

**City of Swartz Creek
AGENDA**

**Regular Council Meeting, Monday, February 27, 2017, 7:00 P.M.
Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473**

1. **CALL TO ORDER**
2. **INVOCATION AND PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
 - 4A. Council Meeting of February 13, 2017 MOTION Pg. 24
 - 4B. Closed Session of Council Meeting of February 13, 2017 MOTION Pg. 32
5. **APPROVE AGENDA:**
 - 5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**
 - 6A. City Manager's Report MOTION Pg. 2
 - 6B. Comcast Notice Pg. 33
 - 6C. Preventative Maintenance Bids (Business Item) Pg. 34
 - 6D. Budget Report Pg. 35
 - 6E. Complaint Reporting Proposal – SeeClickFix (Business Item) Pg. 37
 - 6F. OPEB Report Pg. 42
 - 6G. Dragon Logos Pg. 83
 - 6H. Legal Services Agreement Pg. 85
 - 6I. State Income Tax Reduction Coverage Pg. 87
 - 6J. Consumers Energy Notice Pg. 89
 - 6K. Street Project Review Committee Minutes Pg. 92
7. **MEETING OPENED TO THE PUBLIC:**
 - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
 - 8A. Bond Resolution RESO Pg. 15
 - 8B. Preventative Maintenance Bids RESO Pg. 21
 - 8C. SeeClickFix RESO Pg. 22
 - 8D. OPEB Report DISC
 - 8E. Legal Services Agreement Restatement RESO Pg. 22
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION

Next Month Calendar

Fire Board:	Tuesday, February 28, 6:00 p.m., Public Safety Building
Street Committee:	Wednesday, March 1, 2017, 9:00 a.m., PDBMB
Park Board:	Wednesday, March 1, 2017, 6:00 p.m., PDBMB
Planning Commission:	Tuesday, March 7, 2017, 7:00 p.m., PDBMB
Downtown Development Authority:	Thursday, March 9, 2017, 6:00 p.m., PDBMB
City Council:	Monday, March 13, 2017, 7:00 p.m., PDBMB
Police Authority:	Wednesday, March 22, 2017, 10:00 a.m., PDBMB
City Council:	Monday, March 27, 2017, 7:00 p.m., PDBMB

City of Swartz Creek
CITY MANAGER'S REPORT
 Regular Council Meeting of Monday, February 27, 2017 - 7:00 P.M.

TO: *Honorable Mayor, Mayor Pro-Tem & Council Members*
FROM: Adam Zettel, City Manager
DATE: February 23, 2017

ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS

✓ **TAXABLE VALUES & OUTSTANDING APPEALS (Update)**

The taxable value of the city (prior to our board of review and closure of appeal filing) is up by \$2,109,710 or 1.5%. This increase will be reflected in the July 1, 2017 – June 30, 2018 budget. This is phenomenal, relatively speaking. The downside is that appeals are still pending and can be filed to reduce this, perhaps even into negative territory. It is further depressing because this 1.5% growth reflects many new homes, the assisted living, and relatively strong property value increases. Our community is are looking at a good year, but cities are still losing the war on keeping revenue in line with inflation and service needs.

Concerning appeals, the city is preparing to do full appraisals on the Topvalco (Kroger) property and O'Reilly Auto Parts. These are newer submissions that will take some time to resolve themselves.

I expect a future negotiation for the office building, for which we are awaiting some market data (Huizinga Properties). A complete listing of outstanding appeals is as follows (note that the S.C. Mini Storage is also settled).

Year	Parcel #	docket	Owner	Petitioner's	Assessed	Taxable	Assessed	Taxable	Status
2015	58-02-200-029	15-002787	S.C. Mini Storage	Steve Johnson	765,300	765,300	550,000	550,000	stip pending
2016	58-02-200-029	15-002787	S.C. Mini Storage	Steve Johnson	861,000	859,495	550,000	550,000	
2016	58-31-626-002	16-001553	Huizinga Properties	Mark Pendery	131,800	131,800	85,000	85,000	answered 6/21/16
2016	58-36-576-012	16-002714	Topvalco/Kroger	H. Adam Cohen	2,239,700	2,044,916	1,100,000	1,100,000	answered 8/2/16
2016	58-31-551-006	16-003390	O'Reilly Auto Parts	Thomas Randle	523,900	453,942	150,000	150,000	answered

✓ **STREETS (See Individual Category)**

✓ **MORRISH AND BRISTOL SIGNAL (Update)**

Installation of the signals is complete! They will be operational within a week.

✓ **MORRISH AND I-69 SOUTH SIGNAL (Update)**

There has been a desire by some in the community to re-engage the signal at Morrish Road at the raceway. Anecdotally, it appears this will help with vehicles exiting the interstate and turning left onto the interstate. We have made an inquiry to MDOT regarding this process. They have acknowledged our inquiry but they have not provided an answer. Please let us know if there is any objection to moving forward.

✓ **2017-2020 TRAFFIC IMPROVEMENT PROGRAM (TIP) (No Change of Status)**

The three year plan for street funding has been drafted by the county, and the city has committed to a 20% match for those streets that were awarded funding. Based upon discussion in October, I submitted a letter to the Genesee County Metropolitan Planning Commission indicating that we could not make good use of the federal funds for Worchester and directed them to reallocate such funds. That project has been removed from the Traffic Improvement Program, leaving only Fairchild.

Listed below is the breakdown for Fairchild, including federal funding:

<u>Road</u>	<u>Point of Beginning</u>	<u>Point of End</u>	<u>Length (Miles)</u>	<u>Lanes</u>	<u>Lane Feet</u>	<u>Width (Feet)</u>	<u>ADT</u>	<u>Total Cost</u>	<u>Federal Match</u>	<u>Local Match</u>
Fairchild	Cappy	Miller	0.28	2	2956.8	44	2456	\$305,104	\$247,234	\$61,021

✓ **STREET PROJECT UPDATES (Business Item)**

This is a standing section of the report on the status of streets as it relates to our dedicated levy, 20 year plan, ongoing projects, state funding, and committee work.

Preventative maintenance bids have been opened. The scope of work for this grouping of projects consists of seal coating most of the downtown streets. This is a quick process that adds about five years to the life of the streets. The low bid is conditionally qualified and below the engineers estimate by about 12%. There is a resolution to approve the bid! As of writing, references are being reviewed by the engineer. If there are any issues, we shall be aware of them before the meeting.

We have a bond resolution prepared for the city council. This resolution sets the basic parameters for the bond sale, including the final amount, type of bond, and eligible expenses. We are recommending that we borrow the full amount of \$1.95 million. The interest rate is projected to be 2.75%. With borrowing costs being low and future projects expected to be large in scale, the additional funds will enable safeguards to possible change orders and/or ensure a healthy fund balance for 2018 projects.

The Street Project Review Committee met on February 22nd. Their minutes are attached. Please read them! Their decisions/recommendations could result in substantial modifications to the current scope of work and costs!

The street committee is scheduled to meet again at 9:00 a.m. on the 1st of March regarding the outstanding issues related to lighting, communications, sidewalks, and potential gateways.

✓ **WATER – SEWER ISSUES PENDING (See Individual Category)**

✓ **SEWER REHABILITATION PROGRAM (Update)**

We are planning to look into the next phase of work. I will keep the city council informed.

✓ **KWA (No Change of Status)**

The latest expectation is that we will be receiving KWA water by October of 2017! The rate is still in question. At this point, we expect one more increase from Detroit,

which could be substantial. To complicate matters, a local pipeline may need to be built to connect Flint directly to Detroit in order to get the KWA off the Detroit system (because Flint will likely need Detroit water for another two years or so). This feature may impact rates as well.

✓ **WATER LOSS** (*Update*)

With Amy Nichols departure from the city, we now have Jody Key in the drivers seat of the utility billing. I am pairing her up with our newest certified water system distribution operator, Rebecca Thiell, to develop a more thorough internal auditing program to find theft, faulty meters, improper billing, and leaks. These two will be able to share information and skills in such a way that compliments a full view of field operations and administrative billing. I expect to find many areas of loss.

We have a contract to use auditory technology to complete leak detection in the city. This will begin when the weather is conducive to their needs. In the meantime, we are still looking at master meter function and continue to audit accounts. All master meters should be changed within 3-4 months.

✓ **WATER MAIN REPLACEMENT** (*No Change of Status*)

The city has a plan to replace sections of water main as we replace streets in Winchester Village. The scope of this project will eventually be more than our cash flows and fund balance (savings) can handle. This is especially true given the scope of the Miller Road and Morrish Road main projects that are expected to be due in the next ten years.

With that said, Lou has put together some figures on our mid-term capital investment needs. It looks like we will need to spread this cost out over time and/or offset it if we are to be successful. As such, Mr. Svrcek and Mr. Fleury have been looking into the use of federal funds as a potential grant and lending source for water main. Because the life of these assets is so long and the cost so high, bonding or borrowing for their replacement is common. Lou feels we may be eligible for some grant funds.

Moving forward, we will begin exploring some of these options. Clio, Davision, and many other communities rely heavily on these programs when their infrastructure needs come due.

✓ **SHARED SERVICES, POLICE DEPARTMENTS** (*Business Item*)

The authority was official on February 1. Everything is functioning well. The board met on February 22, 2017 to conduct routine business including vehicle auctions, budget updates, internal service updates, and departmental activity announcements.

There are still some items that the city and authority must formally address, such as pension transfers. However, the authority does appear to be self-sustaining and should occupy less of our time moving forward.

Be advised that the city is still providing email and other technical support on an interim basis until the new webpage and email domain is established.

As noted above, staff have been working with MERS and the authority counsel on identifying the proper instruments to effect the transition of retirement assets and the payment of the outstanding liability.

Of course, this process will be ongoing for some time. I expect the authority board and our respective municipal bodies to be making adjustments to policy, spending, staffing, and similar attributes over the next year or two. So please be patient as the new authority gains its footing. This will not be a one-time transition in which we seamlessly change the provider of police service.

The authority is still maintaining the same office hours for the Swartz Creek station. They will inform us of changes in the staffing and hours of operation as we progress.

The Hill Road facility is expected to be in use sometime this summer. That is the expected timeframe in which the leases shall formally commence for both municipalities.

✓ **HERITAGE VACANT LOTS** (*Update*)

The association has been meeting with developers to see if there is an interest in building spec homes. They would like to approach the city with a plan similar to that in which the city sold lots in Springbrook East to a developer of the association's choosing. The proceeds that were collected in those sales, beyond the sunk costs, were then transferred to the association.

I think this is a good idea and a fair way to unload these six city-owned lots in a way that helps move this housing development forward. At this time, the association leadership is seeking a less formal process to select a developer and negotiate costs with the city. The association president is out of town for a few weeks. I will keep the council informed.

✓ **WINCHESTER WOODS LOTS** (*No Change of Status*)

I held another discussion with the Supervisor of Gaines Township, Mr. Fortino. He indicated that he would approach the township board about participating in a shared study of the 'woods' area, with the potential to also participate in the installation of improvements. This will be a wise idea since the township and city both have similar lots in this platted area that need services.

The street committee considered this neighborhood at their meeting on August 30th. They believe the city should reach out to all property owners with vacant lots. However, it is thought that a cost estimate for the required improvements (sanitary and storm water) should be prepared beforehand. City engineer, Lou Fleury, is looking into the work previously done to see if the storm water plan is detailed enough to price out. At this point, he feels another \$6,000 - \$8,000 is needed to revisit the plans for the current scope and needs.

✓ **NEWSLETTER** (*No Change of Status*)

I will begin working on the spring newsletter soon. As usual, it shall have general information about city services. We will also be covering the police merger and road projects in some detail. Anything else?

✓ **SUNOCO** *(No Change of Status)*

I await a global agreement that will include terms for potential closure of the site in the eyes of the state. I will keep the city council informed.

✓ **ELMS PARK RENOVATIONS** *(Update)*

The low bid by Glaeser Dawes has been approved and the exercise equipment ordered. I expect work to commence as soon as the contractor can access the park.

The tot-lot is pending fundraising. Just so the city council is aware, the group involved inquired about the possibility of the city council allocating general fund dollars to this effort to offset slow fundraising.

The dog park has been approved. The scouts indicated that this should be installed early in 2017. The park board will be addressing operating rules/guidelines for this facility this summer. In the meantime, we await progress by the scouts.

✓ **WATER TOWER PAINTING** *(Update)*

The low bid by Fedewa for \$78,400 has been accepted, along with \$11,000 for construction engineering/inspections. I expect the contractor to begin when weather permits.

At a prior meeting, it was resolved to move forward with the status quo and no logo. However, additional logo work from the early nineties has surfaced (thanks to Mr. Richard Abrams!). I have included it in the packet.

✓ **TRAIL PLANNING CONCEPTS** *(No Change of Status)*

We await OHM to begin investigating trail options. I suspect they will look for park board, planning commission, and general input at some point. I will keep the council informed.

✓ **DISC GOLF CONCEPT** *(No Change of Status)*

Conceptual approval has been granted for a course in Winshall Park. With winter still raging (is it?), interest in fundraising has died down. I will keep the city council informed.

✓ **REDEVELOPMENT READY COMMUNITIES** *(No Change of Status)*

The State of Michigan oversees a new program in which cities become certified as "Redevelopment Ready Communities". The intent of the program is to encourage and help cities streamline development and review processes in order to better move forward with implementing plans for downtown and commercial improvements. An advantage of being certified is that the state will assist such communities with marketing specific sites and/or plans, such as the raceway or downtown properties.

I have taken one of two courses required to begin the process. The next course is in March. After that is complete, I will likely present the city council with a resolution to pursue certification. Doing so would start a process in which we review our ordinances, permits, applications, and processes related to building, planning, and

zoning. The state will then encourage revisions as needed in order to achieve what they believe is the optimal set of policies and procedures (certification).

✓ **MEDICAL MARIHUANA** (*No Change of Status*)

The city has no zoning ordinances that enable any of the five state licensed facilities (growing, processing, testing, transport, and provisioning). This is within the city's rights to enable any, all, or none of those uses. The planning commission is expected to consider those uses throughout the spring and summer months and make recommendations accordingly. Since no licenses can be granted until December of 2017, this is expected to be timely. I will keep the city council informed.

