

Mt. Pleasant Planning Commission
Minutes of the Regular Meeting
June 5, 2025

I. Ortman called the meeting to order at 7:00 p.m.

Present: Devenney, Farley, Friedrich, Haveles, Irwin, Kingsworthy, Martinez, Ortman
Absent: Liesch

Staff: Manuela Powidayko, Susan Tham

II. Approval of the Agenda:

Motion by Friedrich, support by Haveles to approve the agenda.

Motion approved unanimously.

III. Approval of the Minutes:

A. May 1, 2025 Regular Minutes

Motion by Haveles, support by Irwin to approve the minutes from the May 1, 2025 regular meeting as presented.

Motion approved unanimously.

B. May 1, 2025 Work Session Minutes

Motion by Haveles, support by Farley to approve the minutes from the May 1, 2025 work session as presented.

Motion approved unanimously.

IV. Zoning Board of Appeals report for May:

Commissioner Haveles reported that the ZBA did not meet in May.

V. Communications:

Powidayko reported that there were communications for three cases tonight.

SUP-25-08 – 105 E Broadway – RJ Downtown Investments
- 1 email has been received in opposition on June 4, 2025

SUP-25-09 & SPR-25-05 – 111 Palmer (802 N Main)
- 63 letters have been received in opposition on June 5, 2025
- 1 letter has been received in opposition on June 5, 2025

Z-25-02 – 1104 E Chippewa – Lapham Associates
- 1 letter with 12 signatures has been received in opposition on June 4, 2025
- 1 email has been received in opposition on June 5, 2025

These communications were emailed, printed and placed at the dais for each commissioner.

VI. Public Hearings:

A. SUP-25-08 – 105 E Broadway – RJ Downtown Investments – A request for a Special Use Permit for a short-term rental.

Powidayko introduced SUP-25-08, a request for Special Use Permit for a short-term rental.

Powidayko reviewed the current and prior uses of the property. Powidayko provided an overview of the property including current zoning, future, current and prior land use. Powidayko reviewed photos showing the current conditions of the property.

Powidayko reviewed Special Use Conditions regarding short-term rentals.

Powidayko noted to the Planning Commissioners of the received communication.

Powidayko closed her presentation with a recommendation to approve SUP-25-08.

Discussion took place.

Ortman invited the applicant up to present their case.

Rich Swindlehurst, 110 W Michigan, of RJ Downtown Investments was available to address the board and answer any questions.

Discussion took place.

Ortman opened the public comment.

Powidayko noted that there were no other public comments submitted via zoom or electronically.

There being no one else who wished to speak, public comment was closed.

Discussion took place.

Motion by Friedrich, support by Haveles to approve SUP-25-08.

Discussion took place.

Ayes: Devenney, Farley, Friedrich, Haveles, Irwin, Kingsworthy, Martinez, Ortman
Nays: None

Motion passed unanimously.

B. SUP-25-09 & SPR-25-05 – 111 Palmer (802 N Main) – Krist Oil Company – Request for Special Use Permit and Site Plan Review for a new gas station and convenience store.

Powidayko introduced SUP-25-09 & SPR-25-05, a request for Special Use Permit and Site Plan Review for a new gas station and convenience store.

Powidayko reviewed the current and prior uses of the property. Powidayko provided an overview of the property including current zoning, future, current and prior land use. Powidayko reviewed photos showing the current conditions of the property.

Powidayko reviewed Special Use Conditions regarding gas stations and convenience stores. Powidayko reviewed the site plan.

Powidayko noted to the Planning Commissioners of the received communications.

Powidayko closed her presentation with a recommendation to approve SUP-25-09 & SPR-25-05 subject to conditions.

Discussion took place.

In response to the Commission's questions, Powidayko explained every gas station is required to have a special use permit if it is placed in a mixed-use district, in this case, CD-4. Powidayko referred to the application for hours of operation, which said 6 a.m. to midnight. Farley asked if anything would prevent them from changing the hours of operation in the future, and the answer is no. The applicant later corrects this and reports the hours of operation will be 6 a.m. to 10 p.m. Powidayko explained that staff worked with the applicant to restrict the driveway along Palmer to right-turn only, therefore traffic would go to Main Street (north or south) and then Pickard (east or west). Powidayko explained that for public hearings, residents within 300 feet of the site are notified by mail in compliance with State Law. Powidayko also noted that a land use sign is placed on every site with an upcoming public hearing. Powidayko deferred questions regarding lighting equipment, timeline for the project, and community engagement to the applicant.

Ortman invited the applicant up to present their case.

Seth Miatech of Wick Wire PC, the engineering architect for Krist Oil, and KC Atanasoff, the general contractor for this project, was on hand to address the board and answer any questions.

Miatech presented their case and stated they have been working with staff to create a site plan which complies with the City's codes. Miatech stated the site will use LED Directional down lighting to limit light pollution. During construction, city sidewalks will be maintained or replaced as necessary. Miatech clarified that while not required, staff worked with the applicant's team to have the sidewalk along Pickard be completely replaced to bring the public frontage into compliance with the Zoning Ordinances, since there isn't currently a green buffer between the sidewalk and curb. Miatech clarifies that he made an error when filling in the application and that the proposed hours of operation will be from 6 a.m. to 10 p.m. and said the store will never look to change their hours to 24-hour openings. Miatech stated during a phase 1 environmental study, the study found contamination of the site. If approved, the applicant will move into a phase 2 environmental study, and the site will be decontaminated as part of the project. The possible timeline for this project would have the demolition be after 1st of the year this winter, with development following that.

Discussion took place.

In response to the Commission's questions and concerns in the communications received for this case, Miatech explained that when the store is fully operational, it will not create a lot of disturbances in the area. To prevent future contamination when the site is in use, Atanasoff explained the processes and the equipment used to prevent contamination. Equipment is continuously monitored and the tanks used are double walled and regularly maintained. There are State standards and regulations in place by the Department of Natural Resources (DNR) and other associated industries, which they will need to follow. There is an oil and water separator installed as a safeguard to make sure that potential leaks do not reach water or soil.

Discussion took place.

Miatech did not have exact contaminants list in front of him, but stated the current owner believes there were some spills when it was a hardware store/maintenance shop, where they also had oil field equipment on site. Miatech stated a phase 2 study will identify exactly what the contaminants are.

Ortman opened the public comment.

Elisha Hoormann, 113 E Palmer; Carol Hoormann, 113 E Palmer; True Muszynski, 721 N Fancher; Kathleen Martin, 401 E Palmer; Norma Bailey, 222 E Andre; Brenda Dezelski, 722 N Lansing; Dan Herrera, 113 E Bennett; Chloe Mercer, 1840 Woodland Dr; spoke in opposition to the proposed gas station and convenience store.

Rich Swindlehurst, 110 W Michigan, spoke in support to the proposed gas station and convenience store.

Powidayko noted that there were no other public comments submitted via zoom or electronically.

There being no one else who wished to speak, public comment was closed.

Chair Ortman expressed her appreciation for the public's attendance and comments and reminded the Commissioners and the audience that, per State law, their job as the Planning Commission is to make sure they are making their decision on whether this proposal does or does not meet compliance and that decisions are not made on personal opinions.

Discussion took place.

Irwin stated he would vote no due to opposition. Farley asked if there was any other way to improve the driveway exit on Palmer, such as adding a gate. Powidayko explained it is right turn only, so they head to Main Street, not down Palmer, and an option the Planning Commission has is to have the applicant redesign to make it even harder for left turns. There are no precedent projects with gates.

Kingsworthy and Haveles stated this proposal meets the criteria and standards for approval. Kingsworthy notes this project involves the development of an area that hasn't been developed in years, and people coming in to oppose projects that meet the requirements would shut down developments. Haveles expressed appreciation for the community's candor and agreed that their job is to ensure compliance.

Motion by Haveles, support by Friedrich to approve SUP-25-09 & SPR-25-05, subject to the following conditions:

1. The applicant shall submit:
    a. A revised site plan with final sidewalk layout approved by the City Engineering Department.
    b. A revised landscaping plan showing four trees within the front lot layer along Palmer Street and another two trees within the front lot layer along Main Street.
    c. A revised photometric plan. The lighting installer shall certify lighting values at or below the values shown on the final compliant plan, prior to the issuance of a Certificate of Occupancy by the Building Safety Department.

2. The applicant shall submit more information regarding waste management, showing compliance with one of the following:
    a. The proposed garbage shed shall include a dumpster or rolled-cart for recyclable materials, or
    b. Space within the building shall be reserved for the storage of recyclable materials until collection by a commercial hauler.
3. The applicant shall comply with the additional requirements of Building Safety, Public Safety and Public Works.

Discussion took place.

Ayes: Devenney, Farley, Friedrich, Haveles, Kingsworthy, Ortman
Nays: Irwin, Martinez

Motion passed.

C. Z-25-01 – 221 W Michigan – Great Lakes Bay Properties, LLC – **Tax parcels 17-000-00-450-01 and 17-000-00-450-02** – Request to rezone the properties from CD-4 (General Urban Character District) to CD-5 (Urban Center Character District).

Powidayko introduced Z-25-01, a request to rezone the properties of tax parcel ID 17-000-00-450-01 and 17-000-00-450-02 from CD-4 (General Urban Character District) to CD-5 (Urban Center Character District).

Powidayko reviewed the current and prior uses of the property. Powidayko provided an overview of the property including current zoning, future, current and prior land use. Powidayko reviewed photos showing the current conditions of the property.

Powidayko reviewed the current zoning characteristics and the proposed zoning characteristics. Powidayko reviewed the criteria answers for the map amendment and the application's alignment with the future land use identified in the Master Plan.

