

# City of Swartz Creek

## AGENDA

Regular Council Meeting, Monday, June 24, 2024, 7:00 P.M.

Paul D. Bueche Municipal Building, 8083 Civic Drive Swartz Creek, Michigan 48473

**THIS WILL BE A HYBRID MEETING, WITH IN PERSON ATTENDANCE BY COUNCIL MEMBERS.**

1. **CALL TO ORDER:**
2. **INVOCATION & PLEDGE OF ALLEGIANCE:**
3. **ROLL CALL:**
4. **MOTION TO APPROVE MINUTES:**
  - 4A. Council Meeting of June 10, 2024 MOTION Pg. 30
5. **APPROVE AGENDA:**
  - 5A. Proposed / Amended Agenda MOTION Pg. 1
6. **REPORTS & COMMUNICATIONS:**
  - 6A. City Manager's Report MOTION Pg. 8
  - 6B. Staff Reports & Meeting Minutes Pg. 36
  - 6C. 2023 OPEB and MERS Evaluations Pg. 42
  - 6D. Pension Educational Materials Pg. 96
  - 6E. GFL Sale to Priority Waste Pg. 108
  - 6F. CDBG Sidewalk Quote Pg. 110
  - 6G. Eagle Scout Bike Rack Donation Forthcoming
  - 6H. Financial Services Agreement Pg. 161
  - 6I. State Tax Commission Assessing Department Audit Report Pg. 162
  - 6J. Fiscal Year 2024 Year End Budget Adjustments Pg. 164
  - 6K. Marketing Plan Update Pg. 174
  - 6L. Consumers Energy Notice of Hearing Pg. 207
  - 6M. GFL Agreement Link
7. **MEETING OPENED TO THE PUBLIC:**
  - 7A. General Public Comments
8. **COUNCIL BUSINESS:**
  - 8A. Marketing Plan Update RESO Pg. 24
  - 8B. GFL Sale Assignment RESO Pg. 25
  - 8C. CDBG Sidewalk Quote Approval RESO Pg. 26
  - 8D. Eagle Scout Bike Rack Donation Approval RESO Pg. 26
  - 8E. Fiscal Year 2024 Budget Adjustments RESO Pg. 27
  - 8F. Financial Services Agreement RESO Pg. 28
9. **MEETING OPENED TO THE PUBLIC:**
10. **REMARKS BY COUNCILMEMBERS:**
11. **ADJOURNMENT:** MOTION Pg. 28

### Next Month Calendar (Public Welcome at All Meetings)

Metro Police Board:	Wednesday, June 26, 2024, 11:00 a.m., Metro HQ
City Council	Monday, July 8, 2024, 7:00 p.m., PDBMB
Planning Commission:	Tuesday, July 9, 2024, 7:00 p.m., PDBMB (One week later)
Downtown Development Authority:	Thursday, July 11, 2024, 6:00 p.m., PDBMB
Fire Board:	Monday, July 15, 2024, 6:00 p.m., Station #1
Park Board:	Tuesday, July 16, 2024, 5:30 p.m. PDBMB
Zoning Board of Appeals:	Wednesday, July 17, 2024, 6:00 p.m., PDBMB
City Council:	Monday, July 22, 2024, 7:00 p.m., PDBMB

## **City of Swartz Creek Mission Statement**

The City shall provide a full range of public services in a professional and competent manner, assuring that the needs of our constituents are met in an effective and fiscally responsible manner, thus promoting a high standard of community life.

## **City of Swartz Creek Values**

The City of Swartz Creek's Mission Statement is guided by a set of values which serve as a common operating basis for all City employees. These values provide a common understanding of responsibilities and expectations that enable the City to achieve its overall mission. The City's values are as follows:

### ***Honesty, Integrity and Fairness***

The City expects and values trust, openness, honesty and integrity in the words and actions of its employees. All employees, officials, and elected officials are expected to interact with each other openly and honestly and display ethical behavior while performing his/her job responsibilities. Administrators and department heads shall develop and cultivate a work environment in which employees feel valued and recognize that each individual is an integral component in accomplishing the mission of the City.

### ***Fiscal Responsibility***

Budget awareness is to be exercised on a continual basis. All employees are expected to be conscientious of and adhere to mandated budgets and spending plans.

### ***Public Service***

The goal of the City is to serve the public. This responsibility includes providing a wide range of services to the community in a timely and cost-effective manner.