✓ **DEBT** (*No Change of Status*)

At previous meetings, we have discussed existing city debt and how that relates to existing fund balances. Staff believes that we should consider paying off more debt, if not all of it. Why? Due to circumstances, local governments cannot invest savings in any meaningful way. This means our savings (fund balances) are worth less each year in terms of spending power. Meanwhile, we pay interest on some notes at over 4.35% from those same funds. For unfunded retirement, we lose a theoretical 7.75% each year, though this is likely 6% in practice.

In the spring, we analyzed our fund balances in terms of months-of-operating. This means that if we had \$100 in savings after all expenditures for a year and spent \$200 each year from that fund, we would have six months operating remaining. What we found is that sewer and general fund were in very good positions, with the ability to make expenditures on debt or deferred maintenance on facilities. This practice is known as spending down healthy savings. We believe we should seriously consider details in the near future.

The largest debt we have is in the shape of the unfunded, accrued liabilities for retirement. These liabilities hit all major funds, but are owed mostly from the general fund. With the authority formed, there is an expectation that we pay down all of the accrued debt for the police unit. Frankly, we should probably do this anyway since their returns are much higher than what we achieve.

Note that there is still some debt for the other units, but the Supervisors and AFSCME are closed and have no new covered employees. In fact, there are no current pension-eligible supervisors and only two active AFSCME employees in the pension fund. Everyone else is retired. We will have a better understanding of what is owed after our actuarial evaluation by MERS.

The city also has a note outstanding for city hall. According to the information we received, bonds can only be called on an interest payment date. The next interest payment date is March 1, 2017 at that time the payoff will be \$405,952.50 If we pay off the bond early we will save about \$57,000 in interest. The payoff would come from general fund 40%, Garbage Fund 10% and 25% from each water and sewer fund. Staff is seriously considering the early payoff. The fund balance in each of these funds is healthy enough to pay these down.

General Fund: \$162,381.00

Garbage Fund:	\$40,595.25
Water Fund:	\$101,488.12
Sewer Fund:	\$101,488.12

We will wait on this debt until the general fund pension liabilities are made known in the next report, expected in June.

The sewer fund separate bond debt costs approximately \$20,000 annually in interest. We made inquiries into the nature of any possible early payoff for this as well. This note is held by the county and is noted to amount to approximately \$500,000 in our audit. I believe we should pay this off. The sewer fund has met its capital and ongoing financial obligations and has enough fund balance to eliminate this note and its relatively high interest. For now, there appears to be enough interest from Clayton and Gaines to make payoff of this note in the spring probable. **Expect a resolution to pay this off in the next three months.**

✓ **COMMUNITY DEVELOPMENT BLOCK GRANT** *(No Change of Status)*

We have \$12,000 set aside for demolition and another \$16,819 set aside from the Genesee County Home Program. As noted above, the CDBG agreement will not be available to sign until May (perhaps even August!), thereby delaying action on 5157 Morrish until at least that time, longer if we cannot release bids until the contract is signed. I am working with the new staff planner, Mr. David Yeoman, to see if we can bid the project before the contract is signed in order to save time. We are also checking into the possibility for reimbursement.

✓ **MILLER AND ELMS TURN LANE** *(No Change of Status)*

Lou Fleury has looked at the option to flip the hatch marks from the left side of the west bound Miller left turn lane at Elms. This would move traffic south and provide more visibility to vehicles that are eastbound in the opposite left turn lane. He indicates that it is possible and recommended. I am not sure if council desires to remove and replace the existing stripes now or wait until this process is to be done as a maintenance item down the road. My recommendation would be to await the later.



✓ **OTHER COMMUNICATIONS & HAPPENINGS (Update)**

✓ **COMCAST (Update)**

Comcast has given us notice that they will stop offering Esquire on or about March 14, 2017.

✓ **CONSUMERS ENERGY (Update)**

There is another notice attached.

✓ **BUDGET REPORT (Update)**

We have the February budget report included. With Deanna coming up to speed on where things stand, we expect some budget adjustments in March, followed by 2018 budget drafts in April/May.

✓ **STATE INCOME TAX REDUCTION NEWS COVERAGE (Update)**

Back when the city reduced the street levy request from 4.9 to 4.22 mils (to adjust for the State of Michigan's promised future increases in road funding), we laughed and joked about how it would not even be there in the first year. Well, you can't make this stuff up. The modified income tax reduction (down to 3.9 percent), effectively wipes out the general fund contribution to the infrastructure plan of the state. Note that this is a notable improvement over the 0.0% income tax that was initially proposed to eventually be phased in.

✓ **BOARDS & COMMISSIONS (See Individual Category)**

✓ **PLANNING COMMISSION (Update)**

At this time of the year, many businesses approach the city for temporary permits. Permits granted thus far include:

1. Kroger: Outdoor sales and storage

Note that these approvals are in addition to outdoor sales and storage granted on a permanent basis via a special land use application. This includes businesses such as Gil-Roys, Family Fame & Home, and Meijer.

The commission met on February 7th to hold their annual meeting. This included the selection of officers and review of the annual report. The annual report was included in the last packet.

- ✓ **DOWNTOWN DEVELOPMENT AUTHORITY** *(No Change of Status)*
The DDA met on February 9. They are moving forward with 2017 Family Movie Night. They also authorized the purchase of fifteen decorative signs for street intersections in downtown. These will match what was placed on Paul Fortino Drive. The group is excited about this small but noticeable improvement in downtown! Draft minutes are attached.
- ✓ **ZONING BOARD OF APPEALS** *(No Change of Status)*
There are no pending variances, appeals, interpretations, or other business before the Zoning Board of Appeals. This board shall meet on March 15th for their annual meeting. Otherwise, they meet on the third Wednesday of each month when business demands it.
- ✓ **PARKS AND RECREATION COMMISSION** *(Update)*
The park board met on February 1st to go over a number of items. Things are moving forward with Elms Park (see above), but fundraising for the tot lot is slow, with about \$6,900 raised of the \$20,000 desired. The park board will meeting again on March 1 to continue planning events and going over improvement and maintenance matters.

In other news, a group from the United Methodist Church on Miller Road is going to tackle the playscape staining this May! This is great news. The wooden structure still has many years left, but it requires continuous board replacement and staining to keep it safe and sound. This process was done about 5-6 years ago by Kiwanis and their partners. I am glad someone else is taking up the challenge. They plan to be out there on a Friday-Saturday (May 12-13) and Saturday-Sunday (May 20-21). They will be looking for help!

- ✓ **BOARD OF REVIEW** *(No Change of Status)*
Assessment notices shall be mailed on or before February 24. The March sessions are scheduled as follows:

Monday, March 20, 2017, 9:00 a.m. – 12:00 p.m. & 6:00 p.m. – 9:00 p.m.

Tuesday, March 21, 2017, 9:00 a.m. – 12:00 p.m.

Wednesday, March 22, 2017, 9:00 a.m. – 12:00 p.m.

NEW BUSINESS / PROJECTED ISSUES & PROJECTS

✓ SEE CLICK FIX (*Business Item*)

The service proposal for the See Click Fix is included with the packet, along with a resolution to approve the service. Based upon discussion at the last meeting, it looks like there is support and understanding of what this is about.

The previous report follows:

I have followed up on a pair of references so please let me know if you think this is worth pursuing.

REFERENCES

Tim Moslener (IT Director, Big Rapids)

They would definitely do it again. Older populations use more than the college students. They have used the service for about a year, with a full start in June of 2016. They receive about 45 complaints/month (\$10,000 population), and believe it is a positive service.

Vester Davis (Assistant to City Manager, Grand Haven)

Grand Haven has been using the application since July, and indicates that it is going well. The DPW is the focus. Participation requires much promotion, but it is working. In addition to reporting problems, the DPW believes the app will be helpful in reporting trends that may impact future city council decisions. They plan to keep the service.

The initial report on this topic follows:

As we look for ways to better serve the public and improve our community, we have begun looking at innovative ways to get common problems identified and solved in a manner that builds confidence in our municipal services and thereby creates a strong brand for our improving community.

This service is one that I came across recently that potentially fills a void in how we communicate with the public and how the public communicates with the city. Specifically, the void is one in which younger folks tend to use their own social media to identify and share issues in their neighborhood BEFORE and in place of contacting those that can help.

For example, in monitoring Facebook, I often come across images and comments people make about finding graffiti on the sidewalk or a piece of broken park equipment. More often than not, these issues are not reported to us directly using any existing means (phone, email, office visit, letter, or the city's social media). This makes it difficult for us to solve matters, especially if we aren't notified. However, if there are images of community issues on social media, the perception is that the city cannot or will not address them.

This is where See Click Fix may be able to help. This software application allows residents and visitors to use a phone application or the webpage to identify and report problems in the community, with or without images. The problems are then logged in a mapping system, staff are immediately notified, and the incident is mapped. We then have the opportunity to respond to the complaint, fix it, and note that it was fixed. In short, we believe this will enable the city to address problems that might otherwise not be reported, to do so more quickly, and to build a brand that "Swartz Creek gets things done!"

I have included there proposal. At this point, I don't see this service saving us any money, though the possibility exists in the long run. However, the cost is small, especially if divided among funds, and it should enhance our community. If not, we can drop it with no large loss. Questions I asked include:

1. Will reports be limited to city problems (avoiding complaints from just outside our jurisdiction)? Yes, the application uses GPS, and if a complaint is logged at a location, just outside of town, the user will be notified.
2. Will "Trolls" (those that post irrelevant/improper content be allowed to post? Initially yes, but the site is monitored, the city can flag posts for removal, and users can be banned by their account and IP address if necessary.
3. Will city employees and our appropriate contractors be notified immediately about issues? Yes, the application can have a menu with specific complaint types, so that garbage complaints go to the proper person and building complaints go to the proper person.

✓ **OTHER POST EMPLOYMENT BENEFITS REPORT (*Business Item*)**

We have the report from GRS concerning the liabilities for our Other Post Employment Benefits (OPEB). It is way better than what appeared in our audit report. GRS is showing that they believe the present value of all liabilities is \$650,288, about 1/3 of the higher, previous estimate. This should be well within the reach of our ongoing operations budget on an annualized basis.

This is especially good news when considering that all new employees will be on defined contribution post-retirement medical plans. The AFSCME bargaining unit already has this in their contract. The police department is no longer a liability of the city, and the supervisors are expected to affirm an ongoing contribution to post-retirement medical as well. The only outlier is myself, and I plan to request the city council to eliminate my rights to OPEB and place me on a defined contribution health care savings program at the same time as the supervisors.

Please see the attached report for details. I will look to answer questions at the meeting. In short, this report, coupled with the changes in active/future employee benefits puts the community in a good spot to meet these liabilities on a pay-as-you-go basis without compromising the operations budgets. This is good news.

✓ **LEGAL SERVICES (*Business Item*)**

The city has retained the services of Simen, Figura, & Parker P.L.C. (SFP) for decades. Richard Figura and Michael Gildner have counseled and represented the city in general matters and prosecution based upon a prior resolution, agreement, or

other mutual understanding. However, we cannot find the instrument that creates this relationship.

We have recently been asked to provide this instrument to the Michigan State Police so that they can identify the city's prosecutor for the newly formed Metro Police Authority of Genesee County. Mr. Gildner indicates that this instrument may not exist and advises that we create a simple one to reflect the relationship the city has with SFP. However, he rightfully counsels that this be a very simple agreement that the city council can exit at any time per our charter, Section 7.7. An instrument and resolution are attached. For the record, I am very pleased with the services of SFP and their staff. I find their knowledge, pricing, and ethical approach to business to be reflective of the city's best interest. The relevant charter section follows:

Section 7.7. - City Attorney.

- (a) The City Attorney shall act as the legal advisor of and be responsible to the Council. He shall advise the City Manager concerning legal problems affecting the city administration and the Clerk, Treasurer, and Assessor concerning their statutory and charter duties, when so requested, and shall file with the Clerk a copy of all written opinions given by him.
- (b) He shall prosecute ordinance violations and shall represent the city in cases before courts and other tribunals.
- (c) He shall prepare or review all ordinances, regulations, contracts, bonds, and such other instruments as may be required by this charter or by the Council, and shall promptly give his opinion as to the legality thereof.
- (d) Upon request of the Council, he shall attend meetings of the Council.
- (e) He shall defend all officers and employees in all actions arising out of the performance of their official duties.
- (f) He shall perform such other duties as may be prescribed for him by this charter or the Council.
- (g) Upon the Attorney's recommendation, or upon its own initiative, the Council may retain special legal counsel to handle any matter in which the city has an interest, or to assist the City Attorney.

Council Questions, Inquiries, Requests, Comments, and Notes

City Hall Wi-Fi: I put a request in to IT to place public Wi-Fi at city hall. The video equipment is probably unnecessary. I have come to understand that members of the public use the Wi-Fi to record or stream video/audio directly to public forums, making the old style cameras obsolete.

ID Badges: Our DPW and office staff have gotten ID badges. We have now ordered name tags for city council members, planning commissioners, and office department heads.

**City of Swartz Creek
RESOLUTIONS
Regular Council Meeting, Monday, February 27, 2017, 7:00 P.M.**

Resolution No. 170227-4A MINUTES – FEBRUARY 13, 2017

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, February 13, 2017, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-4B MINUTES – CLOSED SESSION - FEBRUARY 13, 2017

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Minutes of the Closed Session Council Meeting held Monday, February 13, 2017, to be placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-5A AGENDA APPROVAL

Motion by Councilmember: _____

I Move the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of February 27, 2017, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-6A CITY MANAGER’S REPORT

Motion by Councilmember: _____

I Move the Swartz Creek City Council accept the City Manager’s Report of February 27, 2017, including reports and communications, to be circulated and placed on file.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-8A STREET BOND RESOLUTION

Motion by Councilmember: _____

WHEREAS, the City of Swartz Creek, County of Genesee, State of Michigan (the “City”) intends to issue general obligation limited tax bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), for the purpose of paying part of the costs of certain capital improvements in the City, consisting of (i) road preservation and replacement including street milling, crack and pavement repair, concrete curb and gutter, ADA upgrades, sidewalk replacement, storm sewer replacement, aggregate base, asphalt paving, permanent signing and pavement markings; and (ii) watermain replacement including replacement of main, individual service leads, valves, and hydrants; including all related equipment, site improvements, appurtenances and attachments (the “Project”); and the costs of issuance of such bonds (the “Project”); and

WHEREAS, the costs of the Project, including costs of issuance, are estimated to be not less than One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000); and

WHEREAS, to finance part of the cost of the Project, the City deems it necessary to borrow the principal amount of not to exceed One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000) and issue bonds pursuant to Act 34; and

WHEREAS, a notice of intent for bonds was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication, and such period has expired with no petition having been filed with the Clerk.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms, Bonds of the City designated General Obligation Limited Tax Bonds, Series 2017 (the “Bonds”) are authorized to be issued in the aggregate principal sum of not to exceed One Million Nine Hundred Fifty Thousand Dollars (\$1,950,000) for the purpose of paying all or part of the costs of the Project and the costs of issuance of the Bonds. The issue shall consist of bonds in fully-registered form not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration. The Bonds will be dated as of the date of delivery (or such other date as determined at the time of sale thereof), be payable on May 1 or such other date and in such years as determined at the time of sale thereof, in the annual amounts determined at the time of sale and be subject to mandatory redemption in the manner and at the times to be determined at the time of sale by the City Manager or Treasurer (each, an “Authorized Officer” and collectively, the “Authorized Officers”). The Bonds shall not be subject to optional redemption.