Powidayko closed her presentation with a recommendation to recommend that the City Commission approve Z-25-01.

Discussion took place.

Ortman invited the applicant up to present their case.

Neel Yalamarthy, 3766 Nugget Creek Ct, Saginaw, MI, developer and owner of this project, was on hand to address the board and answer any questions.

Discussion took place.

Ortman opened the public comment.

Rich Swindlehurst, 110 W Michigan, also owner of neighboring property north of the project site, spoke in support of this proposed rezoning.

Powidayko noted that there were no other public comments submitted via zoom or electronically.

There being no one else who wished to speak, public comment was closed.

Discussion took place.

Motion by Friedrich, support by Devenney to recommend that the City Commission approve Z-25-01.

Discussion took place.

Ayes: Devenney, Farley, Friedrich, Haveles, Irwin, Kingsworthy, Martinez, Ortman
Nays: None

Motion passed unanimously.

D. Z-25-02 – 1104 E Chippewa – Lapham Associates **– Tax parcel 17-000-09-635-00** – Request to rezone the property from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only designation).

Powidayko introduced Z-25-02, a request to rezone the property of tax parcel ID 17-000-09-635-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only designation).

Powidayko reviewed the current and prior uses of the property. Powidayko provided an overview of the property including current zoning, future, current and prior land use. Powidayko reviewed photos showing the current conditions of the property.

Powidayko reviewed the current zoning characteristics and the proposed zoning characteristics. Powidayko reviewed the criteria answers for the map amendment and the application’s alignment with the future land use identified in the Master Plan. A preliminary conceptual site plan for five fourplexes with shared parking was shared, which could follow this rezoning’s approval.

Powidayko noted to the Planning Commissioners of the received communications.

Powidayko closed her presentation with a recommendation to recommend that the City Commission approve Z-25-02.

Discussion took place.

In response to the Commission’s questions, Powidayko confirmed the block is primarily single-family homes. Powidayko stated the Master Plan asks for the future land use of this block to be zoned CD-4, and the City has not initiated rezoning due to lack of resources to initiate such a large rezoning. Developers are able to use the City’s approved Master Plan to determine what developments can go on each parcel, and it is the right of the private owner to initiate the rezoning. Powidayko confirms there are multiple nonconforming housing in this currently zoned CD-3 neighborhood, with a parcel that has a single-family home and a triplex, meaning two buildings on the same lot as well as one building with three units, which is currently not allowed but the side is grandfathered. Powidayko also mentioned another parcel with a duplex without a special use permit because it was built prior to the current zoning ordinance.

Ortman invited the applicant up to present their case.

Scott Bell, on behalf of Lapham Associates, was on hand to address the board and answer any questions.

Discussion took place.

Ortman opened the public comment.

Megan Moreno, 201 N Brown St; Chuck Crespy, 111 Russell; Chelsea Tenwalde, 1105 E Chippewa St; Patty Strong, 906 E Chippewa St; Sally Rose, 301 N Brown St; Rosie Gray, 211 N Brown St; Anthony Moreno, 201 N Brown St; Sue Yoder, 1001 E Andre Ave spoke in opposition to the proposed rezoning and the potential development.

Scott Bell, the agent for the applicant Lapham Associates, representative for Dave Lapham, stated the intent is to provide housing supply for the missing middle. Bell stated they feel this is a good project for what is in the City’s Master Plan. Bell continued that the intent is to market to young professional families. Bell concurred there will be an increase in traffic, but due to its central location, this development can also attract walkers or cyclists. Bell expressed they thought this was a good spot for this development.

Powidayko noted that there were no other public comments submitted via zoom or electronically.

There being no one else who wished to speak, public comment was closed.

Discussion took place.

Irwin and Friedrich shared concerns of the rezoning occurring in the middle of a CD-3 district and would find it better if the City had the whole block rezoned.

Farley expressed difficulty deciding if this was the right place for the missing middle housing. Farley asked what happens if the Planning Commission denies a proposal that is consistent with the master plan. Irwin asked for clarification on the future land use map and rezonings and timing for when the Master Plan was approved, indicating concerns that the Master Plan may not reflect today's reality because it was approved in 2020, pre-covid.

Powidayko stated the correct procedure is to flag issues with the Master Plan when the Master Plan is under review. Powidayko stated the Master Plan was approved in 2020 after conducting public outreach and receiving Planning Commission and City Commission support. It is currently under review, and it was presented to the Planning Commission a few meetings ago, who recommended the Plan as presented to the City Commission without citing any request for changes of the future land use map or its housing policies and objectives. Powidayko stated the concern of setting a bad precedent to deny a motion that is consistent with the ordinance and policies that have been approved. If there are issues with the Master Plan, the Planning Commission should direct staff to change the Master Plan.

Powidayko reiterated the City can act on area-wide rezoning applications, but that staff does not have time to do it all at once, and so the future land use map is the signal for developers to see what can go where and apply for rezonings themselves. The city continues to need attainable housing, and the future land use map indicates areas where sites must transition from lower density (single-family housing) to medium density (missing middle housing, which means housing typologies that sit in the middle between single-family homes and large multiple-family buildings and complexes, such as duplexes, townhomes, quadplexes, etc).

Powidayko also explained this rezoning would not be considered spot zoning because it is consistent with the Master Plan future land use map. On the other hand, Powidayko clarified that if the Planning Commission were to approve a single parcel rezoning that is not in alignment with the Master Plan, it could be considered spot zoning.

Powidayko reinforced that if there are concerns with the Plan, they should be addressed now, when the Master Plan is under review. Powidayko concluded that zoning is a long-term tool used to achieve citywide policies, and therefore there will always be the first larger building that is built in a lower density area. The only difference is which neighborhoods have more connections to oppose these projects, and which communities don't have those resources. Overall, the "not in my backyard" sentiment is very common in the planning field.

Powidayko reiterated that the Planning Commission and the city planner's job is to implement policies that have been adopted as a community. Powidayko stated it is not her policy, clarifying the Master Plan was developed and approved prior her joining the city.

Haveles talked about meeting in the middle. Haveles raised the issue where several meetings ago, a school was proposed but a part of the community voiced that they did not want the school, they wanted housing. Now that there is housing, specifically missing middle housing, a different part of the community is saying they don't want it. Haveles brought attention to how the Planning Commission and city planner are here to talk about growth, but every meeting seems to have people coming to say, "No," and "Keep it vacant, keep it vacant," and we are stunting growth and it's not what aligns with our master planning.

Farley noted that notices regarding the Master Plan are posted, and anyone has the option to submit input. Farley stated it seems that only when something isn't something one agrees with and impacts them, only then is when people come. Farley stated the Planning Commission has gone through intentional work to create and approve the master plan and concluded that this proposal is consistent with the city's Master Plan.

Devenney noted that the Planning Commission doesn't make the ultimate decision. The City Commission makes the final decision.

Discussion took place.

Motion by Haveles, support by Devenney to recommend that the City Commission approve Z-25-02.

Discussion took place.

Ayes: Devenney, Farley, Friedrich, Haveles, Kingsworthy, Martinez, Ortman
Nays: Irwin

Motion passed.

E. **Z-25-03 – Crosslanes Street** – City of Mt. Pleasant – **Tax parcels 17-000-15-660-00, and 17-000-15-645-00** – Request to rezone the properties from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only designation).

Powidayko introduced Z-25-03, a request to rezone the properties of tax parcel ID 17-000-15-660-00, and 17-000-15-645-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only designation).

Powidayko reviewed the current and prior uses of the property. Powidayko provided an overview of the property including current zoning, future, current and prior land use. Powidayko reviewed photos showing the current conditions of the property.

Powidayko reviewed the current zoning characteristics and the proposed zoning characteristics. Powidayko reviewed the criteria answers for the map amendment and the application's alignment with the future land use identified in the Master Plan.

Powidayko closed her presentation with a recommendation to recommend that the City Commission approve Z-25-03.

Discussion took place.

Ortman opened the public comment.

Jane Fox, 103 West Dr; Kurt Maylee, 417 East Dr; Don Hubl, 504 E Grand spoke in opposition to the proposed rezoning.

Rod Lammers, 516 E Grand Ave, was not in opposition or in support of the rezoning. Lammers shared he noticed a lot of residents using that area as a park, and that most parks are not in this area of town. Lammers stated this place is a nice amenity and currently does add value to the neighborhood. Lammers stated if this is redeveloped, a small part set aside to serve as a park for the residents would be of value.

Dawn Betha, 407 West Drive, acknowledged that the City wanted more housing, and stated homes going into this area would be good, but apartment complexes would be weird.

Powidayko noted that there were no other public comments submitted via zoom or electronically.

There being no one else who wished to speak, public comment was closed.

Discussion took place.

In response to the Commission's questions, Powidayko confirmed this rezoning from CD-3 to CD-4 would allow grant applications to Michigan State Housing Development Authority (MSHDA) that cannot be made now, as there are no grants for single-family homes. MSHDA is trying to help tackle the creation of attainable housing, and to do so, development must move away from standard single-family home developments. Powidayko agreed this could be described as the first step of a bigger plan for the site, as the City does not have the resources to hire engineering and architects to create a complete plan now. Powidayko clarified that without the zoning being ready, staff cannot sell the idea of housing development in the area to developers and seek partnerships. Powidayko informed the Commission that the main objective for the site is to create missing middle housing developments, especially "pocket neighborhoods", which are known as "bungalow courts". Powidayko confirmed this is not to be student housing, and that the goal is to target housing developments gear towards long-term residents. Powidayko stated the City does have authorization from the owners for this rezoning request.