### ***Embrace Employee Diversity and Employee Contribution, Development and Safety***

The City is an equal opportunity employer and encourages diversity in its work force, recognizing that each employee has unlimited potential to become a productive member of the City's team. Each employee will be treated with the level of respect that will allow that individual to achieve his/her full potential as a contributing member of the City staff. The City also strives to provide a safe and secure work environment that enables employees to function at his/her peak performance level. Professional growth opportunities, as well as teamwork, are promoted through the sharing of ideas and resources. Employees are recognized for his/her dedication and commitment to excellence.

### ***Expect Excellence***

The City values and expects excellence from all employees. Just "doing the job" is not enough; rather, it is expected that employees will consistently search for more effective ways of meeting the City's goals.

### ***Respect the Dignity of Others***

Employees shall be professional and show respect to each other and to the public.

### ***Promote Protective Thinking and Innovative Suggestions***

Employees shall take the responsibility to look for and advocate new ways of continuously improving the services offered by the City. It is expected that employees will perform to the best of his/her abilities and shall be responsible for his/her behavior and for fulfilling the professional commitments they make. Administrators and department heads shall encourage proactive thinking and embrace innovative suggestions from employees.

**CITY OF SWARTZ CREEK  
VIRTUAL REGULAR CITY COUNCIL MEETING ACCESS INSTRUCTIONS  
MONDAY, June 24, 2024, 7:00 P.M.**

The regular meeting of the City of Swartz Creek city council is scheduled for **June 24, 2024** starting at 7:00 p.m. and will be conducted in hybrid form. The meeting will be available virtually (online and/or by phone). Council members and staff must attend in-person. The general public may attend in-person or virtually.

To comply with the **Americans with Disabilities Act (ADA)**, any citizen requesting accommodation to attend this meeting, and/or to obtain the notice in alternate formats, please contact Renee Kraft, 810-429-2766, 48 hours prior to meeting,

**Zoom Instructions for Participants**

**To join the conference by phone:**

1. On your phone, dial the teleconferencing number provided below.
2. Enter the **Meeting ID** number (also provided below) when prompted using your touch-tone (DTMF) keypad.

**Before a videoconference:**

1. You will need a computer, tablet, or smartphone with speaker or headphones. You will have the opportunity to check your audio immediately upon joining a meeting.
2. Details, phone numbers, and links to videoconference or conference call is provided below. The details include a link to “**Join via computer**” as well as phone numbers for a conference call option. It will also include the 9-digit Meeting ID.

**To join the videoconference:**

1. At the start time of your meeting, enter the link to join via computer. You may be instructed to download the Zoom application.
2. You have an opportunity to test your audio at this point by clicking on “Test Computer Audio.” Once you are satisfied that your audio works, click on “Join audio by computer.”

You may also join a meeting without the link by going to [join.zoom.us](https://join.zoom.us) on any browser and entering the Meeting ID provided below.

If you are having trouble hearing the meeting, you can join via telephone while remaining on the video conference:

1. On your phone, dial the teleconferencing number provided below.
2. Enter the **Meeting ID number** (also provided below) when prompted using your touchtone (DMTF) keypad.
3. If you have already joined the meeting via computer, you will have the option to enter your participant ID to be associated with your computer.

**Participant controls in the lower left corner of the Zoom screen:**



Using the icons in the lower left corner of the Zoom screen you can:

- Mute/Unmute your microphone (far left)
- Turn on/off camera (“Start/Stop Video”)
- Invite other participants
- View participant list-opens a pop-out screen that includes a “Raise Hand” icon that you may use to raise a virtual hand during Call to the Public
- Change your screen name that is seen in the participant list and video window
- Share your screen

Somewhere (usually upper right corner on your computer screen) on your Zoom screen you will also see a choice to toggle between “speaker” and “gallery” view. “Speaker view” show the active speaker.