The Bonds shall bear interest at a rate or rates to be determined at the time of sale thereof, subject to the parameters stated herein, first payable on the date as shall be finally determined at the time of sale and semiannually thereafter each May 1 and November 1, by

check or draft mailed by the Transfer Agent (hereinafter defined) to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds shall be payable at a bank or trust company as a registrar and transfer agent for the Bonds to be selected by an Authorized Officer (the "Transfer Agent"); provided, that in the event the Bonds are privately placed with a Purchaser (hereinafter defined), the City Treasurer may be designated by an Authorized Officer to serve as Transfer Agent.

2. Execution of Bonds; Book-Entry-Only Form. The Bonds of this issue shall be executed in the name of the City with the manual or facsimile signatures of the Mayor and City Clerk and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent.

The Bonds may be issued in book-entry-only form through the Depository Trust Company in New York, New York ("DTC") and any Authorized Officer is authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry-only form and to make such changes in the Bond form within the parameters of this resolution as may be required to accomplish the foregoing.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

Unless waived by any registered owner on behalf of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information, if applicable: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the place where the Bonds called for redemption are to be surrendered for payment; and that interest on the Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

4. Limited Tax Pledge; Defeasance of Bonds. The City hereby pledges its limited

tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year. The City Treasurer is authorized and directed to open a separate fund to be known as the GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2017 DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier mandatory redemption, the principal of and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The Treasurer is authorized and directed to open a separate depository account with a bank or trust company designated by the City Commission, to be designated GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2017 CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds less accrued interest, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form with such changes as may be approved by an Authorized Officer and Bond Counsel:

[SUBJECT TO MODIFICATION AS A SINGLE INSTRUMENT BOND, IF APPLICABLE]

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

CITY OF SWARTZ CREEK
GENERAL OBLIGATION LIMITED TAX BOND, SERIES 2017

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
Registered Owner:	_____, 20__	_____, 2017	
Principal Amount:		Dollars	

The City of Swartz Creek, County of Genesee, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360-day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on May 1, 2017 and semiannually thereafter. Principal of this bond is payable at the corporate trust office of _____, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory and charter tax rate limitations.

This bond is one of a series of bonds of even Date of Original Issue aggregating the principal sum of \$_____, issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended and pursuant to a resolution of the City Council of the City adopted December 12, 2016 for the purposes of paying part of the costs of certain capital improvements in the City and paying the costs of issuance of the bonds.

The Bonds shall not be subject to optional redemption prior to maturity.

[Insert Term Bond provisions, if applicable.]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called in part for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption, whether presented for redemption or not, provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly

executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Council, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF SWARTZ CREEK
County of Genesee
State of Michigan

By: _____
Its: Mayor

(SEAL)

By: _____
Its: City Clerk

(Form of Transfer Agent's Certificate of Authentication)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

Transfer Agent

By: _____

Authorized: _____

DATE OF REGISTRATION:

[Bond printer to insert form of assignment]

7. Negotiated Sale. The City Council has considered the option of selling the Bonds through a competitive sale and a negotiated sale and, pursuant to the requirements of Act 34, determines that a negotiated sale of the Bonds will result in the most efficient and expeditious means of selling the Bonds and will result in the lowest interest cost to the City.

8. Placement or Sale of Bonds; Delegation to Authorized Officer. Each Authorized Officer is hereby authorized to approve the sale of the Bonds through a private placement with a qualified bank or other sophisticated institutional investor as purchaser thereof (the "Purchaser"). Each Authorized Officer is individually authorized to negotiate and execute a purchase agreement with the Purchaser and a placement agreement with the placement agent for the Bonds if necessary, and to award the sale of the Bonds to the Purchaser, subject to the parameters set forth in this Resolution. Alternatively, if deemed appropriate by an Authorized Officer, the City is authorized to sell the Bonds to an underwriter (the "Underwriter") pursuant to a bond purchase agreement. In either case, the interest rate per annum of the Bonds shall not exceed 5.00%, and the purchase price of the Bonds shall not be less than 99.75% of the par amount thereof.

9. Adjustment of Bond Terms; Sale Order. In pursuance of either of the alternatives described in Section 8, each Authorized Officer is individually authorized, without further direction from the City Council, to execute a sale order establishing the final terms of the Bonds, adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series, and other matters, within the parameters established by this resolution.

10. Tax Covenant; Qualified Tax-Exempt Obligations. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Bond proceeds and moneys deemed to be Bond proceeds. The Bonds are hereby designated as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

11. Authorization of Other Actions. The Mayor, City Manager, Clerk, and Treasurer are each hereby authorized and directed to cause the preparation and circulation of a preliminary and final official statement with respect to the Bonds, if applicable; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if the acquisition of such insurance would be of economic benefit to the City; to obtain ratings on the Bonds; and to take all other actions necessary or advisable, and make such other filings with the Michigan Department of Treasury or with other parties, to enable the issuance, sale and delivery of the Bonds as contemplated herein.

12. Continuing Disclosure Undertaking. In the event the Bonds are sold to an Underwriter, the City agrees to enter into a continuing disclosure undertaking for the benefit

of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds. If the Bonds are placed with a Purchaser, the City will not enter into a continuing disclosure undertaking.

13. Appointment of Financial Advisor. The City hereby appoints H.J. Umbaugh & Associates to act as financial advisor with respect to the Bonds.

14. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby appointed as bond counsel for the Bonds, notwithstanding its periodic representation in unrelated matters of the Purchaser or Underwriter and parties or potential parties to the transaction contemplated by this resolution.

15. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-8B 2017 STREET PREVENTATIVE MAINTENANCE BIDS

Motion by Councilmember: _____

WHEREAS, the City of Swartz Creek owns, operates, and maintains a system of major streets, local streets, and water main, and

WHEREAS, the city has a twenty year asset management plan on file that is funded in part by a twenty year street levy, and

WHEREAS, this plan, which includes various levels of preventative maintenance, preservation, and reconstruction on city streets was assessed by the Street Project Selection Committee at its meeting on July 12, 2016, and

WHEREAS, the city subsequently bid numerous preventative maintenance projects, with said bids opened on February 16, 2017, and

WHEREAS, two bids were received, with the low bid being recommended by the city's engineer for approval.

NOW, THEREFORE, BE IT RESOLVED the City of Swartz Creek City Council affirms the recommendation of the city engineer and approves the low bid by Pavement Maintenance Systems, as filed with the city, in the amount of \$104,341.25 for preventative maintenance on city streets.

BE IT FURTHER RESOLVED, that appropriations to the projects shall be made to Fund 202 (Major Streets), Fund 203 (Local Streets), and Fund 204 (Municipal Streets) as directed by the Treasurer.

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to execute any and all contracts, permits, agreements, and related documentation to said project award on behalf of the city.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-8C SEE CLICK FIX, INC SERVICE PROPOSAL

Motion by Councilmember: _____

WHEREAS, the City of Swartz Creek identifies strongly as a residential community that strives to provide an ever-increasing quality of life for its residents and visitors that support local businesses; and

WHEREAS, the city desires to provide amenities and services that the general public can directly access to enhance their quality of life; and

WHEREAS, SeeClickFix, Inc. has been found to provide a product that has the potential to quicken governmental response to issues in the community, while making the response of government more transparent.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby approves the one year service proposal submitted by SeeClickFix, Inc. in the amount of \$3,240, dated January 13, 2017.

BE IT FURTHER RESOLVED, the Swartz Creek City Council hereby directs the Mayor to execute said agreement and for the city Treasurer to apportion the expense of the service to the city's various impacted funds.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

Resolution No. 170227-8E CITY LEGAL SERVICE AGREEMENT

Motion by Councilmember: _____

WHEREAS, the City Charter of Swartz Creek, Section 7.7 indicates that the city council shall be served by and retain the services of a municipal attorney; and

WHEREAS, Simen, Figura, & Parker, P.L.C., a Michigan professional liability corporation located at 5206 Gateway Centre, Suite 200, Flint, Michigan 48507, currently services as corporate counsel for the City; and

WHEREAS, SFP and the City have never before had a written Legal Services Agreement in place inasmuch as both sides acknowledge that SPF provides services at the pleasure of the City Council; and

WHEREAS, the parties now wish to memorialize their understanding of the terms of SFP's retention.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby approve the Legal Services Agreement as included in the February 22, 2017 City Council Packet and direct the Mayor to execute said document on behalf of the city.

Second by Councilmember: _____

Voting For: _____

Voting Against: _____

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE REGULAR COUNCIL MEETING
DATE 02/13/2017**

The meeting was called to order at 7:00 p.m. by Mayor Krueger in the Swartz Creek City Council Chambers, 8083 Civic Drive.

Invocation and Pledge of Allegiance.

Councilmembers Present: Cramer, Florence, Gilbert, Hicks, Krueger, Pinkston, Porath.

Councilmembers Absent: None.

Staff Present: City Manager Adam Zettel, City Clerk Connie Eskew, Director of Public Services Tom Svrcek.

Others Present: Bob Plumb, Lania Rocha, Steve Shumaker, Tommy Butler, Boots Abrams, Richard Abrams, Rebecca Thiell, Faye Porath, Bud Grimes, Lou Fleury, Jim Barclay, Mark Blankenship.

ABSENCE OF COUNCILMEMBER HICKS

Resolution No. 17013-01

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Florence

I Move the Swartz Creek City council excuse Councilmember Hicks.

YES: Florence, Gilbert, Krueger, Pinkston, Porath, Cramer.
NO: None. Motion Declared Carried.

APPROVAL OF MINUTES

Resolution No. 170213-02

(Carried)

Motion by Councilmember Porath
Second by Councilmember Gilbert

I Move the Swartz Creek City Council hereby approve the Minutes of the Regular Council Meeting held Monday January 23, 2017 to be circulated and placed on file.

YES: Gilbert, Krueger, Pinkston, Porath, Cramer, Florence.
NO: None. Motion Declared Carried.

APPROVAL OF AGENDA

Resolution No. 170213-03

(Carried)

Motion by Councilmember Cramer
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Agenda amended as presented for the Regular Council Meeting of February 13, 2017, to be circulated and placed on file.

YES: Krueger, Pinkston, Porath, Cramer, Florence, Gilbert.

NO: None. Motion Declared Carried.

City Manager’s Report

Resolution No. 170213-04

(Carried)

Motion by Councilmember Florence
Second by Councilmember Gilbert

I Move the Swartz Creek City Council accept as amended the City Manager’s Report of February 13, 2017, including reports and communications to be circulated and placed on file.

Discussion Ensued.

YES: Krueger, Pinkston, Porath, Cramer, Florence, Gilbert.

NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC:

None.

STREET COMMITTEE APPOINTMENTS

Resolution No. 170213-05

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Cramer

WHEREAS, under the General Operating Rules of the Council, the Mayor, with the advice and consent of Council, may appoint temporary committees whose membership may include persons not on Council; and

WHEREAS, such committees must be temporary in nature, have a specific purpose, and include a specific time frame for their activities; and

WHEREAS, the city has a 20 year street maintenance plan on file that is funded, in part, by a 20 year street levy; and

WHEREAS, the council desires to enable a committee of residents, councilmembers, and staff to further deliberate on the particulars relating to the borrowing related to 2017 projects, as well as design particulars related to sidewalks, lighting, and potential change orders; and

WHEREAS, the council further desires the committee to consider plans for 2018 and beyond.

NOW, THEREFORE, BE IT RESOLVED, the City of Swartz Creek City Council hereby creates a temporary committee, to be referred to as the “Street Project Review Committee,” for the purpose of reviewing and making recommendations relating to the 2017 street project particulars.

BE IT FURTHER RESOLVED, the Street Project Review Committee shall endeavor to deliver such findings at or before the regular meeting on March 13, 2017 and be subsequently dissolved unless otherwise engaged in further reviews at the direction of the city council.

BE IT FURTHER RESOLVED, the membership of the Street Project Review Committee shall be composed of the following individuals:

- Mayor Krueger
- Councilmember Cramer
- Councilmember Pinkston
- Craig Culinski
- Dennis Novak
- Lou Fleury – Consultant Engineer (non-voting)
- Adam Zettel – Staff Member (non-voting)
- Tom Svrcek – Staff Member (non-voting)
- Tom Traciak – Financial Advisor (non-voting)
- Deanna Korth – Treasurer (non-voting)
- Tom Svrcek- Director of Public Services (non-voting)

Discussion Ensued.

YES: Pinkston, Porath, Cramer, Florence, Gilbert, Krueger.
NO: None. Motion Declared Carried.

2017 STREET PROJECTS BID AWARD

Resolution No. 170213-06

(Carried)

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Cramer

WHEREAS, the City of Swartz Creek owns, operates, and maintains a system of major streets, local streets, and water main, and

WHEREAS, the city has a twenty year asset management plan on file that is funded in part by a twenty year street levy, and

WHEREAS, this plan, which includes various levels of preventative maintenance, preservation, and reconstruction on city streets, as well as water main replacement, was assessed by the Street Project Selection Committee at its meeting on July 12, 2016, and

WHEREAS, the city subsequently bid numerous water main and street replacement and rehabilitation projects, with said bids opened on January 19, 2017, and

WHEREAS, numerous bids were received, with the low bid being recommended by the city's engineer for approval, and

WHEREAS, the city shall require borrowed/bonded funds in order to complete the street portion of said bid, and

WHEREAS, these projects shall require construction engineering services to ensure proper materials, procedures, and results.