Motion by Haveles, support by Irwin to recommend that the City Commission approve Z-25-03.

Discussion took place.

Ayes: Devenney, Farley, Friedrich, Haveles, Irwin, Kingsworthy, Martinez, Ortman
Nays: None

Motion passed unanimously.

F. **TC-25-01 - Multiple-Buildings within the same lot** – A proposed text change to Table 154.405.A of the zoning ordinance to remove the one principal building per lot restriction within CD-4 (General Urban Character District).

Powidayko introduced Text Change 25-01, a proposed text change to Table 154.405.A of the zoning ordinance to remove the one principal building per lot restriction within CD-4 (General Urban Character District), better accommodating missing-middle housing and phased developments.

Powidayko reviewed the background and the current restriction in CD-4 districts, which permits only one Principal Building per lot. This has been hindering the ability to develop condominiums and missing middle housing, especially bungalow courts and courtyard buildings– typologies that have a high potential of creating attainable housing options of either owner-occupied or rental housing units.

Powidayko presented real world examples of bungalow courts (referred to as a "pocket neighborhood") such as Danielson Grove in Kirkland, Washington and Riverside Crossing in Hamilton, Montana.

Powidayko clarified the timing for this text change. While the Master Plan is still under review, staff is proposing this text change to (1) enable staff to seek partnerships and grant opportunities to develop a new bungalow court in Mt Pleasant and (2) enable the development of multiple fourplexes on a one-acre parcel (related to Z-25-02 – 1104 E Chippewa). Powidayko reminded the Planning Commission that without the text change, developers are encouraged to design large footprint buildings that occupy most of the property, while with the text change, building massing can be broken down giving space for developments that are more contextual. Powidayko also referred to this recommendation being in alignment with a recent presentation by the American Planning Association, Michigan Chapter.

Powidayko closed her presentation with a recommendation to recommend that the City Commission adopt Text Change 25-01.

Discussion took place.

Friedrich asked for a clarification if the city allows small homes and Irwin asked for a clarification regarding the 2018 zoning leaving condominiums out of the framework.

Powidayko confirmed that the city's Zoning Ordinances does not have restrictions on minimum square footages, therefore small homes are possible provided that they comply with Building Code. Powidayko also added that the City Attorney was consulted who confirmed that "site condominiums" are allowed (just like subdivisions) but that the current zoning framework does not allow "building or unit condominiums", adding that those are very common in the community but were approved prior to the adoption of the new Zoning Ordinances.

Ortman opened the public comment.

Powidayko noted that there were no public comments submitted via zoom or electronically.

There being no one who wished to speak, public comment was closed.

Discussion took place.

Motion by Friedrich, support by Devenney to recommend that the City Commission approve T-25-01.

Ayes: Devenney, Farley, Friedrich, Haveles, Irwin, Kingsworthy, Martinez, Ortman
Nays: None

Motion passed unanimously.

VII. Site Plan Reviews:

A. None

VIII. Public Comments:

Ortman opened the public comment.

Powidayko noted that there were no public comments submitted via zoom or electronically.

There being no one who wished to speak, public comment was closed.

IX. Staff Report

Administrative Reviews

Powidayko reviewed the two administratively approved site plan reviews. The first was the approval of SPR-25-04 a proposed impound yard at 509 Industrial Dr, which includes a fenced area behind the existing building for vehicles, improvements to the gravel drive, the addition of a sidewalk along the property frontage in the street right-of-way, parking stripping and layout on the existing concrete area, bicycle parking, street trees, and plantings for screening. The second was the approval of SPR-25-06 for the installation of an enclosure underneath the staircase of the three-unit house at 315 W Locust.

Introduction to new Planning Commission member: Fabian Martinez

Powidayko then introduced the newest Planning Commissioner, Fabian Martinez. Martinez introduced himself, and the Planning Commission welcomed him.

Haveles commented that he hopes that the community be more accepting of changes and gave the example that people aging may have an easier way downsizing if more housing options are provided. Haveles stated that the community has the opportunity to work towards closing the housing gap and the rental housing crisis.

Ortman stated that bringing forth missing middle housing developments is good and reinforced that everyone agrees that missing middle housing is not the same as the multi-unit student complexes and that everyone agrees that the City does not need more student housing.

Devenney mentioned that denser housing can increase the tax base, which was a City Commission concern. Single-family homes are tax negative, and as such, they present a disparity between the tax revenue they generate and the cost of the services and infrastructure they require.

Farley reiterated that the concept of "pocket neighborhoods" is nice, and that it can be good for both aging households and young families. Ortman agreed that it would be a good addition to neighborhoods and shared her personal experiences when having her first small home with an elderly neighbor, supporting the idea of a little courtyard of small bungalow houses.

X. Adjournment:

Motion by Haveles, support by Devenney to adjourn.

Motion approved unanimously.

Meeting adjourned at 10:09 p.m.

July15, 2025

Bruce Kilmer
219 N. Lansing St.
Mt. Pleasant, MI 488858

City of Mt. Pleasant
320 W. Broadway St.
Mt. Pleasant, MI48858

Re: Public Hearing on Electric Bicycles and Scooters on City Trails

Dear City Commissioners and City Manager,

I have had numerous dangerous encounters with motorized bicycles and scooters while riding my human powered bicycle on the City's trails.

The worst was when an electric bicycle cut in front of me and knocked me over, causing deep cuts, scrapes, and bruises.

Another time an electric scooter forced me against a bridge rail, again causing cuts and bruises.

On numerous occasions I have been forced off the trail by an electric bicycle or electric scooter.

Electric vehicles travel too fast for adequate reaction time for both the driver of the electric vehicles and bicyclists and walkers.

Numerous people have told me about their dangerous encounters with electric vehicles on the City's trails.

An ordinance regulating speed and size will not solve the dangerous situations on our trails. Many electric vehicle drivers will refuse to obey any set speed limit. Furthermore, it will be impossible to enforce such an ordinance.

These dangerous electric vehicles must be banned from our City trails before someone is seriously injured or killed.

Sincerely,

Bruce Kilmer

Bruce Kilmer

July 15, 2025

To the Mt Pleasant Planning Commission,

I'm writing regarding the Krist gas station planned for Palmer St. I may be too late, but I hope you still consider my thoughts and your decision.

I understand certain negative characteristics have been addressed by the company for direct lighting, recyclables and garbage screening, directional turns for exits, etc. I also understand this project meets the Master Plan requirements.

However, I wonder how much consideration you have given to the residents' life, liberty and their pursuit of happiness? Imagine being used to having enjoyable afternoons in your backyard with your family? Now imagine hearing car doors opening and closing, engines turning off and on all day and evening. Imagine the large diesel tankers emptying gasoline with the smell wafting into your back yard, along with the smell of all the cars. Add to this the vendors trucks coming and going as early as six in the morning. Would you be willing to live next to this? Yet you expect others to?

Where are most of our other gas stations? Mostly not near residences.

Do we really need another gas station on Pickard between the Citgo and Meijer stations? Every half mile? Seriously??

I attended the City Commission meeting Monday evening and it was expressed often how lacking in housing Mt Pléasant is. Yet here is a perfect location for perhaps a 2-3 story housing structure. I would think the neighborhood would object less to this that a noisy, smelly, dirty gas station. Perhaps the land owner has been holding out for the best price, and Mt Pleasant would perhaps benefit tax-wise more from a gas station than affordable housing. If you aren't putting more weight on residents then you don't have a great community. I like living here and have been for 40+ years. You have made good decisions, like Greentree Co-op Market and the Broadway Lofts. Giving Krist the go-ahead will create an eye sore and will degrade the neighborhood as folks won't want to live there and will care less about their community. I wouldn't blame them.

I don't support this project and ask you to retract your support and look to find a developer who will create low income housing instead.

Respectfully,

Ginny Haight

Ginny Haight
410 W Broadway St Apt 301
Mt Pleasant, MI 48858

CC: Mt Pleasant City Commission

Minutes of the regular meeting of the City Commission held Monday, July 14, 2025, at 7:00 p.m., in the City Commission Room, 320 W. Broadway St., Mt. Pleasant, Michigan with virtual options.

Mayor Wingard called the meeting to order.

The Pledge of Allegiance was recited.

Land Acknowledgement statement was recited.

Commissioners Present: Mayor Boomer Wingard and Vice Mayor Maureen Eke; Commissioners Mary Alsager; Liz Busch, Amy Perschbacher, Grace Rollins & John Zang

Commissioners Absent: None

Others Present: City Manager Aaron Desentz, Interim City Clerk Marilyn Wixson and City Attorney Michael Homier

Proclamations and Presentations

Fire Chief Doug Lobsinger introduced full-time Firefighter Jordan VanAvery.

Finance Director Lauren Pavlowski introduced City Clerk Holly Schmeltzer.

Public Works Director Jason Moore introduced WRRF Operators Mike Bryant and Trent Dosch.

City Manager Desentz introduced Training Content Development interns Cailin Lambart and Shubhechchya Khadka.

Additions/Deletions to Agenda

Moved by Vice Mayor Eke and seconded by Commissioner Alsager to approve the Agenda as presented. Motion unanimously adopted.

Public Input on Agenda Items

Misty Oebel, 417 Maple St., email communication in support of affordable housing.

Receipt of Petitions and Communications

Received the following petitions and communications:

7. Monthly report on police related citizen complaints received.
8. Minutes of the Traffic Control Committee February, 2025 regular.
9. Letter from Shelly and Corey Campbell regarding Z-25-02: 1104 E Chippewa Street rezoning from CD-3 to CD-4.
10. Letter from Lori Johnson, President of EightCAP, Inc. regarding zoning updates for the development of affordable housing.