**Renee Kraft is inviting you to a scheduled Zoom meeting.**

**Topic: Swartz Creek City Council Meeting**

**Time: June 24, 2024 at 7:00 PM Eastern Time (US and Canada)**

**Join Zoom Meeting**

<https://us02web.zoom.us/j/83096401128>

**Meeting ID: 830 9640 1128**

**One tap mobile**

**+13017158592,,83096401128# US (Washington DC)**

**+13126266799,,83096401128# US (Chicago)**

**Dial by your location**

**+1 301 715 8592 US (Washington DC)**

**+1 312 626 6799 US (Chicago)**

**+1 929 205 6099 US (New York)**

**+1 253 215 8782 US (Tacoma)**

**+1 346 248 7799 US (Houston)**

**+1 669 900 6833 US (San Jose)**

**Meeting ID: 830 9640 1128**

**Find your local number: <https://us02web.zoom.us/u/kz4Jb4etg>**

**If you have any further questions or concerns, please contact 810-429-2766 or email [rkraft@cityofswartzcreek.org](mailto:rkraft@cityofswartzcreek.org).**

**A copy of this notice will be posted at City Hall, 8083 Civic Drive, Swartz Creek, Michigan.**

## **CITY OF SWARTZ CREEK VIRTUAL (ELECTRONIC) MEETING RULES AND PROCEDURES**

In order to conduct an effective, open, accessible, and professional meeting, the following protocols shall apply. These protocols are derived from the standard practices of Swartz Creek public meetings, Roberts Rules of Order, the City Council General Operating Procedures, and other public board & commission procedures. These procedures are adopted to govern participation by staff, councilpersons and members of the public in all City meetings held electronically pursuant to PA 228 of 2020. Note that these protocols do not replace or eliminate established procedures or practices. Their purpose is to augment standing expectations so that practices can be adapted to a virtual meeting format.

The following shall apply to virtual meetings of the city's public bodies that are held in accordance with the Open Meetings Act.

1. Meetings of the City Council, Planning Commission, Zoning Board of Appeals, Downtown Development Authority, Park Board, or committees thereunder may meet electronically or permit electronic participation in such meetings insofar as (1) the Michigan Department of Health and Human Services restricts the number of persons who can gather indoors due to the COVID-19 pandemic; (2) there is in place a statewide or local state of emergency or state of disaster declared pursuant to law or charter by the governor or other person authorized to declare a state of emergency or disaster.
2. All meetings held hereunder must provide for two-way communication so that members of the public body can hear and respond to members of the general public, and vice versa.
3. Members of the public body who participate remotely must announce at the outset of the meeting that he/she is in fact attending the meeting remotely and by further identifying the specific physical location (by county, township, village and state) where he/she is located. The meeting minutes must include this information.
4. Notice of any meeting held electronically must be posted at the City Offices at least 18 hours before the meeting begins and must clearly explain the following:
  - (a) why the public body is meeting electronically;
  - (b) how members of the public may participate in the meeting electronically, including the specific telephone number, internet address or similar log-in information needed to participate in the meeting;
  - (c) how members of the public may contact members of the public body to provide input or ask questions on any business that will come before the public body at the meeting;
  - (d) how persons with disabilities may participate in the meeting.
5. The notice identified above must also be posted on the City's website homepage or on a separate webpage dedicated to public notices for non-regularly scheduled or electronic

public meetings that is accessible through a prominent and conspicuous link on the website's homepage that clearly describes the meeting's purpose.

6. The City must also post on the City website an agenda of the meeting at least 2 hours before the meeting begins.
7. Members of the public may offer comment only when the Chair recognizes them and under rules established by the City.
8. Members of the public who participate in a meeting held electronically may be excluded from participation in a closed session that is convened and held in compliance with the Open Meetings Act.

## **MAINTAINING ORDER**

Public body members and all individuals participating shall preserve order and shall do nothing to interrupt or delay the proceedings of public body.

All speakers shall identify themselves prior to each comment that follows another speaker, and they shall also indicate termination of their comment. For example, "Adam Zettel speaking. There were no new water main breaks to report last month. That is all."

Any participants found to disrupt a meeting shall be promptly removed by the city clerk or by order of the Mayor. Profanity in visual or auditory form is prohibited.

The public body members, participating staff, and recognized staff/consultants/presenters shall be the only participants not muted by default. All other members must request to speak by raising their digital hand on the virtual application or by dialing \*9 on their phone, if applicable.

## **MOTIONS & RESOLUTIONS**

All Motions and Resolutions, whenever possible, shall be pre-written and in the positive, meaning yes is approved and no is defeated. All motions shall require support. A public body member who reads/moves for a motion may oppose, argue against or vote no on the motion.