NOW, THEREFORE, BE IT RESOLVED the City of Swartz Creek City Council affirms the recommendation of the city engineer and approves the low bid by Glaeser Dawes Corporation, as filed with the city, in the amount of \$2,906,845.52 for street and water main work.

BE IT FURTHER RESOLVED, that the City Council approves the engineering proposal by ROWE Professional Services Company, dated February 7, 2017, for an amount not to exceed \$280,640 for construction engineering services related to the awarded projects,

BE IT FURTHER RESOLVED, that appropriations to the projects and engineering shall be made to Fund 101 (General), Fund 202 (Major Streets), Fund 203 (Local Streets), Fund 204 (Municipal Streets) and Fund 590 (Water) as directed by the Treasurer.

BE IT FURTHER RESOLVED, that the City Council directs the City Manager to execute any and all contracts, permits, agreements, and related documentation to said project award and engineering proposal on behalf of the city.

Discussion Ensued.

YES: Porath, Cramer, Florence, Gilbert, Krueger, Pinkston.

NO: None. Motion Declared Carried.

SeeClickFix

Discussion

Adam Zettel, City just doing a follow-up and wanting to know if council has an interest in this program. Other communities' comments of the program have been that it is successful enough to pay for it. The council requested that Mr. Zettel bring this back to a future meeting.

PARK WAIVER REQUEST – GFWC

Resolution No. 170213-07

(Carried)

Motion by Councilmember Porath
Second by Councilmember Gilbert

WHEREAS, the City of Swartz Creek requires park usage reservations and fees in accordance with adopted rules and regulations; and

WHEREAS, the General Federation of Women’s Clubs, Swartz Creek Women’s Club reserved Pavilion #2 in Elms Park for September 10, 2017 for the purpose of holding an annual meeting; and

WHEREAS, the city park rules and regulations states that “fees may be waived in full if reservations by a non-profit are found to result in a public benefit directly or if proceeds from the reserved event are found to be a benefit to the city.”; and

WHEREAS, the City Council finds the petitioning group to be a qualifying group with a qualifying activity.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby waives all fees for the September 10, 2017 reservation in Elms Park.

YES: Cramer, Florence, Gilbert, Krueger, Pinkston, Porath.
NO: None. Motion Declared Carried.

PARK WAIVER REQUEST – SCOUTS

Resolution No. 170213-08

(Carried)

Motion by Councilmember Cramer
Second by Councilmember Florence

WHEREAS, the City of Swartz Creek requires park usage reservations and fees in accordance with adopted rules and regulations; and

WHEREAS, the Girl Scout Alumni of Fair Winds Council reserved Pavilion #2 in Elms Park for September 17, 2017 for the purpose of holding an annual meeting; and

WHEREAS, the city park rules and regulations states that “fees may be waived in full if reservations by a non-profit are found to result in a public benefit directly or if proceeds from the reserved event are found to be a benefit to the city.”; and

WHEREAS, the City Council finds the petitioning group to be a qualifying group with a qualifying activity.

NOW, THEREFORE, BE IT RESOLVED, the Swartz Creek City Council hereby waives all fees for the September 17, 2017 reservation in Elms Park.

YES: Florence, Gilbert, Krueger, Pinkston, Porath, Cramer.

NO: None. Motion Declared Carried.

ELMS PARK IMPROVEMENT BID AWARD

Resolution No. 170213-09

(Carried)

Motion by Councilmember Florence
Second by Councilmember Porath

WHEREAS, the City of Swartz Creek owns operates and maintains a system of parks in the community, including grounds, facilities, and equipment; and

WHEREAS, city staff, with technical assistance from Rowe Professional Services Company, created a scope of work and grant application to the State of Michigan Department of Natural Resources for said grant; with DNR approval of the city’s request occurring in December of 2015; and

WHEREAS, the city was awarded said grant and completed phase one bathroom improvements in 2016 and bid to construct phase two improvements, including walkways, an exercise path, and accessible parking, as quickly as possible; and

WHEREAS, the city opened sealed bids on January 19, 2017 and subsequently received approval from the DNR to approve the improvements related to this grant project, including the purchase of exercise equipment; and

WHEREAS, bids and quotes were completed in accordance with the City’s Purchasing Ordinance, Chapter 2, Article VI, Section 2-402, as well as DNR bidding requirements.

NOW, THEREFORE BE IT RESOLVED that the City of Swartz Creek City Council accepts the low bid of \$38,550.60, and related unit costs, for completion of the Elms Park phase two renovations as specified by the city’s engineer and approved by the Michigan Department of Natural Resources, said bid submitted by Glaeser Dawes Corporation, such expenses to be apportioned and expensed from the Elms Park project fund and submitted for reimbursement to the DNR.

BE IT FURTHER RESOLVED that the City Council hereby authorizes the city manager to acquire and install the exercise equipment (phase three) as described and quoted in the proposal by Play and Play Structures, in the amount of \$7,869.93.

BE IT FURTHER RESOLVED that the City Council hereby directs the city manager to submit necessary documents to the DNR for final approval of this project component and further directs the manager to execute any and all agreements, contracts, pay authorizations, and related documents necessary to carry out restoration of the bathrooms under the terms of the Recreation Passport Grant and engineer's contract.

Discussion Ensued.

YES: Gilbert, Krueger, Pinkston, Porath, Cramer, Florence.

NO: None. Motion Declared Carried.

MEETING OPENED TO THE PUBLIC

Boots Abrams resident at 5352 Greenleaf Drive thanked the council for the approval of the park waiver.

James Barclay resident at 8420 Cappy Lane commented that he thought the SeeClickFix program is a great idea. He also suggested we offer WIFI and live streaming for council meetings.

Tom Svrcek, Director of Public Services commented that he had the opportunity to talk to a few residents in the village and they were very supportive of the council and the process of the street project.

REMARKS BY COUNCILMEMBERS:

Councilmember Cramer commented that our community's is ahead of the curve on infrastructure updates.

Mayor Pro Tem Pinkston commented on beautiful water towers in other communities and wish we would reconsider the water tower painting.

CLOSED SESSION TO CONSIDER APPROVAL OF CLOSED SESSION MINUTES

Resolution No. 170213-10

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Cramer

WHEREAS, the City of Swartz Creek held a closed session on January 23, 2017, and;

WHEREAS, the minutes of that session require approval.

NOW THEREFORE, BE IT RESOLVED the City of Swartz Creek City Council exit the regular session of the city council and enter into a closed session for the purpose of considering the closed session minutes of January 23, 2017.

YES: Krueger, Pinkston, Porath, Cramer, Florence, Gilbert.
NO: None. Motion Declared Carried.

MINUTES OF CLOSED SESSION – JANUARY 23, 2017

Resolution No. 170213-11

Motion by Mayor Pro Tem Pinkston
Second by Councilmember Gilbert

I Move the Swartz Creek City Council approve the Minutes of the Council Closed Session held Monday, January 23, 2017, to be placed on file.

YES: Krueger, Pinkston, Cramer, Florence, Gilbert.
NO: Porath. Motion Declared Carried.

Adjournment

Resolution No. 170213-11

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Cramer

I Move the Swartz Creek City Council adjourn the regular meeting at 7:56 pm.

Unanimous Voice Vote.

David A. Krueger, Mayor

Connie Eskew, City Clerk

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
MINUTES OF THE CLOSED SESSION COUNCIL MEETING
DATE 02/13/2017**

The meeting was called to order at 7:49 p.m. by Mayor Krueger in the Swartz Creek City Conference Room, 8083 Civic Drive.

Councilmembers Present: Cramer, Florence, Gilbert, Krueger, Pinkston, Porath.

Councilmembers Absent: Hicks.

Staff Present: City Manager Adam Zettel, City Clerk Connie Eskew.

Closed Session Minutes

Discussion

No changes were made to the minutes.

Adjournment

Resolution No. 170123-01

(Carried)

Motion by Councilmember Gilbert
Second by Councilmember Florence

I Move the Swartz Creek City Council adjourn the regular meeting at 7:54 pm.

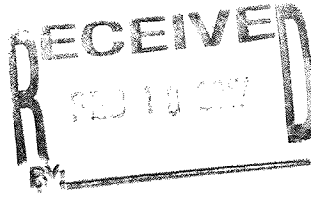
Unanimous Voice Vote.

David A. Krueger, Mayor

Connie Eskew, City Clerk



February 6, 2017



Mr. Adam Zettel, City Manager
City of Swartz Creek
8083 Civic Dr.
Swartz Creek, MI 48473

Dear Mr. Zettel:

As part of Comcast's commitment to keep you informed about important developments that affect our customers in your community. I am writing to notify you a change to the channel lineup.

On or about March 14, 2017, Esquire will no longer be available on the Comcast channel lineup.

As always, feel free to contact me directly at 517-334-5686 with any questions you may have

Sincerely,

A handwritten signature in cursive script that reads "John P. Gardner".

John P. Gardner
Director, External Affairs
Comcast, Heartland Region
1401 E. Miller Rd.
Lansing, MI 48911

PROJECT: 2017 Cape Sealing Project
OWNER: City of Swartz Creek
BID DATE & TIME: February 16, 2017 @ 10:00 AM
LOCATION: 8083 Civic Drive
 Swartz Creek, MI 48473

CONTRACTORS	BID BOND	TOTAL BID	ADDENDUM #1 ACKNOWLEDGED	REMARKS
Highway Maintenance & Construction	✓	\$105,214.60	✓	
Pavement Maintenance Systems	✓	\$104,341.25	✓	

REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK
PERIOD ENDING 02/28/2017

GL NUMBER	2016-17 AMENDED BUDGET	YTD BALANCE 02/28/2017	AVAILABLE BALANCE	% BDGT USED
Fund 101 - General Fund:				
TOTAL REVENUES	2,394,889.63	1,894,215.87	500,673.76	79.09
TOTAL EXPENDITURES	2,475,056.45	1,676,930.52	798,125.93	67.75
NET OF REVENUES & EXPENDITURES	(80,166.82)	217,285.35	(297,452.17)	271.04
Fund 202 - Major Street Fund:				
TOTAL REVENUES	442,400.00	228,403.55	213,996.45	51.63
TOTAL EXPENDITURES	598,259.70	481,789.77	116,469.93	80.53
NET OF REVENUES & EXPENDITURES	(155,859.70)	(253,386.22)	97,526.52	162.57
Fund 203 - Local Street Fund:				
TOTAL REVENUES	336,702.00	241,570.22	95,131.78	71.75
TOTAL EXPENDITURES	464,872.08	211,330.30	253,541.78	45.46
NET OF REVENUES & EXPENDITURES	(128,170.08)	30,239.92	(158,410.00)	23.59
Fund 204 - MUNICIPAL STREET FUND:				
TOTAL REVENUES	608,000.00	567,588.30	40,411.70	93.35
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES	608,000.00	567,588.30	40,411.70	93.35
Fund 226 - Garbage Fund:				
TOTAL REVENUES	380,907.00	349,019.45	31,887.55	91.63
TOTAL EXPENDITURES	427,206.75	203,868.45	223,338.30	47.72
NET OF REVENUES & EXPENDITURES	(46,299.75)	145,151.00	(191,450.75)	313.50
Fund 248 - Downtown Development Fund:				
TOTAL REVENUES	67,900.00	64,108.35	3,791.65	94.42
TOTAL EXPENDITURES	67,730.00	5,416.81	62,313.19	8.00
NET OF REVENUES & EXPENDITURES	170.00	58,691.54	(58,521.54)	34,524.44
Fund 265 - Drug Enforcement Fund:				
TOTAL REVENUES	7,851.00	5,999.48	1,851.52	76.42
TOTAL EXPENDITURES	7,851.00	10,213.26	(2,362.26)	130.09
NET OF REVENUES & EXPENDITURES	0.00	(4,213.78)	4,213.78	100.00
Fund 350 - City Hall Debt Fund:				
TOTAL REVENUES	98,535.00	98,506.83	28.17	99.97
TOTAL EXPENDITURES	98,000.00	11,327.50	86,672.50	11.56
NET OF REVENUES & EXPENDITURES	535.00	87,179.33	(86,644.33)	16,295.20

GL NUMBER	2016-17 AMENDED BUDGET	YTD BALANCE 02/28/2017	AVAILABLE BALANCE	% BDGT USED
Fund 402 - Fire Equip Replacement Fund:				
TOTAL REVENUES	30,060.00	30,006.70	53.30	99.82
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES	30,060.00	30,006.70	53.30	99.82
Fund 590 - Water Supply Fund:				
TOTAL REVENUES	1,829,950.00	1,114,159.96	715,790.04	60.88
TOTAL EXPENDITURES	2,086,382.55	1,259,216.60	827,165.95	60.35
NET OF REVENUES & EXPENDITURES	(256,432.55)	(145,056.64)	(111,375.91)	56.57
Fund 591 - Sanitary Sewer Fund:				
TOTAL REVENUES	1,289,230.00	621,002.41	668,227.59	48.17
TOTAL EXPENDITURES	1,831,006.38	952,133.45	878,872.93	52.00
NET OF REVENUES & EXPENDITURES	(541,776.38)	(331,131.04)	(210,645.34)	61.12
Fund 661 - Motor Pool Fund:				
TOTAL REVENUES	277,820.00	124,057.69	153,762.31	44.65
TOTAL EXPENDITURES	261,301.00	114,231.75	147,069.25	43.72
NET OF REVENUES & EXPENDITURES	16,519.00	9,825.94	6,693.06	59.48
Fund 865 - Sidewalks:				
TOTAL REVENUES	10,000.00	1,890.00	8,110.00	18.90
TOTAL EXPENDITURES	9,500.00	2,790.00	6,710.00	29.37
NET OF REVENUES & EXPENDITURES	500.00	(900.00)	1,400.00	180.00
Fund 866 - Weed Fund:				
TOTAL REVENUES	7,800.00	4,950.00	2,850.00	63.46
TOTAL EXPENDITURES	1,640.00	1,595.00	45.00	97.26
NET OF REVENUES & EXPENDITURES	6,160.00	3,355.00	2,805.00	54.46



SeeClickFix

Partnership Proposal

SeeClickFix Inc
770 Chapel Street
New Haven, CT 06510

Prepared for:

*Adam Zettel
City Manager
Swartz Creek, Michigan, City
8083 Civic Drive
Swartz Creek, MI, 48473
azettel@cityofswartzcreek.org
(810) 635-4464 ext 18*

Prepared by:

*Zubin Doshi
Growth Market Manager
zubin.doshi@seeclickfix.com
203.349.6603*



ORIGIN

SeeClickFix was founded in 2009 to empower citizens with tools to publicly document quality of life concerns in their neighborhoods. By radically improving the quantity and quality of data related to these concerns, SeeClickFix was quickly adopted by local governments as well — who needed a better way to receive information from citizens.