Item #17 was removed from the Consent Calendar.

Moved by Vice Mayor Eke and seconded by Commissioner Busch to approve the following items on the Consent Calendar:

11. Minutes of the regular meeting of the City Commission held June 23, 2025.
12. Resolution in support of permanent Traffic Control Order #1-2025:

    WHEREAS, under the date of December 10, 2024 the Traffic Engineer of the City of Mt. Pleasant issued temporary traffic control order No. 1-2025:

    > "Place one-way arrow sign on Glen Ave (easterly-northbound one-way) near the end of the driveway for 1211 Glen. Place sign on west side of the road near guardrail."

    Said temporary traffic control order was presented to the City Commission on July 14, 2025, for review and after reviewing said temporary control order and being fully advised in the premises,

    BE IT RESOLVED, that the City Commission approves making temporary traffic control order No. 1-2025 a permanent traffic control order.
13. Resolution in support of permanent Traffic Control Order #3-2025:

    WHEREAS, under the date of September 26, 2024 the Traffic Engineer of the City of Mt. Pleasant issued temporary traffic control order No. 3-2025:

    > "Place a 25 mph speed limit sign on Trenton Drive westbound west of Isabella Road."

    Said temporary traffic control order was presented to the City Commission on July 14, 2025, for review and after reviewing said temporary control order and being fully advised in the premises,

    BE IT RESOLVED, that the City Commission approves making temporary traffic control order No. 3-2025 a permanent traffic control order.
14. Resolution in support of permanent Traffic Control Order #4-2025:

    WHEREAS, under the date of September 26, 2024 the Traffic Engineer of the City of Mt. Pleasant issued temporary traffic control order No. 4-2025:

    > "Place no parking signs on the north side of Illinois Street between Brown and Elizabeth."

    Said temporary traffic control order was presented to the City Commission on July 14, 2025, for review and after reviewing said temporary control order and being fully advised in the premises,

    BE IT RESOLVED, that the City Commission approves making temporary traffic control order No. 4-2025 a permanent traffic control order.
15. Resolution in support of permanentTraffic Control Order #5-2025:

    WHEREAS, under the date of September 26, 2024 the Traffic Engineer of the City of Mt. Pleasant issued temporary traffic control order No. 5-2025:

    > "Place no parking signs on the west side of Adams Street between High Street and Broadway Street. Remove and replace any existing faded no parking signs on the west side of Adams Street between Broadway and Fessenden."

    Said temporary traffic control order was presented to the City Commission on July 14, 2025, for review and after reviewing said temporary control order and being fully advised in the premises,

    BE IT RESOLVED, that the City Commission approves making temporary traffic control order No. 5-2025 a permanent traffic control order.

16. Resolution affirming award of contracts for the Water Treatment Plant Improvements and the 2026 Galvanized Water Service Line Replacement Project in support of the DWSRF financing process as follows:
    WHEREAS, the City of Mt. Pleasant, Isabella County, Michigan, wishes to construct improvements to its existing water treatment and distribution system, including galvanized service line replacements; and
    WHEREAS, these projects, formally adopted by the City Commission on May 22, 2023, will be funded through the State of Michigan's Drinking Water Revolving Fund (DWSRF) program; and
    WHEREAS, the City of Mt. Pleasant has solicited and received construction bids for the proposed water treatment plant improvements and galvanized service line replacements, with the lowest bids received in the amount of $12,002,910 from RCL Construction and $202,012 from Green Tech Systems, LLC, respectively; and
    WHEREAS, the City's Consulting Engineer, Fishbeck, has recommended awarding the contracts to the lowest responsible bidders.
    NOW THEREFORE BE IT RESOLVED that the City of Mt. Pleasant award the contracts for construction to RCL Construction and lead service line replacements to Green Tech Systems, LLC, contingent upon successful financial arrangements with the DWSRF.
17. Removed from Consent Calendar.
18. Appointment of City Clerk Holly Schmeltzer and Deputy Clerk Marilyn Wixson.
19. Payrolls and Warrants dated June 26 and July 10, 2025 totaling $3,338,559.43.

Motion unanimously adopted.

A public hearing was held on proposed amendment to Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of 221 W. Michigan St. Parcel ID Nos 17-000-00-450-01 & 17-000-00-450-02 from CD-4 (General Urban Character District) to CD-5 (Urban Center Character District).

Planning & Community Development Director Manuela Powidayko gave a presentation on the proposed zoning amendment.

Dee Obrecht, Executive Director of Isabella County Restoration House (ICRH), Joseph Carreon, 109 N. Arnold, Ginney Haight, 410 W. Broadway, Kati Mora President of Middle Michigan Development Corporation (MMDC) spoke of the need for affordable housing.

There being no additional comments or communications received the Mayor closed the public hearing.

Moved by Commissioner Busch and seconded by Commissioner Rollins that Ordinance 1104 an Ordinance to amend Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of 221 W. Michigan St. Parcel ID Nos 17-000-00-450-01 & 17-000-00-450-02 from CD-4 (General Urban Character District) to CD-5 (Urban Center Character District) having been introduced and read, now be passed, ordained and ordered published. Motion unanimously adopted.

A public hearing was held on proposed amendment to Table 154.405.A of Chapter 154: Zoning Ordinance, of the City of Mt. Pleasant Code of Ordinances to remove the one Principle Building per lot restriction within CD-4 (General Urban Character District), to better accommodate phased developments and enable the construction of missing middle housing typologies.

Planning & Community Development Director Manuela Powidayko gave a presentation on the proposed zoning amendment.

Ryon Skalitzky, 714 Eastlawn; Kimberly Friedrich, 1152 Highland St.; Allison Heinrich, 1409 Crosslanes and Jessica Jernigan, 302 E. High Street spoke in support of the proposed text change.

Patty Strong, 906 E. Chippewa St.; Megan Moreno, 201 N. Brown St. and Deb McGilsky, 311 Kane St. spoke in opposition to the proposed text change.

There being no additional comments or communications received, the Mayor closed the public hearing.

Moved by Commissioner Alsager and seconded by Vice Mayor Eke that Ordinance 1105 an Ordinance to amend Table 154.405.A of Chapter 154: Zoning Ordinance, of the City of Mt. Pleasant Code of Ordinances to remove the one Principle Building per lot restriction within CD-4 (General Urban Character District), to better accommodate phased developments and enable the construction of missing middle housing typologies having been introduced and read, now be passed, ordained and ordered published.

Ayes: Commissioners Alsager, Busch, Eke, Perschbacher, Rollins, Wingard & Zang
Nays: None
Absent: None
Motion unanimously adopted.

A public hearing was held on proposed amendment to Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of parcels of property located on Crosslanes St. Parcel ID Nos. 17-000-15-660-00 & 17-000-15-645-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with Residential/Dwelling Use Only Special Requirement).

Planning & Community Development Director Manuela Powidayko gave a presentation on the proposed zoning amendment.

Petition opposing proposed zoning amendment filed with the Commission.

Keith MacDonald, 417 E. Grand; Andrew Zimmer, 517 W. Grand; Barbara Sanford, 525 W. Grand and Mike Roethlisberger, 500 W. Grand spoke in opposition to the proposed zoning amendment. Email received from Luke Worgess, 418 E. Grand in opposition to the proposed zoning amendment.

Lindsay Lammers, 516 Grand spoke in favor with some consideration for green space and Fabian Martinez, 602 W. Brooomfield St. spoke in support of the proposed zoning amendment.

There being no additional comments or communications received, the Mayor closed the public hearing.

Moved by Commissioner Busch and seconded by Commissioner Rollins that Ordinance 1106 an Ordinance to amend Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of parcels of property located on Crosslanes St.; Parcel ID Nos. 17-000-15-660-00 & 17-000-15-645-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with Residential/Dwelling Use Only Special Requirement) having been introduced and read, now be passed, ordained and ordered published.

AYES: Commissioners Alsager, Busch, Eke, Perschbacher, Rollins, Wingard & Zang
NAYS: None
ABSENT: None
Motion unanimously adopted.

Moved by Commissioner Perschbacher and seconded by Vice Mayor Eke to recess. The Commission recessed at 10:00 p.m. and reconvened at 10:05 p.m.

A public hearing was held on proposed amendment to Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of 1104 E. Chippewa St. Parcel ID No. 17-000-09-635-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only Special Requirement.

Planning & Community Development Director Manuela Powidayko gave a presentation on the proposed zoning amendment.

Petition opposing proposed zoning amendment filed with the Commission.

Chelsea Tenwalde, 1105 E. Chippewa St.; Chuck Crespy, 111 N. Russell St.; Sandi Halasz, 580 S. Shepherd Rd.; Leigh Crespy, 111 N. Russell St.; Broderic Bender, 109 N. Brown St.; Patty Strong, 906 E. Chippewa St.; Sue Yoder, 1001 E. Andre St.; Kimberly Tollenaere, 1105 E. Broadway St.; Megan Moreno, 201 N. Brown St.; Lori Wangberg, 304 N. Brown St and Theo Tollenaere, 1105 E. Broadway spoke in opposition to proposed zoning amendment.

Amanda Brake, Mt. Pleasant Housing; Scott Bell, Lapham representative spoke in support of the proposed zoning amendment.

There being no additional comments or communications received, the Mayor closed the public hearing.