## **PUBLIC ADDRESS OF COUNCIL**

The public shall be allowed to address a public body under the following conditions:

1. Each person who wishes to address the public body will be first recognized by the Mayor or Chair and requested to state his / her name and address. This applies to staff, petitioners, consultants, and similar participants.
2. Individuals shall seek to be recognized by raising their digital hand as appropriate on the digital application.
3. Petitioners are encouraged to appropriately identify their digital presence so they can be easily recognized during business. If you intend to call in only, please notify the clerk in advance of your phone number.

4. The city clerk shall unmute participants and the members of the public based upon the direction of the mayor or chair. Participants not recognized for this purpose shall be muted by default, including staff, petitioners, and consultants.
5. Individuals shall be allowed five (5) minutes to address the public body, unless special permission is otherwise requested and granted by the Mayor or Chair.
6. There shall be no questioning of speakers by the audience; however, the public body, upon recognition of the Mayor or Chair, may question the speaker.
7. No one shall be allowed to address the public body more than once unless special permission is requested, and granted by the Mayor or Chair.
8. One spokesperson for a group attending together will be allowed five (5) minutes to address the public body unless special permission has been requested and granted by the Mayor or Chair.
9. Those addressing the public body shall refrain from being repetitive of information already presented.
10. All comments and / or questions shall be directed to and through the Mayor or Chair.
11. Public comments (those not on the agenda as speakers, petitioners, staff, and consultants) are reserved for the two "Public Comment" sections of the agenda and public hearings.

## **VOTING RECORD OF PUBLIC BODIES**

All motions, ordinances, and resolutions shall be taken by "YES" and "NO" voice vote and the vote of each member entered upon the journal.

**City of Swartz Creek  
CITY MANAGER'S REPORT**

**Regular Council Meeting of Monday, June 24, 2024 - 7:00 P.M.**

**TO: Honorable Mayor, Mayor Pro-Tem & Council Members**

**FROM: Adam Zettel, City Manager**

**DATE: June 19, 2024**

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**ROUTINE BUSINESS – REVISITED ISSUES / PROJECTS**

✓ **MICHIGAN TAX TRIBUNAL APPEALS** *(No Change of Status)*  
There were no appeals for 2024. Tax day of December 31, 2023 will set the table for assessment notification distribution in February, with appeals in March or thereafter (for commercial). We typically have an understanding of the commercial appeal potential by May or June.

✓ **STREETS** *(See Individual Category)*

✓ **2020-2023 TRAFFIC IMPROVEMENT PROGRAM (TIP)** *(Update)*

The Miller Road rehabilitation is complete, with the exception of bike lane markings. We are having difficulty getting M&M to return to add these markings, as well as the speed limit stenciling.

There are no further TIP projects planned for the current three-year cycle.

The 2026-2029 TIP cycle is going to be open to applications this fall. We will be learning more about available funds, special conditions, and expectations of applications in late summer. Tentatively, I recommend we include the asphalt sections of Miller Road, Dye to Morrish. This section has a decent base, but the surface will begin to deteriorate quickly based upon the expected life cycle of the rehabilitation. While Elms and Bristol may be showing more stress, the scale of Miller Road, combined with its volume, width, and functional classification make this a good candidate for optimization of federal funds.

✓ **STREET PROJECT UPDATES** *(Update)*

*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. Information from previous reports can be found in prior city council packets.*

Council approved the extension of existing unit pricing for three additional street sections (note that these prices were updated by a May 9 supplement that was distributed at the meeting).

The sections are:

1. Maple (Crapo to end)	\$36,032.25
2. School (Ingalls to end)	\$38,426.00
3. Raubinger (Miller to bridge)	\$27,781.25



Total                    \$102,239.50 estimated =  
                                  +\$1,500 additional mobilization

Note that Elms is included in the estimate, but this section was more advantageous to have completed by the Genesee County Road Commission. In addition, there may be enough to extend the School Street repair north to butt up with the most recent repair North of Ingalls. We are also exploring rehabilitation of a small stretch on Morrish (a major street) south of Miller.

If affordable and prudent, small sections may be added to this scope, provided we are able to move the street plan forward at competitive prices. Once such addition is the extension of the School Street repairs to align with the most recent repair on the north end.

Road striping is underway. We expect the line striping city-wide, with the potential exception of Seymour (due to construction). We also will be getting special markings for the Miller Road bike lanes, stop bars, and crosswalks. Railroad striping has been completed.