These partnerships began with some of the largest and most innovative cities in the country, including Houston, Albuquerque, Minneapolis, Oakland, and Boston. During the early years, SeeClickFix also helped to establish the Open311 standard used by many of the most progressive 311 centers.

To date, more than 2 million issues have been resolved via SeeClickFix. 500,000 users use SeeClickFix every month and we are working with more than 300 municipalities, counties and state agencies.

As we grew, we leveraged the knowledge and need of these partners. This customer development has pushed us further and further down the stack, from citizen input tools toward municipal work management. While we started as a citizen endpoint into a separate municipal platform, we are increasingly serving the role of a stand alone system, where municipalities can manage services from beginning to end.

PLATFORM

SeeClickFix connects local neighborhoods with government services. This engagement has both a tangible and emotional effect — improving infrastructure, increasing understanding and building trust.

At its core, SeeClickFix is a robust routing system built on top of a public platform — allowing for complex routing based on location and issue type. In addition to this, SeeClickFix Admin tools give service organizations an integrated platform for service request collection and work management.

Citizens submit requests via SeeClickFix mobile apps and website tools — city call takers enter phone calls, drop ins, emails and tweets into the SeeClickFix as well. From there, these requests are routed either manually or automatically based on location and request type, to the right person with the right information.

Then, city staff will be notified within SeeClickFix (or an external work order system via integration) that work has been assigned. As the work is updated and subsequently closed, the citizen will receive automatic updates. Through this process, SeeClickFix increases the total level of citizen participation as well as the perceived quality of these services. SeeClickFix also reduces the costs associated with these services by reducing phone calls, introducing automated responses and reducing the frictional costs of communication.

SeeClickFix is building the future of service management, with internal communication systems that are foundationally connected to public needs and interests.



COMMUNITY

The foundation of SeeClickFix is a free, public network for neighbors, community groups, and local governments around the world. We call this global network the SeeClickFix Community. Anyone can join the SeeClickFix Community and use these web and mobile tools to collaborate around solving neighborhood issues and improving communities.



REQUEST

SeeClickFix Request is an integrated solution to collect and manage public needs and requests. This begins with comprehensive input tools like mobile apps, web forms and a call-taker interface. From there, Request gives you internal communication tools to assign and track these issues to completion. Meanwhile, SeeClickFix Request keeps citizens in the loop on public and private issue pages where they are able to track the progress of issues and well ask questions, share with neighbors and thank the city.



WORK

SeeClickFix Work addresses the two primary needs of work management — Groups and Roles and Workflow Management — with a suite of internal communication tools. Now, crews can use SeeClickFix to manage field work. Customer service staff can use SeeClickFix as a direct connection and view into the progress of requests. Management can use SeeClickFix for a single view into the entire service operation.



ENGAGE

SeeClickFix Engage gives you tools to customize the brand and content of your mobile app and develop messaging and notification systems that further connect your community. SeeClickFix brings together some of the most passionate neighbors in your community. Engage allows you leverage this audience to promote new services, events and information.



ANALYZE

Organizations use SeeClickFix to measure the success of services and the health of neighborhoods. SeeClickFix Analyze offers dashboards, reports and interactive analytics to help organizations better access, understand and present data internally and to the public.



CONNECT

Integrate SeeClickFix with your current asset, work or task management, CRM, or ERP system. Bi-directional synchronization means no more double entry and all departments are up to date and in-sync.



SeeClickFix Admin Tools

The SeeClickFix Admin tools are built around the four pillars of successful service delivery: Requests, Work, Engagement, and Analysis. Each module has been designed based on the needs of our government partners – who represent some of the most experienced and innovative government officials in the world.



Request

Your service organization needs a central system to collect data, route and assign requests and communicate with citizens so nothing gets lost.

SeeClickFix iOS and Android Apps

Interactive Website Forms

Facebook Application

SeeClickFix iOS and Call Taker

Public Issue Page and Watch Areas

Request Management System

Structured Request Categorization

Public Comments & Status Updates

Customizable Email Status Updates

Multi-Agency Routing

Digital and Printable Work Orders

Internal Comments

Priority and Re-categorization

Assignment and Email Routing

@Mention References



Work

Your workforce needs group controls and user permissions to manage communication, measure cost and increase efficiency.

Roles and Permissions

Workflow Stages

Stage Escalations

Scheduled Work



Engage

Your communications team needs a way to engage citizens and distribute information in a way that is simple and accessible.

Custom iOS and Android Apps

Geo-driven Email Notifications

Mobile Content Management

Native Push Notifications



Analyze

Your management team needs to measure success, identify risks and report to stakeholders in a way that is complete and concise.

Insight Analytics Tool

Customized and Recurring Exports

Image, PDF, and Excel Exports

Enhanced Dashboards



Connect

Integrate SeeClickFix with your asset, work or task management, CRM, or ERP system. Bi-directional synchronization means no more double entry!



Community

SeeClickFix will always offer a completely free platform for communities around the world to connect around problems in the public space.

Issues w/ Commenting and Voting

Watch Areas and Points of Interest

Public Place Page

In development,



Prepared for:
Adam Zettel
Swartz Creek, Michigan, City
8083 Civic Drive
Swartz Creek, MI, 48473
azettel@cityofswartzcreek.org
(810) 635-4464 ext 18

Prepared by:
Zubin Doshi
Growth Market Manager
zubin.doshi@seeclickfix.com
203.349.6603

Issue Date: 1/13/2017
Pricing Expires:

ANNUAL PRODUCT SUBSCRIPTIONS		Quantity	Annual Fee
Engage	Custom iOS and Android apps, brand development, mobile content management	1	\$900.00
Request	Complete request management system: citizen submission and administrative management tools.	1	\$1,800.00
Users	Distinct internal users who will have access to the SeeClickFix tools below.	3	\$540.00
TOTAL ANNUAL SUBSCRIPTION FEES			\$3,240.00

TOTAL FEES	
YEAR ONE FEES	\$3,240.00
YEAR ONE SAVINGS	\$1,080.00

The undersigned agree to the following Terms and Conditions and have caused this Contract to be executed as of the date signed by the Customer which will be the Effective Date: <http://legal.seeclickfix.com/terms-and-conditions/>

SeeClickFix

Swartz Creek, Michigan, City

Name

Name

Title

Title

Date

Date

Signature

Signature

SeeClickFix's W9 information is available here: https://drive.google.com/file/d/0BwW_zrHi8QH2anF0bElKU3h5bFk/view

CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
ACTUARIAL VALUATION REPORT
AS OF JUNE 30, 2016

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E		ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS
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	3	OPEB Pre-Funding
Appendix B	1-3	Glossary

February 7, 2017

Ms. Deanna Korth
City of Swartz Creek
8083 Civic Drive
Swartz Creek, Michigan 48473

Dear Ms. Korth:

Submitted in this report are the results of an Actuarial Valuation of the assets and liabilities associated with the employer financed retiree health benefits provided by the City of Swartz Creek. The date of the valuation was June 30, 2016. The annual required contribution has been calculated for the fiscal year beginning July 1, 2016. Annual recommended contributions for the fiscal years beginning July 1, 2017 and July 1, 2018 are also included, as the Annual Required Contributions (ARC) will no longer apply under the new GASB standards.

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

The actuarial calculations were prepared for purposes of complying with the requirements of Statement No. 45 of the Governmental Accounting Standards Board (GASB). In addition, we have included information which may be helpful if there is a trust requiring a GASB Statement No. 43 disclosure. The calculations reported herein have been made on a basis consistent with our understanding of these accounting standards. Determinations of the liability associated with the benefits described in this report for purposes other than satisfying the City of Swartz Creek's financial reporting requirements may be significantly different than the values shown in this report. This report is not compliant with GASB Statements No. 74 and No. 75. A separate report with GASB Statements No. 74 and/or No. 75 will be issued at a later date once the implementation guides are issued for these new standards.

The valuation was based upon information furnished by the City of Swartz Creek concerning retiree health benefits, individual members, and plan finances. Data was checked for internal consistency, but was not audited.

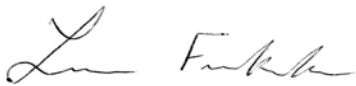
Ms. Deanna Korth
February 7, 2017
Page 2

To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the City of Swartz Creek Retiree Health Care Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Please see the following page for additional disclosures required by the Actuarial Standards of Practice. Mark Buis, James D. Anderson, and Laura Frankowiak 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,

Mark Buis, FSA, EA, FCA, MAAA

James D. Anderson, FSA, EA, MAAA

A handwritten signature in cursive script, appearing to read "Laura Frankowiak".

Laura Frankowiak, ASA, MAAA

MB/JDA/LF:ah

Additional Disclosures Required by Actuarial Standards of Practice

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; 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. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

The funded ratio reported in this valuation is not appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations.

This report should not be relied on for any purpose other than the purpose described in the primary communication.

The signing actuaries are independent of the plan sponsor.

The valuation was based upon information furnished by the City of Swartz Creek, concerning retiree health benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency with the last valuation, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Swartz Creek.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Annual Required Contribution and OPEB Cost

This report presents the Annual Required Contribution (ARC), one component of the annual Other Postemployment Benefits (OPEB) cost required to be recognized by the plan sponsor for purposes of complying with the accounting requirements of the Governmental Accounting Standards Board (GASB) Statement No. 45. In addition, the plan may need to comply with GASB Statement No. 43. Please consult with legal counsel and your auditors to determine whether you have a plan for GASB Statement No. 43 purposes.

We have calculated the Annual Required Contribution (ARC) for the fiscal year beginning July 1, 2016 and annual recommended contributions for the fiscal years beginning July 1, 2017 and July 1, 2018 under the long-term rate of investment return of 3.50%. Below is a summary of the results. In the first year GASB Statement No. 45 is adopted, the annual OPEB cost is equal to the ARC. In subsequent years, if there is a Net OPEB Obligation (NOO, see below), the annual OPEB cost is equal to the ARC for the fiscal year plus one year's interest on the Net OPEB Obligation plus an adjustment to the ARC.

Employer contributions to an OPEB trust act to reduce the NOO. In addition, actual premiums paid on behalf of retirees directly from the employer* might be employer contributions in relation to the ARC and act to reduce the NOO. The ARCs and estimated retiree premiums shown below include an adjustment for any implicit rate subsidy present in your pre-65 rates.

** Premiums/claims passed through the trust (if applicable) in the same fiscal year might also be treated as contributions for that year. We recommend all such transactions be discussed with your accounting professional prior to their occurrence.*

	Annual Required Contribution#	Estimated Premiums/Premiums Paid for Retirees
Fiscal Year Beginning July 1, 2016	\$40,539	\$39,903
Fiscal Year Beginning July 1, 2017	39,915	37,440
Fiscal Year Beginning July 1, 2018	39,398	34,622

For the fiscal years beginning 7/1/2017 and 7/1/2018, these are considered annual recommended funding contributions instead of annual required contributions as the new GASB accounting standards do not require an ARC to be calculated.

For additional details please see the Section titled "Valuation Results."

EXECUTIVE SUMMARY

Additional OPEB Reporting Requirements – Net OPEB Obligation

In addition to the annual cost described above, employers will have to disclose a Net OPEB Obligation (or asset). The NOO is the cumulative difference between annual OPEB cost and annual employer contributions in relation to the ARC accumulated from the implementation of Statement No. 45. The NOO is zero as of the beginning of the fiscal year that GASB Statement No. 45 is implemented unless the employer chooses to recognize a beginning balance. The requirements for determining the employer's contributions in relation to the ARC are described in paragraph 13g. of GASB Statement No. 45. Additional information required to be disclosed in the employer's financial statements is detailed in paragraphs 24 through 27 of GASB Statement No. 45.

Liabilities and Assets

1. Present Value of Future Benefit Payments	\$650,288
2. Actuarial Accrued Liability	529,374
3. Plan Assets	0
4. Unfunded Actuarial Accrued Liability (2) – (3)	529,374
5. Funded Ratio (3)/(2)	0.0%

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service to current members. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan's funding method (see the Section titled "Actuarial Cost Method and Actuarial Assumptions").

SECTION A
VALUATION RESULTS

**CITY OF SWARTZ CREEK – RESULTS BY DIVISION
AS OF JUNE 30, 2016**

	AFSCME	FOP	Supervisors	Total
A. Present Value of Future Benefits				
i) Retirees and Beneficiaries	\$16,433	\$0	\$225,056	\$ 241,489
ii) Vested Terminated Members	0	0	0	0
iii) Active Members	<u>69,026</u>	<u>164,191</u>	<u>175,582</u>	<u>408,799</u>
Total Present Value of Future Benefits	85,459	164,191	400,638	650,288
B. Present Value of Future Normal Costs	7,892	66,859	46,163	120,914
C. Actuarial Accrued Liability (A.-B.)	77,567	97,332	354,475	529,374
D. Actuarial Value of Assets	0	0	0	0
E. Unfunded Actuarial Accrued Liability (C.-D.)	77,567	97,332	354,475	529,374
F. Funded Ratio (D./C.)	0.0%	0.0%	0.0%	0.0%
G. Fiscal Year Beginning 2016				
i) Employer Normal Cost	\$ 1,965	\$ 4,991	\$ 7,250	\$ 14,206
ii) Amortization of UAAL (30 years)*	<u>4,145</u>	<u>3,244</u>	<u>18,944</u>	<u>26,333</u>
Annual Required Contribution (ARC)	\$ 6,110	\$ 8,235	\$ 26,194	\$ 40,539
H. Fiscal Year Beginning 2017				
Annual Recommended Funding Contribution	\$ 5,840	\$ 8,524	\$ 25,551	\$ 39,915
I. Fiscal Year Beginning 2018				
Annual Recommended Funding Contribution	\$ 5,550	\$ 8,821	\$ 25,027	\$ 39,398

* Unfunded Accrued Actuarial Liability.