Moved by Commissioner Alsager and seconded by Commissioner Rollins that Ordinance 1107 an Ordinance to amend Chapter 154: Zoning Ordinance of the City of Mt. Pleasant Code of Ordinances to allow rezoning of 1104 E. Chippewa St. Parcel ID No. 17-000-09-635-00 from CD-3 (Sub-Urban Character District) to CD-4 (General Urban Character District with the Residential/Dwelling Use Only Special Requirement having been introduced and read, now be passed, ordained and ordered published.

AYES: Commissioners Alsager, Busch, Eke, Perschbacher, Rollins &Wingard
NAYS: Commissioner Zang
ABSENT: None
Motion carried.

Moved by Mayor Wingard and seconded by Commissioner Alsager to make the following appointment as recommended by the Appointments Committee.

<u>ZONING BOARD OF APPEALS</u>	Term Expires:
Latressa Powell (alternate)	12-31-2026

Motion unanimously adopted.

Moved by Commissioner Zang and seconded by Commissioner Alsager to approve Resolution authorizing the issuance of up to $18 million in Bonds for Drinking Water State Revolving Funding (DWSRF) program. (CC Exh. 2-2025)

AYES: Commissioners Alsager, Busch, Eke, Perschbacher, Rollins, Wingard & Zang
NAYS: None
ABSENT: None
Motion unanimously adopted.

<u>Announcements on City-Related Issues and New Business</u>

Commissioner Perschbacher stated that she appreciates everyone that is still watching.

Mayor Wingard announced that there is a Special General Election on Tuesday, August 5th and encourages everyone to get out to vote. Thanked Interim Clerk Wixson for stepping into that roll in the absence of a Clerk.

Vice Mayor Eke commented that the Commission has to make difficult decisions and that they are not making these decisions lightly. They are not ignoring people's concerns. They have to help the City get to where it needs to go. Making decision on what is best for the City.

Commissioner Zang gave a shout out to Parks Department for the work they have done at Hannah's Bark Park as it nears its 10th anniversary. There were some letters about women's feminine stuff; he hopes the Commission will consider that stuff in the future. There are many petitions circulating with proposals for next year's elections. Be cautious. Read before you sign. Watch out, the label doesn't necessarily match what is being said.

Mayor Wingard adjourned the meeting at 11:56 p.m.

_____________________________ _____________________________

Boomer Wingard, Mayor Marilyn Wixson, Interim City Clerk

Memorandum

Mt. Pleasant [meet here]

TO: Aaron Desentz, City Manager

FROM: Lauren Pavlowski, Finance Director

DATE: July 16th, 2025

SUBJECT: Michigan Municipal Risk Management Authority (MMRMA) Insurance Renewal Quote

Michigan Municipal Risk Management Authority (MMRMA) has held the City's liability and risk management insurance since 1986. The rate for the period of 07/01/2024 through 07/01/2025 was $284,119. The cost for the renewal of this coverage would be $310,799, an increase of $26,680, which can be directly correlated to the following key changes:

- Fire/EMS Replacement Cost increase by $14k due to the order/purchase of the new fire truck
- Law Enforcement Liability increase by $8.3k due to staffing changes
- Stop Loss Charge increase by $7.3k due to increased risks

The retention fund is an amount of money that is set aside by MMRMA on behalf of the City that is available to cover a predetermined portion of the potential losses before the insurance policy pays on the claim. The City has a well-funded retention fund of over $600k related to the policy and was informed by our insurance representative that we could waive the proposed amount for this fund of $35k for this year and it would not impact our ability to cover any potential losses. This would decrease the cost of the renewal to $275,799, a savings of over $8k for this year compared to last year and would keep all of the coverage at the same levels.

Requested Action:

Please include this request for the renewal of the MMRMA Insurance for the period of 07/01/2025 through 07/01/2026 in the amount of $275,799 for the Consent of the City Commission in the July 28th, 2025 Meeting.

Insurance Quote Summary

Provider: Michigan Municipal Risk Management Authority (MMRMA)

Quote Reference Number: Q000015035

Coverage Period: July 1, 2025 – July 1, 2026

Coverage Details

- **Total Proposed Contribution:** $310,799
- **Retention Fund Allocation:** $35,000
    - *Note:* This amount can be waived upon request due to the city's well-funded retention reserve.
- **Adjusted Final Contribution (with waiver):** $275,799
- **Comparison to Current Year:**
    - Expiring Contribution: $284,119
    - **Savings:** $8,320

Contribution Breakdown & Key Changes

- **Fire/EMS Replacement Cost:**
    - Expiring: $10,527 → Proposed: **$24,232**
    - *Reason:* Reflects the purchase of a new fire truck.
- **Law Enforcement Liability:**
    - Expiring: $47,114 → Proposed: **$55,497**
    - *Reason:* Reflects staffing increases in Public Safety.
- **Stop Loss Charge:**
    - Expiring: $6,716 → Proposed: **$14,054**
    - *Reason:* Reflects increased risks.
- **Overall Change in Contribution (before waiver):**
    - Increase of approximately **$26,000** from the expiring year.

Summary

Despite several increases in specific coverage areas, the city benefits from a **net savings of $8,320** compared to the current year's premium, due to the waiver of the retention fund allocation. This quote reflects the inclusion of updated asset additions while maintaining coverage levels comparable to the expiring contract.

If you have any questions, please reach out to me.

Holly Schmeltzer

MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY

City of Mt. Pleasant
QUOTE NUMBER Q000015035
SUMMARY
EFFECTIVE 7/1/2025 - 7/1/2026

Coverage	Expiring Annual Exposure	Proposed Annual Exposure	Limits of Liability	SIR/ Deductible	Expiring Contribution	Proposed Contribution
Automobile Liability	78 Total Vehicles	81 Total Vehicles	15,000,000	150,000	35,465	32,904
Automobile Physical Damage	$3,220,000 ACV	$3,270,000 ACV		15,000	11,333	14,660
Fire/EMS Replacement Cost	$1,090,000 Replacement Cost	$2,390,000 Replacement Cost		1,500	10,527	24,232
General Liability	$30,185,821 Exposure Equivalents	$27,314,122 Exposure Equivalents	15,000,000	150,000	18,595	17,280
Law Enforcement Liability	24 Employee Equivalents	27 Employee Equivalents	15,000,000	150,000	47,114	55,497
Public Officials' Liability	$30,185,821 Exposure Equivalents	$27,314,122 Exposure Equivalents	15,000,000	150,000	44,328	36,363
Property	$79,846,180	$81,101,027		1,500	70,178	75,946
Data Breach and Privacy Liability			2,000,000	25,000 See Table IV	0	0
Sewers	21,688 Population	21,688 Population	500,000	100,000	4,863	4,863
Subtotal					242,403	261,745
MCCA Assessment	78 Total Vehicles	81 Total Vehicles			7,020	7,290
MCCA Assessment Discount					-7,020	-7,290
Total					242,403	261,745
Stop Loss Charge	$185,000 Stop Loss entry point	$185,000 Stop Loss entry point			6,716	14,054
Total Contribution without Retention Fund Allocation					249,119	275,799
Retention Fund Allocation					35,000	35,000
Total Contribution including Retention Fund Allocation					284,119	310,799

Memorandum

Mt. Pleasant [meet here]

TO: Aaron Desentz, City Manager

FROM: Jason Moore, DPW Director

DATE: July 16, 2025

SUBJECT: Approve MDOT Contract No. 2025-0477

Request
The City Commission is requested to approve MDOT contract 2025-0477 and adopt the accompanying resolution to support the continued operation and maintenance of the Automated Weather Observation and Data Dissemination System (AWOS) at the Mt. Pleasant Regional Airport and authorize the city manager to sign the contract electronically.

Reason
On March 27, 2023, the City Commission approved MDOT contract 2023-0310 for AWOS maintenance and operations through July 31, 2028. While the current contract is still active, MDOT's planned system upgrades and relocation require a new agreement at this time. MDOT secured a grant to replace 26 AWOS systems in Michigan with no local agency funding match required. The planned improvements are essential for ensuring safe and reliable weather data for pilots and other aviation stakeholders.

Consistent with previous MDOT contracts, the new agreement outlines the responsibilities of MDOT and the City regarding system maintenance, data reporting, and compliance with FAA requirements. MDOT requires adoption of a resolution affirming these responsibilities and authorizing execution of the contract.

MDOT and the City share the AWOS maintenance costs equally, which average about $4,500 per year. However, the new system will be covered under warranty, so no maintenance costs are anticipated.

This agreement will remain in effect for 20 years from the date of endorsement.

Recommendation
I recommend the City Commission approve MDOT contract 2025-0477 and adopt the resolution supporting the continued operation and maintenance of the AWOS system at the Mt. Pleasant Regional Airport and authorize the city manager to sign the contract electronically.

RESOLUTION

At a regular meeting of the City of Mt. Pleasant, Michigan, on July 28, 2025, held at City Hall, 320 W. Broadway Street:

The following resolution was offered by member ______________________, and supported by member ___________________________.

WHEREAS, the Michigan Department of Transportation provides services consisting of data dissemination and maintenance related to the AWOS system at the Mt. Pleasant Regional Airport; and

WHEREAS, the City of Mt. Pleasant supports these services for providing an added level of safety at the airport; and

WHEREAS, the annual costs to the City of Mt. Pleasant are on a 50% cost sharing formula with MDOT;

NOW, THEREFORE, BE IT RESOLVED, that Aaron Desentz, City Manager, be authorized to execute MDOT contract 2025-0477 on behalf of the City of Mt. Pleasant.

Resolution duly adopted.