Concerning the special lane stencils for speed (e.g. 25 MPH), we expect to have markings throughout downtown and on Seymour Road. Ingalls Street has also been approved for marking.

The Genesee County Road Commission is set to rehabilitate a small section of Elms, north of the bridge. This work has commenced. Note that there is a water main project occurring south of the city on Elms that may disrupt this project.

In addition, we have ordered engineering services for Don Shenk Street reconstruction, as well as Cappy Lane and water main work. Note that Don Shenk does not require water main replacement, and part of Cappy Lane is also of newer street and water main. We should have enough funds to complete this project in the 2025 construction season. If not, I will recommend use of major street fund dollars for Cappy Lane and/or short term internal borrowing.

We are now soliciting bids for seal coating overlays (FOG seal) for select streets that are in need of preservation but are not yet in need of a mill and resurfacing. We are looking to bid some local streets for this treatment and bring the results to the council. We may target a neighborhood like Otterburn Heights or Heritage to ascertain the effectiveness of this treatment.

Street reconstruction for Winchester Village is moving forward, with project completion by the end of summer likely. This is making life very busy and inconvenient for residents in Winchester Village. We have been updating those impacted with direct mailings, door hangers, and electronic communications.

Related to this project, the contractor is claiming that there is an issue with the subbase in areas of the village, and they indicate that they will likely file a claim for additional compensation to manage this. Our engineer does not see any validity to this. We met on the matter on June 7<sup>th</sup>, and it appears that there was a misunderstanding regarding

responsibility for aggregate maintenance on the street beds. Paving has commenced, and I believe this issue is behind us.

Street rehabilitation with limited drainage in Winchester Woods is nearly complete! Paving has occurred for all areas except a section of Young Drive. This section was postponed pending potential drive/ditch work. It will be paved when the contractor mobilizes to tackle the other approved local street sections.

Note that we have added some work to this in the field, resulting in a few more ditches and culverts being graded and/or upsized. I expect this to be about \$40,000 in additional work that will help improve the current situation for many and improve the future situation for all. The idea is to set the more downstream drains at the proper elevation and size to accommodate any future improvements upstream.

Concerning the Morrish overpass, the county is going to work on the existing drain structures that are deficient. We will use our DPW to keep the guardrails and slopes in the best condition possible with our resources. A larger investment by MDOT at some future point will be required.

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

✓ **SEWER REHABILITATION PROGRAM** (*Update*)

The first three miles of cleaning and inspections (two sections of Miller, Dye, and all of Elms) have commenced. I expect this project to be complete very soon. We will report findings to the city council regarding the potential for additional sewer repair work in the areas that were televised.

This effort is part of a program to clean and inspect the entire sewer system approximately every eight years. We believe this is a prudent time frame until we can assess all lines at least once. Note that Genesee County was on a seven-year schedule, but after an experience study, they moved to a ten-year schedule. Further note that some segments (e.g. Miller and Elms) will be done more frequently due to known build-up issues.

This program will ensure proper flow of the system, but it cannot ensure elimination of all blockages. Televising of the lines will be conducted with inspection of manholes. This will provide the city with information to plan future lining, excavation, or manhole rehabilitation projects, if any. As noted previously, we believe we have addressed most, if not all, of the high-risk clay lines. The cleaning and inspection program will determine if any of the newer clay lines (1970s era) require work. With this information we can create a revised asset management plan.

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

All water main work is substantially complete. There is some obvious restoration to do, which will take USDA closeout into winter, but for all intents and purposes, the water main is in and we are done with this phase of USDA work.

✓ **WATER/SEWER SYSTEM MISCELLANEOUS** (*Update*)

See prior reports (May 28, 2024) for updates on PFAS and water affordability.

Work is underway on a new section of water main that will connect Elms/Maple to Hill, and on to Morrish. This will provide some additional redundancy for the system. Water main is being installed on Elms, between Maple and Hill. Connection down Hill to Seymour is expected next year. These two connections will greatly increase reliability in the city, especially on our extreme west end, where we have a pronounced need for a second feed from either Clayton or Gaines. As a side note, this could encourage some new development south of the city, which is common to experience when utilities are extended during strong economic periods.

✓ **HERITAGE VACANT LOTS** (*No Change of Status*)

Another privately owned lot is having a new home built.