The Unfunded Actuarial Accrued Liability (UAAL) is not booked as an expense all in one year and does not appear in the Employer’s Statement of Net Assets. Nevertheless, it is reported in the Notes to the Financial Statements and in the Required Supplementary Information. These are information sections within the employer’s financial statements.

The unfunded actuarial accrued liabilities were amortized as a level dollar amount for the AFSCME and Supervisors groups and as a level percent of payroll for FOP over a closed period of 30 years as of July 1, 2016 and decreasing by 1 each year thereafter. The long-term rate of investment return used in this valuation is 3.50%.

COMMENTS

COMMENT A: One of the key assumptions used in any valuation of the cost of postemployment benefits is the rate of return on the assets that will be used to pay plan benefits. Higher assumed investment returns will result in a lower ARC. Lower returns will tend to increase the computed ARC. We have calculated the liability and the resulting ARC using an assumed annual rate of investment return of 3.50%, which may be appropriate to develop the liabilities of the plan in the case that the plan sponsor chooses not to pre-fund a portion of the ARC and finances the benefits on a pay-as-you-go basis. The assumed rate of investment return is determined by the plan sponsor in conjunction with the auditor.

COMMENT B: Based on the number of plan members as of this valuation, the plan sponsor is required by GASB to perform actuarial valuations at least triennially unless there are significant changes in the OPEB. It is our understanding that the City will need to comply with GASB Statement No. 75 reporting effective with the fiscal year ending June 30, 2018. The report for GASB Statement No. 75 will be issued at a later date.

COMMENT C: The contribution rates shown include amortization of the unfunded actuarial accrued liability over a closed 30-year period. Thirty years is the maximum time period permitted by the GASB Statements No. 43 and No. 45. A shorter amortization period results in a higher ARC.

COMMENT D: The City of Swartz Creek and the Charter Township of Mundy are combining some members in the future to create the Metro Police Authority of Genesee County Retiree Health Care Plan. This report does not take this into consideration, and is based only on the City of Swartz Creek Retiree Health Care Plan as of June 30, 2016.

COMMENTS

COMMENT E: The “Cadillac” tax is a 40% excise tax paid by the coverage provider (employer and/or insurer) on the value of health plan costs in excess of certain thresholds. The thresholds are \$10,200 for one-person coverage or \$27,500 for family coverage in 2020. Many plans are below the thresholds today, but are likely to exceed them in the next decade. The thresholds will be indexed at CPI-U, which is lower than the medical inflation rates affecting the cost of the plans. There is considerable uncertainty about how the tax would be applied, and considerable latitude in grouping of participants for tax purposes. Combining early retiree and Medicare eligible retiree costs is allowed and can keep plans under the thresholds for a longer period of time. For this valuation, no load was applied to the health care liabilities to approximate the cost for future excise tax, based on the current plan provisions and assumptions. We have not identified any other specific provision of health care reform that would be expected to have a significant impact on the measured obligation. As additional guidance on the legislation is issued, we will review and monitor the impact.

COMMENT F: The GASB issued Statement Nos. 74 and 75 for OPEB valuations similar to the pension standards GASB Statement Nos. 67 and 68. GASB Statement No. 74 for the plan OPEB disclosures is effective for fiscal years beginning after June 15, 2016. GASB Statement No. 75 for employer OPEB disclosures is effective for employer fiscal years beginning after June 15, 2017. The GASB has not yet issued implementation guides for these new standards. These guides will provide additional clarification related to the implementation of Statement Nos. 74 and 75. Our understanding of the application of the recent GASB Statements is stated below, however GRS consultants are not auditors and we recommend consultation with your auditors for final determination of which standards will be applicable. The City currently does not pre-fund the benefits and does not have assets set aside in a qualified trust. As a result, the City will not need to comply with GASB Statement No. 74, but will need to comply with only GASB Statement No. 75. The information necessary for GASB Statement No. 75 for the June 30, 2018 fiscal year end will need to be developed at a later date. The basis for the GASB Statement No. 75 information will be this June 30, 2016 valuation with roll-forward techniques applied.

SECTION B
RETIREE PREMIUM RATE DEVELOPMENT

RETIREE PREMIUM RATE DEVELOPMENT

Health insurance is not provided to post-65 retirees. Instead, the City provides a monthly stipend to some future retirees. The January 1, 2017 fully-insured Blue Care Network (BCN) rates provided by the City of Swartz Creek were utilized to determine the appropriate premium rates. The pre-65 fully-insured premiums are blended rates based on the combined experience of active and pre-65 retired members; therefore, there is an implicit employer subsidy for the non-Medicare eligible retirees since the average costs of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees. The true per capita cost for the pre-65 retirees is developed by adjusting the demographic differences between the active employees and retirees to reflect this implicit rate subsidy for the retirees.

For the current active employees, BCN suffixes 002 and 005 are open to future retirees.

For some sub-segments of the participants, the employer provided benefit is capped either currently or at retirement. In these cases there is no implicit employer subsidy as mentioned in the paragraph above.

Age graded and sex distinct premiums are utilized by this valuation. The premiums developed by the preceding process are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process “distributes” the average premium over all age/sex combinations and assigns a unique premium for each combination. The age/sex specific premiums more accurately reflect the health care utilization and cost at that age.

The combined monthly one-person medical and drug premiums at select ages are shown below:

For Those Not Eligible for Medicare (Pre-65)		
Age	Current and Future Retirees	
	Male	Female
40	\$ 244.65	\$ 397.53
50	396.57	488.53
60	673.99	663.64
64	819.58	773.47

RETIREE PREMIUM RATE DEVELOPMENT (CONCLUDED)

James E. Pranschke is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to certify the per capita retiree health care rates shown above.

James E. Pranschke, FSA, MAAA

SECTION C
SUMMARY OF BENEFITS

CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN SUMMARY OF THE BENEFIT PROVISIONS AS OF JUNE 30, 2016

Group Name AFSCME 1918-23											
(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)	(I) (J) (K) Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Retiree Health Benefit (if different from pension benefit)*	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)	
			Retiree	Spouse							
Normal Retirement (Unreduced pension benefits)	Age 55 with 30 years of service Employer pays maximum of \$446 per month until age 65. After age 65, retiree receives stipend of \$200 per month.	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	BCN BCN Delta Dental EyeMed	fully-insured fully-insured		Balance of premium 100% 100% 100% 100%	Balance of premium 100% 100% 100% 100%	None None None None None	
Early Retirement (Reduced pension benefits)	Not eligible for retiree health benefits.	N/A	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	same same same same			None None None None None	None None None None None	None None None None None	
Deferred Vested Termination	Not eligible for retiree health benefits.	N/A	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	same same same same			None None None None None	None None None None None	None None None None None	
Non-Duty Disability	Not eligible for retiree health benefits.	N/A	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	same same same same			None None None None None	None None None None None	None None None None None	
Duty Disability	Same as normal retirement benefits if eligible. Otherwise, employer provides coverage for maximum of 3 years.	Immediately	Medical Prescription drug Dental Vision Life Insurance	Medical Prescription drug Dental Vision	same same same same			100% 100% 100% 100% 100%	100% 100% 100% 100% 100%	None None None None None	
Non-Duty Death-in-Service	Same as pension.	Immediately		Medical Prescription drug Dental Vision	BCN BCN Delta Dental EyeMed					100% 100% 100% 100%	
Duty Death-in-Service	Same as pension.	Immediately		Medical Prescription drug Dental Vision	BCN BCN Delta Dental EyeMed					100% 100% 100% 100%	

* Must have been hired prior to January 1, 2006 to be eligible for retiree health care benefits through the City.

CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN SUMMARY OF THE BENEFIT PROVISIONS AS OF JUNE 30, 2016

(A)	(B)	(C)	(D)		(E)	(F)	(G)	(H)	(I) (J) (K) Retiree Share of Cost for		
Leaving Employment as a Result of	Eligibility for Retiree Health Benefit (if different from pension benefit)	When do retiree health benefits commence?	Coverage Provided by Employer		Retiree Health Care Provider(s)	Type of Insurance	Third Party Administrator	Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)	
			Retiree	Spouse							
Normal Retirement (Unreduced pension benefits)	Age 55 with 25 years of service City pays 100% of the cost of the retiree's health insurance at the time of retirement until age 65. All future increases paid by retiree.	Immediately	Medical	Medical	BCN	fully-insured		None	None	None	
			Prescription drug	Prescription drug	BCN			None	None	None	
			Dental	Dental	Delta Dental	fully-insured		100%	100%	None	
			Vision	Vision	EyeMed			100%	100%	None	
			Life Insurance				100%	100%	None		
Early Retirement (Reduced pension benefits)	Not eligible for retiree health benefits.	N/A	Medical	Medical	same			None	None	None	
			Prescription drug	Prescription drug	same			None	None	None	
			Dental	Dental	same			None	None	None	
			Vision	Vision	same			None	None	None	
			Life Insurance		same		None	None	None		
Deferred Vested Termination	Not eligible for retiree health benefits.	N/A	Medical	Medical	same			None	None	None	
			Prescription drug	Prescription drug	same			None	None	None	
			Dental	Dental	same			None	None	None	
			Vision	Vision	same			None	None	None	
			Life Insurance		same		None	None	None		
Non-Duty Disability	Not eligible for retiree health benefits.	N/A	Medical	Medical	same			None	None	None	
			Prescription drug	Prescription drug	same			None	None	None	
			Dental	Dental	same			None	None	None	
			Vision	Vision	same			None	None	None	
			Life Insurance		same		None	None	None		
Duty Disability	Same as normal retirement benefits if eligible. Otherwise, employer provides coverage for maximum of 2.25 years.	Immediately	Medical	Medical	same			100%	100%	None	
			Prescription drug	Prescription drug	same			100%	100%	None	
			Dental	Dental	same			100%	100%	None	
			Vision	Vision	same			100%	100%	None	
			Life Insurance		same		100%	100%	None		
Non-Duty Death-in-Service	Same as pension.	Immediately		Medical	BCN					100%	
				Prescription drug	BCN					100%	
				Dental	Delta Dental					100%	
				Vision	EyeMed					100%	
Duty Death-in-Service	Same as pension.	Immediately		Medical	BCN					100%	
				Prescription drug	BCN					100%	
				Dental	Delta Dental					100%	
				Vision	EyeMed					100%	

CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN SUMMARY OF THE BENEFIT PROVISIONS AS OF JUNE 30, 2016

(A) Leaving Employment as a Result of	(B) Eligibility for Retiree Health Benefit (if different from pension benefit)*	(C) When do retiree health benefits commence?	(D) Coverage Provided by Employer		(F) Retiree Health Care Provider(s)	(G) Type of Insurance	(H) Third Party Administrator	(I)-(K) Retiree Share of Cost for		
			Retiree	Spouse				Retiree	Spouse (while Retiree is alive)	Spouse (after Retiree's death)
Normal Retirement (Unreduced pension benefits)	Age 50 with at least 15 years of service 15 yrs 40% paid by City 20 yrs 55% paid by City 25 yrs 70% paid by City After age 65, retiree receives stipend of \$325 per month.	Immediately	Medical	Medical	BCN	fully-insured		Balance of premium	Balance of premium	Graduated scale 1st yr 30% 2nd year 50% 3rd year 70% 4th year 90%
			Prescription drug	Prescription drug	BCN					
			Dental	Dental	Delta Dental	fully-insured				
			Vision	Vision	EyeMed		100%	100%	None	
			Life Insurance				100%	100%	None	
Deferred Vested Termination	Not eligible for retiree health benefits	N/A	Medical	Medical	same		None	None	None	
			Prescription drug	Prescription drug	same		None	None	None	
			Dental	Dental	same		None	None	None	
			Vision	Vision	same		None	None	None	
			Life Insurance				None	None	None	
Non-Duty Disability	Not eligible for retiree health benefits	N/A	Medical	Medical	same		None	None	None	
			Prescription drug	Prescription drug	same		None	None	None	
			Dental	Dental	same		None	None	None	
			Vision	Vision	same		None	None	None	
			Life Insurance				None	None	None	
Duty Disability	Same as normal retirement benefits if eligible. Otherwise, employer provides coverage for maximum of 3 years.	Immediately	Medical	Medical	same		100%	100%	None	
			Prescription drug	Prescription drug	same		100%	100%	None	
			Dental	Dental	same		100%	100%	None	
			Vision	Vision	same		100%	100%	None	
			Life Insurance				100%	100%	None	
Non-Duty Death-in-Service	Same as pension.	Immediately		Medical	BCN				100%	
				Prescription drug	BCN				100%	
				Dental	Delta Dental				100%	
				Vision	EyeMed				100%	
Duty Death-in-Service	Same as pension.	Immediately		Medical	BCN				100%	
				Prescription drug	BCN				100%	
				Dental	Delta Dental				100%	
				Vision	EyeMed				100%	

* Must have been hired prior to April 7, 2014 to be eligible for retiree health care benefits through the City.

SECTION D
SUMMARY OF PARTICIPANT DATA

CITY OF SWARTZ CREEK
ACTIVE MEMBERS AS OF JUNE 30, 2016
BY AGE AND YEARS OF SERVICE

Age	Years of Service to Valuation Date							Totals
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.
20-24								
25-29								
30-34								
35-39	1		1					2
40-44					1			1
45-49	1		1					2
50-54	1		1				1	3
55-59			2					2
60-64								
65 & Over				1			1	2
Totals	3		5	1	1		2	12

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

OPEB Group	Count	Age	Service
AFSCME	2	59.2 yrs.	38.5 yrs.
FOP	6	44.3	10.9
Supervisors	4	56.6	12.1
Total	12	50.9	15.9

**CITY OF SWARTZ CREEK
INACTIVE MEMBERS AS OF JUNE 30, 2016
BY AGE**

Number of Retiree and Beneficiary Contracts

	Opt-Out/ Ineligible#	One-Person Coverage	Two-Person Coverage*	Total
Male	1	1	2	4
Female	0	1	0	1
Total	1	2	2	5

* *Includes family coverage.*

Includes retirees and beneficiaries with only non-medical coverage.

Age	Current Retirees with Medical Coverage			
	Number of Those Covered			
	AFSCME	FOP	Supervisors	Total
0-44				
45-49				
50-54				
55-59			1	1
60-64	1		2	3
65-69				
Totals	1	0	3	4

There are 0 terminated members eligible for deferred plan benefits.