____
Boomer Wingard, Mayor

Certified to be a true copy, _____________
(Date)

____
Marilyn Wixson, Deputy City Clerk

Mt. Pleasant [meet here] | Memorandum

TO: Aaron Desentz, City Manager

FROM: Lauren Baker, Grant Coordinator

DATE: July 22, 2025

SUBJECT: Terminate Original Contract and Award New Contract for CHILL Furnace & Water Heater Projects 2025

Request:
The City Commission is requested to (1) approve the termination of the CHILL Furnace & Water Heater Projects 2025 contract with Kihn Heating & Cooling LLC (2) award a new contract to Custom Heating and Plumbing in the amount of $122,405, and (3) approve a budget amendment of $36,227.50 to account for the new contract amount with a 15% contingency.

Reason:
The original contract for the CHILL Furnace & Water Heater Projects 2025 was awarded to Kihn Heating & Cooling LLC in the amount of $143,950. Since work began in June, City staff have received multiple homeowner complaints regarding service quality, lack of communication, and missed appointments. Despite attempts to address the issues with the contractor, performance concerns persisted.

To ensure the remaining 13 furnace and water heater projects are completed properly and within the grant timelines, staff recommend awarding the contract for the remaining jobs to the second lowest bidder, Custom Heating and Plumbing in the amount of $122,405.

A budget amendment of $36,227.50 will be required to reflect the revised contract amount resulting in a total budgeted amount of $201,770 for the CHILL Furnace & Water Heater Projects 2025. Budget breakdown as follows:

$61,005	Already paid/committed to Kihn Heating & Cooling LLC
$122,405	To be paid to Custom Heating & Plumbing
$18,360	15% contingency for Custom Heating & Plumbing contract
$201,770	**Total budgeted for CHILL Furnace & Water Heater Projects 2025**

This action remains well within the approved CHILL grant budget of $499,730.

Mt. Pleasant [meet here] | Memorandum

Recommendation:

1. Approve the termination of the contract with Kihn Heating & Cooling LLC
2. Award the contract for the remaining 13 jobs to Custom Heating & Plumbing in the amount of $122,405.
3. Approve a budget amendment of $36,227.50 to reflect the updated contract amount with 15% contingency.

07/24/2025 CHECK REGISTER FOR CITY OF MT PLEASANT
CHECK DATE FROM 07/11/2025 - 07/24/2025

Check Date	Vendor Name	Description	Amount
07/24/2025	21ST CENTURY MEDIA - MICHIGAN	532011 NEWSPAPER PUBLICATIONS	1,402.80
07/24/2025	ABC FASTENER GROUP INC	SUPPLIES WRRF	343.42
07/24/2025	ACE PIERSON	MILEAGE REIMB METER READER	13.16
07/24/2025	ACME SPORTS INC	TRAINING ROUNDS	659.95
07/24/2025	AIRGAS USA, LLC	SUPPLIES- STREETS	98.40
07/24/2025	ALEXANDER MATTHEWS	REIMBURSEMENT - PHONE BILL FOR MAY	100.00
07/24/2025	ALMA TIRE SERVICE INC	SUPPLIES/VEHICLE MAINT - POLICE - #GB127	214.18
07/24/2025	AVFUEL CORPORATION	INVOICES/CREDITS THRU JULY	20.00
07/24/2025	AXON ENTERPRISE, INC.	SUPPLIES POLICE	2,931.39
07/24/2025	BECKETT & RAEDER	GKB SOUTH CONNECTOR- ROUTE ALT STUDY	1,200.00
07/24/2025	BILL KEHOE	FARMERS MKT TOKEN REIMB THRU JULY 12 25	87.00
07/24/2025	BROWN & BROWN INSURANCE SERVICES	ADMIN COSTS-GVSN AGENCY FEE	13,125.00
07/24/2025	BROWNING POWER SYSTEMS, LLC	CONTRACT SVCS- WRRF	4,506.00
07/24/2025	BRUCE JORCK	FARMERS MKT TOKEN REIMB THRU JULY 12 25	343.00
07/24/2025	BUSINESS CONNECTIONS, INC.	CONTRACT SVCS - AIRPORT ANSWERING SVC -	7.81
07/24/2025	CDW GOVERNMENT, INC	SUPPLIES- TONER FOR UTILITY BILLING	879.65
07/24/2025	CENTRAL ASPHALT, INC	SUPPLIES- STREETS	134.93
07/24/2025	CENTRAL CONCRETE INC	SUPPLIES- STREETS	1,220.00
07/24/2025	CENTRAL MICHIGAN UNIV - MAILROOM	POSTAGE/HANDLING - CLERK	3,222.38
07/24/2025	CENTURYLINK	COMMUNICATIONS DUE JULY 31 25	10.62
07/24/2025	CGS SAFETY TRAINING INC	FORKLIFT TRAINING	1,159.10
07/24/2025	CHARTER TOWNSHIP OF UNION	UTILITIES - AUGUST	387.92
07/24/2025	CHERYL WILLIAMS- CEDAR LAKE GROWERS	FARMERS MARKET TOKEN REIMB THRU JULY 12	53.00
07/24/2025	CMS INTERNET LLC	YEARLY PHONE SYSTEM RENEWAL	499.00
07/24/2025	CONDOR ELITE INC	UNIFORMS - DPS	453.51
07/24/2025	CONSUMERS ENERGY	POLE ATTACH ANNUAL RENTAL FEE-CABLE JULY	86,402.91
07/24/2025	COREY D WALTHER	FARMERS MKT TOKEN REIMB THRU JULY 12 25	531.00
07/24/2025	COYNE OIL CORPORATION	SUPPLIES- WRRF	1,506.63
07/24/2025	DAVID GROTHAUSE	FARMERS MKT TOKEN REIMB THRU JULY 12 25	98.00
07/24/2025	DAWN WINKELMAN	REIMBURSEMENT METER READER MILEAGE JUNE	54.81
07/24/2025	DINGES FIRE COMPANY	SUPPLIES DPS	3,030.93
07/24/2025	ELIZABETH TROWBRIDGE-	FARMERS MKT TOKEN REIMB THRU JULY 12 25	30.00
07/24/2025	ENERGY PLUS IMPROVEMENTS	BUILDING ROOF REPAIRS UP FRONT PAYMENT	10,856.44
07/24/2025	EPIC MRA	FINAL PAYMENT ONLINE SURVEY	3,225.00
07/24/2025	FISHBECK - ENGINEERS/ARCHITECTS/	WTP IMP- DWSRF SERVICES	1,065.48
07/24/2025	FLEIS & VANDENBRINK	CONTRACT SVCS- MAR TO APRIL 2025	1,500.00
07/24/2025	FOSTER, SWIFT, COLLINS & SMITH, P.C	CONTRACT SVCS - SERVICES THROUGH JUNE 30	4,158.00
07/24/2025	GALLS, LLC	UNIFORMS - POLICE	38.94
07/24/2025	GEORGE INSTRUMENT COMPANY	SUPPLIES WTP	1,993.57
07/24/2025	GREEN SCENE LANDSCAPING, INC.	MOWING SERVICE PARCEL 17-000-10908-00	26.50
07/24/2025	HACH COMPANY	SUPPLIES WRRF	439.89
07/24/2025	HARRELLS LLC	PARK SUPPLIES	782.07
07/24/2025	HIRERIGHT	CONTRACT SVCS - BACKGROUND SCREENING JUN	180.20
07/24/2025	HYDROCORP, INC.	CROSS CONNECTION INSPECTIONS/REPORTING J	11,058.50
07/24/2025	ISABELLA CAT CLINIC	CONTRACT SVCS CODE ENF SPAY/NEUTER JULY	3,882.51
07/24/2025	JOE COLLIN	SPR-24-14 REFUND	200.00
07/24/2025	JOHNSON DOOR & CENTRAL VAC INC.	CONTRACT SVCS	170.00
07/24/2025	KIHN HEATING & COOLING , LLC	CHILL PROJECT 20	24,055.25
07/24/2025	KINETICO WATER SYSTEMS	CONTRACT SVCS - FIRE WATER	439.00
07/24/2025	KOPY KORNER	BUSINESS CARDS- HOLLY SCHMELTZER	42.00
07/24/2025	KRAPOHL FORD LINCOLN MERC	SUPPLIES/VEHICLE MAINT - UNIT #GB46798	2,009.43
07/24/2025	LACEY ORLANDO	FARMERS MKT TOKEN REIMB THRU JULY 12 25	10.00
07/24/2025	LANDON ALEXANDER	FARMERS MKT TOKEN REIM THRU JULY 12 25	140.00
07/24/2025	LOSZEWSKI RENTALS 1 LLC	REFUND FOR CANCELED SUP-25-11	620.00
07/24/2025	MAGLOCLEN, INC.	MEMBERSHIP FEE THROUGH JUNE 2026	400.00
07/24/2025	MANER COSTERISAN	CONTRACT SVCS- FINANCE	1,316.20
07/24/2025	MARTHA GICHIA- PEACH BERRY PRODUCTS	FARMERS MKT TOKEN REIMB THRU JULY 12 25	5.00