The city also has two more lots that were acquired through the tax reversion process. There is interest by the builder to proceed with acquisition and construction. In addition, the association manager reached out about permitted designs and builders for the subdivision. There could be renewed interest in some building. This would finally clear us of the subdivision and put the association in a better position to build membership and dues for their operations.

Though the city cannot retain funds in addition to expenses for these lots, we are still expected to sell them at market value. Listings in Heritage for vacant units are \$10,000-\$12,000, and none of them are moving. I propose a price of \$10,000 for each lot. If there is no objection, I will bring this back to the council for the first step of the sale process.

✓ **NEWSLETTER** (*Update*)

The summer newsletter is due to go out in early July. Let me know if you have content.

✓ **CONSTRUCTION & DEVELOPMENT UPDATE** (*See Individual Category*)

This will be a standing section of the report that provides a consolidated list for a brief status on public and private construction/developmental projects in the city.

1. The **two out-buildings on the raceway grounds are down** and the impacted areas are cleared. Prices are now in for the main building demolition, as well as the remaining out buildings. The owner intends to have the site razed for future use in 2024. The site is not formally for sale, nor is there a concept plan for reuse. I contacted the owner on May 15 and encouraged him to market the site, with the understanding that 'mega site' acreage is selling for \$30,000/acre.
2. (*Update*) The **reuse of Mary Crapo is becoming a reality**. The school has approved phase one of a varsity baseball field. They are including plans for a partnership that may allow the DDA to pursue seasonal skating and/or public art. It appears this is still part of the plan with two pickleball courts that can double as skating in the winter. There is a preliminary meeting to discuss construction on June 20<sup>th</sup>.
3. **Street repair in 2024** is moving forward. All projects are underway and are trending towards completion prior to school returning to session in the fall. In addition, we have ordered repair by the GCRC of a small section of Elms. School, Maple, and Raubinger are due for repairs. There is also potential to apply a FOG seal to select streets.

4. The **Brewer Condo Project** first tri-plex is complete and all units are sold. The building is seeking to revisit future phases to correct for the lack of a ground floor master bedroom. He believes they can redesign the layout to accommodate this need, which might result in the future phases being multi-story duplexes. I indicated that this may be the best path forward. A site plan revision would be necessary.
5. The current phase of **Springbrook East is about to complete construction**. We created a punch list for the infrastructure improvements. Once complete, the plan is for the city to approve a formal street dedication soon (these streets are public). CE lighting has been approved. **There was a sale of this project's future phases and real estate**. It appears JW Morgan and another partner are in control of future phases.
6. The **southwest corner of Elms & Miller** is seeing some increased activity. We met with the owner and an architect on some preliminary plans. I expect to have a site plan in 30 days. The demolition is complete.
7. **(Update) Park projects** currently include an active grant application for Otterburn, pavilion repairs at Elms and application of more asphalt millings to all parking areas. The park board recommends interpretive signs, bike racks, and benches for the coming year. Pickleball courts are now in at Elms Park. A FLOCK camera has been ordered for Elms, and fence repair work has been bid out as well.
8. **New Businesses**. Financing for the Book Nook appears to have been approved. We have two or three downtown businesses asking about the façade program.
9. **Mundy Megasite/Costco**. The Michigan Strategic Fund has allocated \$250,000,000 to this site, primarily for land acquisition. Concerning the MEGA site, acquisition of some properties that are under contract has occurred. This makes the prospect of something happening here much more real, even if it is on a smaller scale. Note that there is still no movement on street infrastructure strategies or investment. We are told that no improvements will be implemented without a user. Costco has commenced work for their new location off Hill Road by US 23.
10. **(Update) Holland Square** has plans and a preliminary cost for improvement of a market-style shelter. A steering committee has met and is working towards a final product, with results by fall. Currently, the architect and builder are revising plans. Samantha is hopeful that we landed a \$75,000 grant!
11. **Wayfinding** is another project that the DDA is pursuing. It has funding support of \$20,000 from the state and \$20,000 from the DDA. A steering committee has been established for this as well. It appears the consultants can commence work on this in June.
12. The DDA is considering a **Social District**. With the potential for another tavern coming, the city has the ability to designate a commons area in the community. This was discussed by the DDA on April 11<sup>th</sup>. There was no desire to proceed at this point.
13. **(Update) The small business hub** is active. The dedicated staff member, Stephanie Norman, has moved on. Terance Green is now the dedicated employee for our location. He will be here on Wednesdays from 9am to 4pm, with the exception of the first Wednesday of each month.