SECTION E

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

**ACTUARIAL METHODS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

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

- (i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is 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.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities. Unfunded actuarial accrued liabilities (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level dollar for the AFSCME and Supervisors groups and as a level percent of payroll for FOP. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

Actuarial Value Assets. The Actuarial Value of Assets is set equal to the reported market value of assets. The City of Swartz Creek reported no assets for the June 30, 2016 valuation.

Amortization Factors: The following amortization factors were used in developing the Annual Required Contribution for the fiscal years shown:

	Fiscal Year Beginning July 01,		
	2016	2017	2018
Level Dollar (AFSCME and Supervisors)	18.7121	18.3496	17.9744
Level Percent of Pay (FOP)	30.0000	29.0000	28.0000

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

The rationale for the rates of merit and seniority salary increase, retirement rates, early retirement rates, rates of separation from active membership, and disability rates used in this valuation is included in the MERS 5-year experience study for the period January 1, 2004 to December 31, 2008 issued March 2, 2010. All assumptions are expectations of future experience, not market measures.

Rates of price inflation are not specifically used for this valuation. However, a rate of price inflation of 2.00% to 3.00% would be consistent with other assumptions in this report.

The rate of investment return was 3.50% a year, compounded annually net after investment expenses.

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which future contributions will be based.

Sample Ages	% Increase in Salary at Sample Ages		
	Merit & Seniority	Base (Economic)	Increase Next Year
20	13.00 %	3.50 %	16.50 %
25	6.80	3.50	10.30
30	3.26	3.50	6.76
35	2.05	3.50	5.55
40	1.30	3.50	4.80
45	0.81	3.50	4.31
50	0.52	3.50	4.02
55	0.30	3.50	3.80

The payroll growth rate for financing Unfunded Actuarial Accrued Liabilities for open divisions was assumed to be 3.50% per year.

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

The rates of post-retirement mortality used for individual members are in accordance with the following tables.

For healthy retirees, mortality rates are based on the RP2000 Mortality Combined Healthy Tables Projected 20 years with U.S. Projection Scale BB. Mortality rates were adjusted to include margin for future mortality improvement as described in the table name. Sample rates are as follows:

Sample Ages	Probability of Dying Next Year (Healthy)		Future Life Expectancy (Years)	
	Males	Females	Males	Females
50	0.20%	0.16%	32.99	35.59
55	0.34	0.25	28.37	30.90
60	0.59	0.41	23.94	26.34
65	1.00	0.76	19.74	21.98
70	1.64	1.32	15.83	17.93
75	2.80	2.21	12.26	14.25
80	4.76	3.60	9.13	10.95

These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

For disabled retirees, mortality rates are based on the healthy life table above, but set-forward ten years.

The rates of pre-retirement mortality use the same mortality tables as post-retirement mortality with 90% of active deaths assumed non-duty and 10% assumed duty related.

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

Retirement Rates

A schedule of retirement rates is used to measure the probability of eligible members retiring during the next year. To reflect the impact plan design may have on retirement experience, separate retirement rates apply to valuation divisions with pension benefit multipliers less than or equal to 2.50% and greater than 2.50%. Certain retirement ages may not apply, depending on the benefit age of first eligibility.

Normal Retirement - Age Based Benefit Provisions

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year*#	
	Less Than or Equal to 2.50%	Greater Than 2.50%
50	20%	23%
51	20	23
52	20	24
53	20	26
54	20	26
55	20	30
56	20	33
57	21	35
58	21	39
59	21	42
60	21	43
61	22	48
62	22	49
63	22	49
64	23	50
65	25	50
66	25	50
67	26	50
68	28	50
69	30	50
70	100	100

* For those eligible prior to age 50, the retirement rate is 22% per year. Members in a defined contribution plan follow the retirement pattern of those with a defined benefit of less than or equal to 2.50% per year.

All members who reach eligibility for normal retirement pension benefits before reaching eligibility for retiree health benefits are assumed to retire at the rate of 3% per year during the period when they are not eligible for health care benefits.

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

Early Retirement - Reduced Pension Benefit

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year
50	1.60%
51	1.60
52	2.30
53	3.30
54	4.50
55	3.50
56	3.25
57	3.00
58	4.50
59	5.75

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

Rates of separation from active membership are used to estimate the number of employees at each age that are expected to terminate employment before qualifying for retirement benefits. The rates of separation from active membership do not apply to members eligible to retire, and do not include separation on account of death or disability. The assumed rates of separation applied in the current valuation are based on years of service, and scaled up or down according to each group's experience.

Group	Separation Rate Scaling Factor
All Divisions	100%

The base separation rates (see the table below) are multiplied by the scaling factor to obtain the assumed withdrawal rates. Sample rates of separation from active employment, before application of the scaling factor, are shown below:

Sample Years of Service	% of Active Members Separating Within the Next Year
0	20.00%
1	17.00
2	14.00
3	11.00
4	9.00
5	6.50
10	5.00
15	3.70
20	3.00
25	2.70
30	2.60
34 and over	2.40

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

Disability Rates

Disability rates are used in the valuation to estimate the incidence of member disability in future years.

The assumed rates of disablement at various ages are shown below:

Sample Ages	Percent Becoming Disabled Within the Next Year
20	0.02%
25	0.02
30	0.02
35	0.06
40	0.06
45	0.11
50	0.24
55	0.60
60	0.60
65	0.60

85% of the disabilities are assumed to be non-duty and 15% of the disabilities are assumed to be duty related. For those plans which have adopted disability provision D-2, for pension benefit purposes, 55% of the disabilities are assumed to be non-duty and 45% are assumed to be duty related.

**ACTUARIAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

Health care cost trend rates are displayed in the following table:

Year After Valuation	Health Care Trend Inflation Rates
	Medical/Drug
1	9.00%
2	8.25
3	7.50
4	6.75
5	6.25
6	5.75
7	5.25
8	4.75
9	4.25
10	3.50
11	3.50
12	3.50
13	3.50
14	3.50
15	3.50
16 +	3.50

**MISCELLANEOUS AND TECHNICAL ASSUMPTIONS FOR
CITY OF SWARTZ CREEK RETIREE HEALTH CARE PLAN
AS OF JUNE 30, 2016**

- Administrative Expenses** No explicit assumption has been made for administrative expenses.
- Decrement Operation** Disability and withdrawal do not operate during retirement eligibility.
- 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.
- Incidence of Contributions** Contributions are assumed to be received continuously throughout the year based upon the computed contribution in this report.
- Marriage Assumption** 70% of males and 70% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
- Surviving Spouse Benefit** Surviving spouses of future retirees of the Supervisors group are allowed to continue receiving pre-65 health care coverage through the City for up to four years (the amount paid by the City is 70% in year 1, 50% in year 2, 30% in year 3, and 10% in year 4). Active liabilities for the Supervisors group have been loaded 2.00% to account for this benefit.
- Medicare Coverage** Assumed to be available for all covered employees on attainment of age 65. Disabled retirees were assumed to be eligible for Medicare coverage at age 65.
- Health Care Coverage at Retirement** The table below shows the assumed portion of future retirees electing one-person or two-person/family coverage, or opting out of coverage entirely.

	One-Person	Two-Person/Family		Opt-Out
		Electing	Continuing	
Male	30%	70%	0%	0%
Female	30%	70%	0%	0%

APPENDIX A
OVERVIEW

GASB BACKGROUND

The purpose of this valuation is to provide information on the cost associated with providing postemployment benefits other than pensions, or OPEB, to current and former employees. The information is designed to assist you in complying with Governmental Accounting Standards Board (GASB) Statements No. 43 and No. 45. OPEB benefits are most often associated with postemployment health care, but cover almost any benefit not provided through a pension plan, including life insurance, dental and vision benefits. It is important to note that OPEB benefits, by definition, do not include benefits *currently* being provided to active employees – however, this report includes the liabilities for benefits expected to be paid to current active employees in the future when they retire.

GASB Statements No. 43 and No. 45 were released in the spring of 2004. GASB Statement No. 43 covers the accounting rules for OPEB *plans* while GASB Statement No. 45 describes the rules for *employers* sponsoring OPEB plans. Your auditor can assist you in determining which statements apply to your particular situation.

The specific items required to be disclosed on an OPEB sponsor's financial statements are described in detail in GASB Statements No. 43 and No. 45.

GASB Statement No. 45

Among the requirements of Statement No. 45 are recognition each year of an expense called the Annual OPEB Cost, and the accumulation of a liability to be disclosed on the employer's Statement of Net Assets called the Net OPEB Obligation (NOO).

The fundamental items required to determine the Annual OPEB Cost and the NOO are:

- the Annual Required Contribution (ARC)
- the Employer's Contributions in relation to the ARC

Although GASB does not require OPEB contributions, it has chosen to call the base component of the annual OPEB cost the Annual Required Contribution. The ARC is provided in this report.

GASB BACKGROUND

Paragraph 13g. of Statement No. 45 states:

“An employer has made a contribution in relation to the ARC if the employer has:

1. made payments of benefits directly to or on behalf of a retiree or beneficiary,
2. made premium payments to an insurer, or
3. irrevocably transferred assets to a trust, or equivalent arrangement in which Plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the Plan and are legally protected from creditors of the employer(s) or plan administrator.”

For each fiscal year shown in this report, we have provided the ARC and the estimated benefits and/or premiums (based on valuation assumptions).

The NOO is the cumulative difference between the Annual OPEB Cost each year and the Employer’s Contribution in relation to the ARC. The Annual OPEB Cost for a year is equal to:

- the ARC, plus
- interest on the prior year’s NOO, plus
- amortization of the prior year’s NOO.

The Annual OPEB Cost and NOO are generally developed by the plan sponsor’s auditor based on information contained herein and elsewhere.

GASB Statement No. 43

If the Plan has assets for Statement No. 43 purposes, then certain additional information useful in complying with the Statement is contained in this report.

OPEB PRE-FUNDING

Many employers fund retiree health care benefits using the pay-as-you-go (or cash disbursement) method. Under this method, the employer's annual contribution is equal to the actual disbursements during the year for OPEB for retired employees. This method of funding will result in increasing contributions over time. First, per capita cash disbursements will tend to increase from year to year as the cost of health care services, or the utilization of these services, increases. Second, the number of retired members is likely to increase for years to come. The more retirees, the greater the disbursements as a percentage of employee payroll.

A retiree health care plan is similar to a defined benefit pension plan in that promises are made to employees to provide them with a benefit payable at some future date. For defined benefit pension plan sponsors, a common funding objective is to contribute to a fund, annual amounts which will i) remain level as a percentage of active member payroll, and ii) when combined with present assets and future investment return be sufficient to meet the financial obligations of the Plan to current and future retirees.

The GASB statements are not funding requirements. They are accounting standards that require plan sponsors to calculate the annual expense associated with OPEB using certain methods.

The ultimate determination as to the level of pre-funding will be the result of decisions made in an attempt to support benefit security for members and the fiscal management needs of the employer.

APPENDIX B

GLOSSARY

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

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.”

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, turnover 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 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.

GLOSSARY

Annual Required Contribution (ARC). The ARC is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The ARC is an amount that is actuarially determined in accordance with the requirements so that, if paid on an ongoing basis, it would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. It is common practice for employers to allow retirees to continue in the employer's group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.

Medical Trend Rate (Health Care Inflation). The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

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.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

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

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

Valuation Assets. The value of current plan assets recognized for valuation purposes.

February 7, 2017

Ms. Deanna Korth
City Treasurer
City of Swartz Creek
8083 Civic Drive
Swartz Creek, Michigan 48473

Re: City of Swartz Creek Retiree Health Care Plan

Dear Ms. Korth:

Enclosed are two copies of our report of the actuarial valuation of the City of Swartz Creek Retiree Health Care Plan.

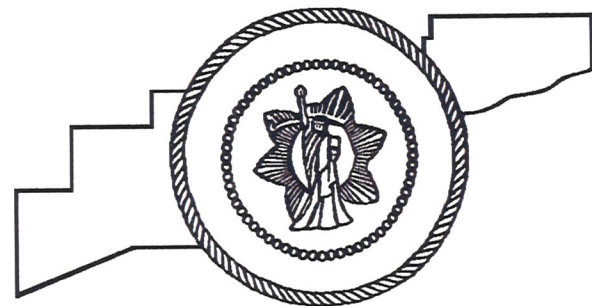
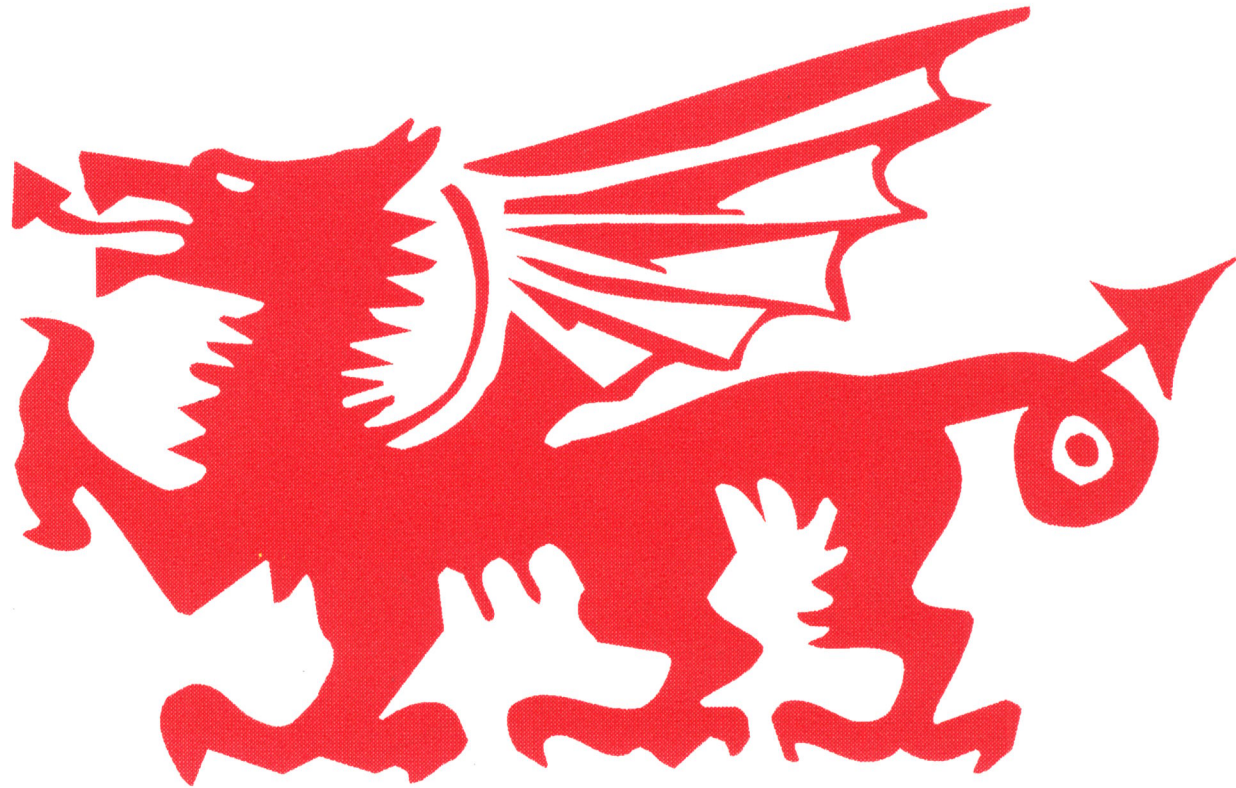
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Laura Frankowiak".