07/24/2025	MAX SCHULTZ FARMS	FARMERS MKT TOKEN THRU JULY 12 25	7.00
07/24/2025	MEAD & HUNT	CONTRACT SVCS - MOP REHAB RWY 9-27 EPE	23,501.45
07/24/2025	METRON-FARNIER, LLC	METER REPLACEMENT WATER/WRRF	22,432.68
07/24/2025	MICHIGAN CHLORIDE SALES LLC	BRINE SPREAD - STREETS	1,981.32
07/24/2025	MICHIGAN PIPE & VALVE	SUPPLIES WATER	840.00
07/24/2025	MID MICHIGAN AREA CABLE	VIDEO PRODUCTION - AUGUST 25	450.00
07/24/2025	MIRANDA LEY	FARMERS MKT TOKEN REIMB THRU JULY 12 25	118.00
07/24/2025	MRWA	ANNUAL DUES	1,020.00
07/24/2025	MT PLEASANT KIWANIS CLUB	MISCELLENEOUS - DUES - APR TO JUNE 2025	90.00
07/24/2025	NCL OF WISCONSIN	SUPPLIES- WRRF	4,531.11
07/24/2025	NICOLAS KUCHEK	REIMBURSEMENT MILEAGE MAY 25	191.80
07/24/2025	ODP BUSINESS SOLUTIONS LLC	SUPPLIES- MAILROOM	167.56
07/24/2025	O'NEIL & DUSO PLLC	PROSECUTORIAL SVCS RETAINER JULY	11,946.70
07/24/2025	ORKIN	CONTRACT SVCS - PEST CONTROL	140.68
07/24/2025	OTIS ELEVATOR COMPANY	BORDEN ELEVATOR MAINTENANCE	501.84
07/24/2025	PAPAS PUMPKIN PATCH	FARMERS MKT REIMB THRU JULY 12 25	721.00
07/24/2025	PREIN & NEWHOF	CONTRACT SVCS- NEPA AND SEC 106 APP	570.00
07/24/2025	PURITY CYLINDER GASES INC	EQUIPMENT WRRF	23.26
07/24/2025	R & T MURPHY TRUCKING, LLC	LEAF REMOVAL STREETS	4,233.00
07/24/2025	REBECCA PARKER	FARMERS MKT TOKEN REIMB THRU JULY 12 25	202.00
07/24/2025	REBECCA SWAREY	FARMERS MKT TOKEN REIMB THRU JULY 12 25	9.00
07/24/2025	RENEE EARLE	FARMERS MKT TOKEN REIMB THRU JULY 12 25	228.00
07/24/2025	REVIZE	CONTRACT SVCS - ANNUAL HOSTING AND MAINT	6,900.00
07/24/2025	ROMANOW BUILDING SERVICES	CONTRACT SVCS - JANITORIAL - PEAK JUNE 2	5,155.20
07/24/2025	SARAH FAN	FARMERS MKT TOKEN REIMB THRU JULY 12 25	9.00
07/24/2025	SHERWIN INDUSTRIES, INC	CONTRACT SVCS- RENTAL FOR STREETS	2,300.00
07/24/2025	SILVERSMITH DATA	SUPPLIES - WATER DEPT	13,349.00
07/24/2025	STATE OF MICHIGAN	CONTRACT SVCS MDOT00249, 591:ACT51	1,005.15
07/24/2025	STEPHEN FULLER	FARMERS MKT TOKEN REIMB THRU JULY 12 25	55.00
07/24/2025	STERICYCLE, INC.	PAPER SHREDDING AT CITY HALL	744.20
07/24/2025	STEVE JESSMORE	CONTRACT SVCS - PHOTOGRAPHY	2,000.00
07/24/2025	SUPERION, LLC	RECORDS MANAGEMENT SYSTEM DPS	27,588.82
07/24/2025	T.H. EIFERT, LLC	CONTRACT SVCS- CITY HALL	7,686.00
07/24/2025	THIELEN TURF IRRIGATION, INC	CONTRACT SVCS - GROUNDSKEEPING	594.25
07/24/2025	THOMAS L. SLUSHER	GOLF LESSONS 2025	2,304.00
07/24/2025	TINA CAPUSON	FARMERS MKT TOKEN REIMB THRU JULY 12 25	50.00
07/24/2025	TRAVIS WELSH	REIMBURSEMENT - PHONE	49.99
07/24/2025	TRUGREEN	CONTRACT SVCS - LAWN SERVICE DPS	51.47
07/24/2025	TYLER LOOMIS	REIMBURSEMENT CELL PHONE JULY 25	50.00
07/24/2025	ULLIANCE, INC	3RD QUARTER LIFE ADVISOR EMPLOYEE ASSIST	1,875.00
07/24/2025	UNIFIRST CORPORATION	MOTOR POOL MATS	221.04
07/24/2025	USABLUEBOOK	SUPPLIES WRRF	1,511.44
07/24/2025	VIRGINIA ELIZABETH LOOSE	FARMERS MKT TOKEN REIMB THRU JULY 12 25	265.00
07/24/2025	VNC AUTOMOTIVE LIMITED	SUPPLIES- POLICE	685.00
07/24/2025	WILLIAMS & WORKS	CONTRACT SVCS CITY HALL RETAINING WALL P	16,766.40
07/24/2025	YEO & YEO TECHNOLOGY	CONTRACT SVCS WRRF	224.00

Bank COMM COMMON CASH

COMM TOTALS:	
Total of 103 Checks:	358,686.84
Less 0 Void Checks:	0.00
Total of 103 Disbursements:	358,686.84

DIVISION OF PUBLIC SAFETY

CITY OF MT. PLEASANT

804 E. High Street, Mount Pleasant, MI 48858
Phone: (989) 779-5100 Fax: (989) 773-4020

MEMORANDUM

DATE: **July 16th, 2025**

TO: **Aaron Desentz, City Manager**

FROM: **Paul Lauria, Director of Public Safety**

SUBJECT: **Chapter 72 "Bicycles" Ordinance Amendments**

At the June 23rd, 2025, regular meeting of the City Commission, a Public Hearing was scheduled for July 28th, 2025, to discuss and consider adoption of proposed amendments to Chapter 72 of the City's Code of Ordinances, titled "Bicycles." The proposed ordinance is attached to this memorandum.

These proposed amendments update the City of Mt. Pleasant's Traffic Code to regulate both traditional bicycles and electric bicycles. The ordinance includes:

- **Definitions and Classifications:** Clear definitions of electric bicycle classes (1, 2, and 3).
- **Use Regulations:** Updates on where each class of e-bike may be operated (e.g., public roads, trails, shared-use paths).
- **Safety Standards:** Requirements for safety equipment including lights, brakes, and signaling devices.
- **Speed limit:** No person shall operate a bicycle or electric bicycle on a sidewalk or linear paved trail/pathway at a speed greater than 10 miles per hour.
- **Enforcement and Penalties:** Violations will be considered civil infractions, with fines of up to $50.

Enforcement of this ordinance will be managed primarily by Code Enforcement Officers. Upon observing violations, officers will educate individuals and issue a warning regarding the new regulations. Repeat offenses may result in formal citations.

In addition, Public Relations Director Darcy Orlik, Parks Director Phil Biscorner and I have and will continue to educate the public about these changes, including adding signage to the parks.

RECOMMENDED ACTION

Following the Public Hearing on July 28th, 2025, it is recommended that the City Commission adopt the proposed

804 E. High Street, Mount Pleasant, MI 48858
Phone: (989) 779-5100 Fax: (989) 773-4020

amendments to Chapter 72 of the City Code of Ordinances, entitled "Bicycles," and authorize incorporation of the updated provisions into the City Code.

CITY COMMISSION
CITY OF MOUNT PLEASANT
ISABELLA COUNTY, MICHIGAN

ORDINANCE NO. 25-____

AN ORDINANCE TO AMEND TITLE VII: TRAFFIC CODE, CHAPTER 72 OF THE CITY'S CODE OF ORDINANCES ENTITLED "BICYCLES"

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF MOUNT PLEASANT:

Section 1. Amendment of Title VII: Traffic Code, Chapter 72: Bicycles.

Chapter 72: Bicycles of the City Code of Ordinances is hereby amended in its entirety to read as follows:

"Chapter 72: Bicycles and Electronic Bicycles.

GENERAL PROVISIONS

§ 72.01 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

BICYCLE. Any device propelled by human power upon which any person may ride, having two or three wheels in a tandem or tricycle arrangement, all of which are over 14 inches in diameter.

ELECTRIC BICYCLE. Electric bicycle means a device upon which an individual may ride that satisfies all the following:

(A) The device is equipped with all the following:

1. A seat or saddle for use by the rider.

2. Fully operable pedals for human propulsion.

3. An electric motor of not greater than 750 watts.

(B) The device falls within one of the following categories:

1. *Class 1 electric bicycle.* As used in this subparagraph, "class 1 electric bicycle" means an electric bicycle that is equipped with an electric motor that provides assistance only when the rider is pedaling and that disengages or ceases to function when the electric bicycle reaches a speed of 20 miles per hour.

2. *Class 2 electric bicycle.* As used in this subparagraph, "class 2 electric bicycle" means an electric bicycle that is equipped with a motor that propels the electric bicycle to a speed of no more than 20 miles per hour, whether the rider is pedaling or not, and that disengages or ceases to function when the brakes are applied.

3. *Class 3 electric bicycle.* As used in this subparagraph, "class 3 electric bicycle" means an electric bicycle that is equipped with a motor that provides assistance only when the rider is pedaling and that disengages or ceases to function when the electric bicycle reaches a speed of 28 miles per hour.

§ 72.02 TRAFFIC LAWS APPLY TO PERSONS RIDING BICYCLES AND ELECTRIC BICYCLES.

Each person riding a bicycle or electric bicycle upon a roadway shall be granted all the rights and shall be subject to all the duties applicable to the driver of a vehicle by the laws of this state declaring rules of the road applicable to vehicles or by the traffic regulations of the city applicable to vehicles or by the traffic regulations of the city applicable to the driver of a vehicle, except as to special regulations in this chapter pertaining to bicycles and electric bicycles, and except as to those provisions of laws and regulations which, by their nature, can have no application.

§ 72.03 RESPONSIBILITY OF PARENTS AND GUARDIANS.