✓ **REDEVELOPMENT READY COMMUNITIES (Business Item)**

We have submitted most of the items required for renewal of the MEDC. This is due in the fall, and I do not see any issues maintaining standards. There is one final item that requires city council approval and that is the marketing plan. Samantha has concluded an update to

our current plan to account for new tasks and completed tasks. This is not something that requires a high degree of scrutiny by various boards, as it did when we first engaged as an RRC community. As such, she essentially updated the plan as it relates to tasks completed and to include new provisions from the other planning documents that have been revised recently. This plan is attached, and I am requesting that the city council approve this to complete our RRC renewal. If you have any questions or comments, please reach out to me beforehand so I have time to liaise with Samantha.

The wayfinding program (see below) is mostly funded through this program. Thanks MEDC!

The Methodist Church project is being marketed, and Samantha has some new retail targeting lead software that should help. As of writing, there do not appear to be any active leads.

There are not any active downtown property initiatives at the moment.

The DDA is also taking the lead on Holland Square, which is a candidate for a future crowdfunding program. Please see the dedicated section below.

✓ **TAX REVERTED PROPERTY USE (Update)**

Concerning previously acquired property, the Wade Street property that the city acquired on the corner of Second Street is in the flood plain. J.W. Morgan was looking at it, but they have their hands full elsewhere, and this is a marginal site. I think we should consider looking to sell the property to a neighbor or having a home built ourselves.

As it happens, the neighbor to the west called and expressed interest in buying this to add to their homesite. I made an inquiry of the assessor to determine its value. She indicated that it would be worth \$15,000 but for the floodplain. She feels \$5,000 to \$6,000 would be fair given the floodplain building requirements. I relayed this to the neighbor, and I received an email reply from them. They offer \$3,000 cash to purchase this lot.

I am not sure if the council wishes to formally entertain this offer as-is or to perhaps counter. The council could also have the planning commission and/or DDA make a recommendation regarding the disposition of this lot to a neighbor. This is not being placed on the agenda at this time, but if any council member believes this offer is worth considering it is probably worth discussion. Let me know.

✓ **CDBG (Update)**

We have one last attempt before us to spend these CDBG funds in a meaningful way. As noted previously, construction of an ADA sidewalk that meets federal requirements, using federal wages, is not conducive to connecting the sidewalks on Mclain and School Streets to the trail. Making these connections from the trail to where sidewalk terminates carries a cost of approximately \$150,000, and we only have about \$35,000 available. Note that we did not receive any bids for this work, but we were eventually able to solicit interest in quotes, which the Genesee County Metropolitan Planning Commission indicated were acceptable.

In lieu of this, we sought quotes to connect the first driveway on School and Mclain to the trail. This connection would at least provide a hard surface during all seasons to access the

path for school walkers and other users. This work cost about \$13,000. Given that we had some additional funds, we found a scope of work that appeared reasonable to add to this, which includes two connections on nearby Ingalls that will complete the walk on that side of the street.

We have a quote submitted for this work that includes an acknowledgement of the bid requirements. The price is \$56,070. I am attempting to confirm that the GCMPC will authorize use of the \$35,721 for this project. If so, the council can proceed with the project as quoted, which will require \$20,349 in general or DDA funds. The city council also has the ability to pass on this or to award only the trail connections, leaving some funds on the table.

I am including a resolution to approve the work. However, given the tightness of the general fund, it may be more prudent to complete the connectors and repairs only, leaving some funds on the table. If that is the case, I will see if these can be transferred to the senior center.

The full applications for the next cycle (2025-2027) have been submitted. This includes senior services and downtown decorative lighting.

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

Shattered Chains held another volunteering event during the weekend of Hometown Days. They had some equipment donated for temporary use, so they were able to clear drains, add culverts, and tackle other grading issues. They are also in the final phases of getting tee pads installed and fairways mowed!

✓ **PAVILION COMMITMENT/GRANTS** *(No Change of Status)*

We have great news! We met with the other communities that are receiving federal funding through Kildee's office, as well as the Genesee County Metropolitan Planning Commission, and Genesee County Parks. After discussion, it was agreed to split the \$850,000 evenly, making our share \$283,333.33. This is great news and feeds into our other grant application!