Laura Frankowiak, ASA, MAAA

LF:ah
Enclosures

SWARTZ CREEK



CITY OF SWARTZ CREEK



LEGAL SERVICES AGREEMENT

This Legal Services Agreement is between Simen, Figura & Parker, P.L.C., a Michigan professional liability corporation located at 5206 Gateway Centre, Suite 200, Flint, Michigan 48507 (“SFP”), and City of Swartz Creek, a Michigan home rule city located at 8083 Civic Drive, Swartz Creek, Michigan 48473 (“City”).

Recitals

WHEREAS, SFP currently serves as corporate counsel for the City; and

WHEREAS, SFP and the City have never before had a written Legal Services Agreement in place inasmuch as both sides acknowledge that SFP serves at the pleasure of the City Council; and

WHEREAS, the parties now wish to memorialize their understanding of the terms of SFP’s retention.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS AND PROMISES CONTAINED HEREIN, SFP and the City agree as follows:

1. Scope of Services.

SFP shall serve as City Attorney and be responsible for fulfilling the duties and functions of City Attorney as specified in Section 7.7 of the City Charter. Specifically, SFP “shall prosecute ordinance violations and shall represent the City in cases before the courts and other tribunals,” just as it has done for the last several decades;

2. Fees.

- a. SFP shall perform all legal services at the base hourly rate of \$125 per hour, regardless of the attorney who provides those services. This is billed in 1/10 increments;
- b. SFP will mail invoices to the City the first week of every month and the City shall tender payment within 30 days thereafter;
- c. SFP shall not bill travel time for any travel within Genesee or Lapeer counties;
- d. SFP will bill without markup actual out of pocket costs and expenses, such as recording or filing fees, court costs, travel expenses, deposition and other discovery expenses; and
- e. SFP will not charge for in-office copy, fax or other administrative charges.

3. Insurance.

SFP has and will maintain during the term of this Agreement worker's compensation and unemployment compensation insurance coverage for its employees.

SFP has and will maintain during the term of this Agreement general liability and professional liability malpractice coverage for its employees of not less than \$1 million, and general liability insurance for not less than \$1 million per occurrence.

4. Term.

The term of this Agreement shall commence February 27, 2017 and continue until termination by either party.

Simen, Figura & Parker, P.L.C.

Date: _____

Michael J. Gildner, Member

City of Swartz Creek

Date: _____

David A. Krueger, Mayor

Gov. Rick Snyder still has '\$1B worth of concerns' on new income tax proposal



Gov. Rick Snyder is still concerned over a proposal to roll back the state's income tax. In this photo he presented his budget to reporters on Feb. 8, 2017. (Emily Lawler | MLive.com)



By **Emily Lawler** | elawler@mlive.com

on February 22, 2017 at 7:00 AM, updated February 22, 2017 at 7:07 AM

LANSING, MI -- House Republicans on Tuesday switched from a proposal to eliminate the state income tax to a proposal to lower it, but the change failed to win the approval of Gov. Rick Snyder.

"I appreciate that House leadership took seriously my concerns about the long-term impact of the proposal, but I still have a billion dollars worth of concerns because there has been no plan presented as to how this will affect residents and their communities statewide," Snyder said in a statement issued on Tuesday night.

The House on Tuesday drastically amended the legislation. Originally the bill, House Bill 4001, would have gradually eliminated the income tax by 2057. Under the amended version, it would reduce the state's personal income tax from 4.25 to 3.9 percent by Jan. 1, 2021.



Income tax phase-out abandoned by Michigan House

The House Fiscal Agency in [an analysis](#) of the proposal said it would cost the state \$1.1 billion when fully implemented in Fiscal Year 2022.

Snyder, who [had concerns](#) about the initial version, also balked at the newer numbers.

"Half of a billion dollars will come due in 2019 and over one billion by 2022, years in which we have planned funding specifically to invest in modernizing our state's infrastructure. Improving our infrastructure shouldn't be postponed, and so I'd like to see a public plan as to how this will be paid for before I can lend my support to the new proposal," Snyder said.

But it's a priority for House Republicans, who hold a 63-46 majority in that chamber. Among its backers are House Speaker Tom Leonard, R-DeWitt, and sponsor Rep. Lee Chatfield, R-Levering.

Chatfield said Tuesday the new plan was in keeping with the spirit of the old one, but did not directly address why the changes were made.

"What I can tell you is that our caucus is dedicated to providing tax relief to the people of our state. That's what this plan does and that's why we're happy to see this discussion continue," Chatfield told reporters in a scrum.

Chatfield said the new version of the bill was in keeping with what the old one had set out to do: keep a Gov. Jennifer Granholm-era promise that the income tax would reduce to 3.9 percent. But it was Gov. Rick Snyder who undid that promise and froze the rate at 4.25 percent as part of a 2011 tax overhaul.

Along with the governor, Senate Majority Leader Arlan Meekhof, R-West Olive, and Democrats in both chambers have been critical of the original plan. Democrats in the House still weren't supportive of it with the revisions on Tuesday.

Rep. Jon Hoadley, D-Kalamazoo, also expressed concern that the state could not properly fund the roads or infrastructure without this revenue.

"I still see this as a, it's a billionaire tax giveaway. I mean right now there's no plan to replace the revenue that would be decimated from police and fire, let alone our schools. And anyone who wanted the roads fixed, this makes it even harder to do that," Hoadley said.

The full House could vote on the measure as soon as Wednesday, said Leonard spokesman Gideon D'Assandro. It would need to pass that body and the Senate, along with earning the governor's signature, to become law.

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**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION
NOTICE OF HEARING
FOR THE CUSTOMERS OF CONSUMERS
ENERGY COMPANY CASE NO. U-18250**

- Consumers Energy Company requests that the Michigan Public Service Commission issue a financing order approving the securitization of up to \$184.6 million of Qualified Costs and related approvals.
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, Michigan 49201, (800) 477-5050 for a free copy of its application. Any person may review the documents at the offices of Consumers Energy Company.
- A public hearing will be held:

DATE/TIME: **Thursday, March 9, 2017, at 9:00 a.m.**

This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters.

BEFORE: Administrative Law Judge **Sharon L. Feldman**

LOCATION: Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, Michigan

PARTICIPATION: Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at (517) 284-8090 in advance to request mobility, visual, hearing or other assistance.

The Michigan Public Service Commission (Commission) will hold a public hearing to consider Consumers Energy Company's (Consumers Energy) February 10, 2017 application, which seeks for the Commission to:

1. Issue a financing order applicable to Consumers Energy, its transferees, successors and assignees, pursuant to CCERA and other applicable law: (a) determining that the Palisades PPA Buyout Payment is reasonable and prudent and should be a regulatory asset for which Consumers Energy is authorized to recover the cost over a period of time; (b) declaring that the regulatory asset and related securitization transaction costs are qualified costs under CCERA; and (c) authorizing issuance of securitization bonds in an amount that will permit recovery of those qualified costs and other related costs. Such order shall reserve to Consumers Energy the sole discretion as to whether and when to proceed with a securitization transaction.

2. Authorize Consumers Energy in the financing order to impose a nonbypassable securitization charge payable to the issuer of the securitization bonds pursuant to CCERA as a separate item on customer bills, to

be rendered on and after the issuance of securitization bonds, and that is sufficient to pay: (a) the principal and interest of the bonds; (b) other costs associated with the issuance of the bonds; and (c) service and ongoing support of the securitization bonds and the issuer of the bonds.

3. Authorize Consumers Energy to include necessary language in its tariffs to accomplish the imposition of the above-referenced nonbypassable securitization charge and initially implement and periodically true-up the securitization charge.

4. Authorize Consumers Energy to employ appropriate methodology to account for the transactions contemplated by the financing order, including granting any additional accounting authority and appropriate ratemaking treatment.

5. Grant to Consumers Energy, pursuant to MCL 460.10i(9), the authority to refund and retire any or all of the securitization bonds that are issued pursuant to this proceeding upon demonstration of an ability to refinance under applicable bond covenants and that securitization charges to service new securitization bonds, including transaction costs, would be less than the securitization charges required to service the securitization bonds being refunded.

6. Authorize Consumers Energy to create a special purpose entity to which it could transfer securitization property and approve transfers of the securitization property under the financing order issued in this proceeding and rights thereunder to any transferee, successor or assignee, of Consumers Energy in accordance with CCERA.

7. Other relief.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 284-8090 or by email at: mpscedockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by March 2, 2017. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Consumers Energy's attorney, Paul Michael Collins, Miller, Canfield, Paddock and Stone, P.L.C. One Michigan Avenue, Suite 900 Lansing, Michigan 48933.

Any person wishing to appear at the hearing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his or her wish to make a statement of position. All information submitted to the Commission in this matter becomes public information, thus available on the Michigan Public Service Commission's website, and subject to disclosure. Please do not include information you wish to remain private.

Requests for adjournment must be made pursuant to the Michigan Administrative Hearing System's Administrative Hearing Rules R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to (517) 284-8130.

A copy of Consumers Energy's application may be reviewed on the Commission's website at: michigan.gov/mpscedockets, and at the office of Consumers Energy Company. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Michigan Administrative Hearing System's Administrative Hearing Rules, 2015 AC, R 792.10401 et seq.

**[THE MICHIGAN PUBLIC SERVICE COMMISSION MAY APPROVE,
REJECT, OR AMEND PROPOSALS MADE BY CONSUMERS ENERGY.]**

1070-E

**CITY OF SWARTZ CREEK
SWARTZ CREEK, MICHIGAN
STREET PROJECT SELECTION COMMITTEE
MINUTES OF FEBRUARY 22, 2017**

Meeting called to order by Chairman Krueger at 8:30 a.m.

Members Present: Dennis Cramer, Craig Culinski, Lou Fluery, Deanna Korth, David Krueger, Dennis Pinkston, Tom Svrcek, & Adam Zettel

Members Absent: Dennis Novak & Tom Traciak

Others Present: Curt Porath, Fey Porath, & Nathan Barnett.

APPROVAL OF AGENDA: Motion by Cramer to approve the agenda, with the addition of the February 22, 2017, supported by Pinkston. Motion carried unanimously by voice vote.

MEETING OPEN TO THE PUBLIC:

No general comments

Business: Waste Management Plan.

Mr. Zettel described the staging and waste management plan for 2017. This included use of the middle parking lot by the tennis courts in Winshall Park for waste drop off. The area by Whitney Court may also be used and expanded with the intention of using this area of the park over the life of the street program. City land on the southwest corner of Hill and Seymour Roads may also be used. There were no additional comments.

The Consumers Energy gas replacement plan was discussed. CE will replace front yard gas main and services in the project area. This should be done by the end of March.

Forestry Options.

The committee discussed the merits of taking down additional trees that will not otherwise need to be removed for the water main project. The engineer and Mr. Svrcek believe that the timing and pricing is right to be rid of older trees in the right of way as a means to save money, protect infrastructure, and balance the appearance of the road. The committee favored the idea of removing most of the trees, with a few exceptions for younger ones. Replacing the trees, in terms of types and number, will be discussed at the next meeting. Mr. Barnett, who owns a local business and is trained in arbor activity, had some ideas. The committee could consider a hybrid poplar or cedar trees. Pictures will be forwarded to the group.

Lighting

Decorative lighting options were thoroughly investigated. For CE to supply and install decorative fixtures, the cost would be about \$150,000. For the city to own and install lines, the cost would be about \$138,000. CE indicates that overhead service can be provided to fiberglass corbra head LED's for about \$700 per fixture. Given the uncertainty of street costs and revenues moving forward, the committee favored a more conservative approach to spending on the added feature of decorative lights. The concept of the fiberglass LED in conjunction with one or two gateway features will be considered at the next meeting as a means to accomplish the positive branding that was sought.

Communication Plan

The contractor and engineer are expected to use door hangers and direct contact to convey the most important and variable features of the project to residents. This could include times of limited drive access, water shut off, etc. In addition, the city intends to maintain a webpage update site, a Facebook presence, and to provide information in the spring newsletter. The committee also requested a special mailer to residents with general project data. There is interest in a master bulletin board at the waste drop off site that has project data, costs, timelines, and notices. Lastly, a half dozen signs promoting the 20 year plan at the various job sites is desired. This could include identification of the funding source and the year of the plan. Details are expected to be vetted at the next meeting.

Future Projects

The committee was introduced the various factors that are going to influence future projects. These factors include the ability to negotiate costs vs. bidding each year, change orders for work in 2017, cost overruns in 2017, ability/desire to borrow in the future, and future state road revenues levels. There were not decisions made on this matter as the 2017 project is still uncertain.

Sidewalk Replacement

Discussion arose concerning the replacement of sidewalk on the side of the street that did not have water main. This was estimated to cost an additional \$105,000. The committee strongly favored doing this. Mr. Fleury cautioned that cost overruns may make this prohibitive, that a decision could be made later. The committee will revisit this at their next meeting.

MEETING OPEN TO THE PUBLIC:

No general comments.

MEMBER COMMENTS:

None.

The next meeting was set for Wednesday, March 1, 2017 at 9:00 a.m. at the PDBMB.

The meeting was adjourned by Mr. Krueger at 9:45 a.m.

AHZ