No parent of any child, nor guardian of any ward, shall authorize or knowingly permit any such child or ward to violate any of the provisions of this chapter.

OPERATING REGULATIONS

§ 72.15 OBEDIENCE TO TRAFFIC-CONTROL DEVICES.

(A) Each person operating a bicycle or electric bicycle shall obey the instructions of official traffic-control signals, signs, and other control devices applicable to vehicles, unless otherwise directed by a police officer.

(B) Whenever authorized signs are erected indicating that no right or left or “U” turn is permitted, no person operating a bicycle or electric bicycle shall disobey the direction of any sign, except where such person dismounts from the bicycle or electric bicycle to make any such turn, in which event such person shall then obey the regulations applicable to pedestrians.

§ 72.16 RIDING ON SEAT; NUMBER OF RIDERS.

(A) No person propelling a bicycle or electric bicycle shall ride other than astride a permanent and regular seat attached thereto.

(B) No bicycle or electric bicycle shall be used to carry more persons at one time than the number for which it is designed and equipped.

§ 72.17 RIDING ON ROADWAYS AND BICYCLE PATHS.

(A) Each person operating a bicycle or electric bicycle upon a roadway shall ride as near to the right-hand side of the roadway as practicable, exercising due care when passing a standing vehicle or one proceeding in the same direction.

(B) No person riding a bicycle or electric bicycle upon a street or highway shall ride more than two abreast, except on paths or parts of roadways set aside for the exclusive use of bicycles and electric bicycles.

(C) Whenever a usable path for bicycles and electric bicycles has been provided adjacent to a street or highway, bicycle and electric bicycle riders shall use such path and shall not use the street or highway.

(D) All bicycles and electric bicycles are permitted to operate on linear paved trails located within the City, unless otherwise regulated.

(E) Only bicycles are permitted to operate on nonmotorized, natural surface trails.

(F) Bicycles and electric bicycles are permitted to operate on motorized, natural surface trails within the City.

(G) Whenever an operator of a bicycle or electric bicycle is passing any other person and/or user of a sidewalk, linear paved trail, or pathway, an audible signal complying with Section 72.24(B) - LAMPS AND OTHER EQUIPMENT ON BICYCLES AND ELECTRIC BICYCLES shall be used prior to overtaking or passing such user.

§ 72.18 SPEED.

No person shall operate a bicycle or electric bicycle on a sidewalk or linear paved trail/pathway at a speed greater than 10 miles per hour or is reasonable and prudent under the condition then existing or as otherwise detailed herein or by state law.

§ 72.19 EMERGING FROM ALLEY OR DRIVEWAY.

Individuals operating a bicycle or electric bicycle shall at all times operate said bicycle or electric bicycle with due care and caution. The operator of a bicycle or electric bicycle, emerging from an alley, driveway, or building, shall, upon approaching a sidewalk or the sidewalk area extending across any alleyway, yield the right-of-way to all pedestrians approaching on said sidewalk or sidewalk area and upon entering the roadway, shall yield the right-of-way to all vehicles approaching on said roadway.

§ 72.20 CLINGING TO VEHICLES.

No person operating a bicycle or electric bicycle shall attach the same or himself/herself to any vehicle upon a roadway.

§ 72.21 CARRYING ARTICLES.

No person operating a bicycle or electric bicycle shall carry any package, bundle, or article which prevents the rider from keeping both hands upon the handle bars.

§ 72.22 PARKING.

No person shall park a bicycle or electric bicycle upon a street other than upon the roadway against the curb or upon the sidewalk in a rack to support the bicycle or electric bicycle or against a building or at the curb, in such manner as to afford the least obstruction to pedestrian traffic.

§ 72.23 RIDING ON SIDEWALKS.

(A) The Director of Public Safety or his/her designee is authorized to erect signs on any sidewalk, street, or roadway prohibiting the riding of bicycles or electric bicycles thereon by any person, and when such signs are in place, no person shall disobey the same.

(B) Whenever any person is riding a bicycle or electric bicycle upon a sidewalk, such person shall yield the right-of-way to any pedestrian and shall give audible signal before overtaking and passing such pedestrian.

§ 72.24 LAMPS AND OTHER EQUIPMENT ON BICYCLES AND ELECTRIC BICYCLES.

(A) Each bicycle and electric bicycle when in use at night-time shall be equipped with a lamp on the front which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector on the rear of a type which shall be visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a motor vehicle. A lamp emitting a red light visible from a distance of 500 feet to the rear may be used in addition to the red reflector.

(B) No person shall operate a bicycle or electric bicycle unless it is equipped with a bell or other device capable of giving a signal audible for a distance of at least 100 feet except that a bicycle or electric bicycle shall not be equipped with nor shall any person use upon a bicycle or electric bicycle any siren or whistle. An audible signal may include the rider’s voice for purposes of this Ordinance.

(C) Every bicycle and electric bicycle shall be equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

RENTALS

§ 72.35 RENTAL AGENCIES.

A bicycle or electric bicycle rental agency shall not rent or offer any bicycle or electric bicycle for rent unless such bicycle or electric bicycle is equipped with the lamps and other equipment required in this chapter.

§ 72.99 PENALTY.

Any person violating any of the provisions of this chapter shall be held responsible for a municipal civil infraction and prosecuted in accordance with the Municipal Civil Infractions Ordinance. The fine for violation of a municipal civil infraction under this chapter shall not exceed $50. Any minor who violates any provision of this chapter shall be dealt with by the juvenile division of the probate court or as prescribed by the laws of the state."

Section 2. Repealer. This Ordinance expressly repeals all City ordinances and parts of ordinances in conflict with this Ordinance.

Section 3. Severability. If any provision of this Ordinance is declared invalid for any reason, that declaration does not affect the validity of all other sections of this Ordinance.

Section 4. Effective Date. This Ordinance takes effect 30 days after its adoption.

CITY OF MT. PLEASANT
Date Approved: July 2025
Date Revised:
Approved By: Director of Human Resources

Sustainability Coordinator

General Summary

Under the general direction of the Parks, Recreation, and Public Spaces Director, this salaried, at-will position leads efforts to implement the City of Mt. Pleasant's Climate Change Preparedness Plan and advance local environmental sustainability initiatives. This position is responsible for coordinating cross-departmental and intergovernmental projects focused on long-term environmental resilience, natural resource protection, and sustainable community development. Responsible for protecting and preserving the assets of the City of Mt. Pleasant and its citizens.

This is a full-time, temporary position for a two-year term with the potential for a third year at the discretion of the City of Mt. Pleasant.

Essential Job Functions

Climate Resilience and Preparedness
Coordinate implementation and periodic updates to the City's Climate Change Preparedness Plan. Track progress of identified climate goals and prepare regular reports for City leadership and the public. Collaborate with departments to integrate climate considerations into City operations, planning, and infrastructure investments.

Water Trail Designation
Lead coordination efforts for formal designation of the Chippewa River Water Trail. Serve as liaison among project partners and adjacent municipalities. Assist in securing necessary approvals, branding, and promotional materials following guidance in the Parks strategic plan.

Riverbank Erosion and Restoration
Identify and assess high-priority areas along the Chippewa River experiencing erosion. Coordinate with state and federal agencies, environmental consultants, and landowners to develop sustainable stabilization strategies. Assist in preparing grant applications or identifying funding sources for implementation.

Park Asset Management Support
Support the development and maintenance of a comprehensive asset inventory for all park infrastructure. Collaborate with the Parks and Engineering teams to ensure accurate data collection and application of the inventory in capital planning.

Farmers Market and Community Sustainability Programs
Partner with staff and local organizations to implement Farmers Market programs promoting sustainability such as local food access and education initiatives and programs, waste reduction and composting programs, and sustainable transportation and outreach partnerships

Performs related work as requested.

Note: All functions are considered essential.

Minimum Requirements

Education:
Bachelor's degree in Environmental Science, Sustainability, Urban Planning, Public Administration, Natural Resource Management, or a related field.

Knowledge Of:
Environmental science and climate change; sustainability principles and framework; energy and water conservation; waste reduction and recycling; environmental regulations and compliance; river ecology, public infrastructure, and park system planning; sustainable procurement and supply chains.

Skilled In:
Data collection, tracking, and reporting of sustainability metrics; familiarity with sustainability reporting frameworks; and project management.

Ability To:
Effectively communicate and translate technical topics for broad audiences; lead cross-functional teams related to sustainability initiatives; think strategically and problem-solve; and impact change through behavior strategies.

Additional Requirements:
Valid driver license and a safe driving record; one (1) or more years of experience in sustainability, environmental policy, or program coordination; experience with intergovernmental collaboration and working with community stakeholders; proficiency in Microsoft Office; and comfort with data analysis tools, asset management software, and GIS tools.

Physical and Mental Demands and Work Environment

While performing the duties of this job, the employee is regularly required to talk and hear. The employee frequently is required to sit, stand, and walk, use hands to manipulate, handle, or feel and reach with hands and arms. The employee is occasionally required to kneel and crouch. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception and ability to adjust focus. Must possess the physical ability to transport equipment weighing up to 15 pounds; transport self to meetings, events, and other engagements. Occasional field work for site assessment along riverbanks and Farmers Market events. Must possess the mental abilities to analyze, reason, comprehend, evaluate, organize, effectively communicate and handle the stress associated with the responsibilities of the position. The noise level in the work environment is usually moderate.

Job Title	**Job Code**	**FLSA Status**
Sustainability Coordinator	SC100	Salaried Exempt
Employee Group	**Reports to**	**Direct Reports**
PACT	Director of Parks, Recreation, and Public Spaces	0