Our grant writer has submitted another application for Otterburn Park. See the March 11, 2024 packet for details. The project now includes a pavilion, restrooms, a path, bike station, gates, sign, and ADA parking. The estimated total cost is \$600,000. This concept includes all original work items, excluding the disc golf and sledding hill (now complete), as well as a secondary pavilion on the far north of the site, which is not affordable.

✓ **SPEEDING AND TRAFFIC CONTROL** *(No Change of Status)*

We are going to mark Ingalls with the new scheme as soon as possible. We are also awaiting the "25 MPH" and "30 MPH" stencils for various locations across the city. Combined with our other efforts, we expect this will help create more awareness and help to reduce speeds.

✓ **FIBER INSTALLATION** *(No Change of Status)*

Fiber installation continues across the city. We have been working with Verizon on some issues related to restoration. In doing so, we have found a good contact that has been very responsive to specific issues with the fiber installation, older assets of Verizon, and general



quality control. This service will provide the community with valuable high-speed service, as well as the potential for enhanced 5G.

✓ **SOLAR SYSTEM MODEL** *(No Change of Status)*

We reached our fundraising goal! The solar model should be installed by fall! We met with the sign contractor on June 3 to consider final design and ordering of the signs. See the April 8, 2024 council packet for more details.

✓ **CROSS CONNECTION SHUT OFFS** *(No Change of Status)*

Much progress has been made since the residential cross connection inspection program inception. However, a number of homes have not had the opportunity to comply, and some are still hesitant to comply. We have renewed the program for another two years and hope to get through most of the units by the end. Some will likely not comply without a turn off, but that is a last resort.

As previously noted, we have postponed imminent shut-offs and the related hearings before the city council. I have concerns that there are not enough inspection slots for all outstanding inspections to sign up, making the process impossible to complete for all users. We are going to consider the matter in the coming months to come up with a long term strategy that is predictable, fair, and productive as it relates to getting compliance with the residential cross connection inspections.

This is not something we wish to be pursuing, but the expectations for cross connection are objective and reasonable.

✓ **SENIOR CENTER ARPA WINDFALL** *(No Change of Status)*

The senior center is attempting to use their \$100,000 ARPA allocation for a garage. However, we just learned that federal requirements, such as prevailing wages, will apply to this project. This has effectively closed the door on a garage. They are looking to price out various durable materials or equipment purchases that do not require federal bid specifications for labor.

This project will likely require an agreement with the city and the county in order to have funds leveraged for the senior center. See the March 11, 2024 report for more details on this award and process.

✓ **SUPPLEMENTAL FINANCIAL SERVICES** *(Business Item)*

I met with Kim on June 6<sup>th</sup>. We prepared a three-month agreement for consideration on June 24<sup>th</sup>. The reason that we are only going out for three months instead of one year is so that we have adaptability and flexibility with terms. With duties currently transitioning in the office, including payroll and accounts payable, we agreed that we should revisit what the long-term needs for this service will be after the audit and after staff have had more time to adapt to the new functions. Our plan is to employ Kim's services for an indefinite duration of service, not unlike our assessing services.

In the meantime, the next three months are expected to require more time from Kim than normal, due to the audit. For this reason, she is estimating about 1.5 to 2 days a week of time for us at a cost of \$1,500 a week.. I expect this commitment to be greatly reduced after the audit, with any future agreement to reflect those weekly savings.

The agreement is included for review. I recommend the council proceed.

✓ **WAYFINDING PROJECT** *(Update)*

The wayfinding agreement has been executed by the DDA, the MEDC grant has been fully executed, and a preliminary meeting with the consultant is expected to occur on June 24. The previous report follows.

The DDA, in accordance with their planning documents, is pursuing a wayfinding and branding sign plan for the entire city. The city council formed a steering committee to proceed with engaging in professional services to plan a complete wayfinding sign scheme. Any installations are likely to be phased in over many years and include DDA and city general funds.

The city council will still have final say in any signs purchased and installed on city property or in the right of way.

✓ **SOCIAL DISTRICT** *(No Change of Status)*

The DDA had a discussion about the potential for a social district in the downtown area. There is some potential for this to have a positive impact by attracting events and visitors to encourage commerce and desirable activities in the community. There is also the potential for this to generate undesirable nonsense, bad behavior, litter, etc. The DDA did not act on this. They intend to independently consider how a district might impact the community, be received by the residents, and support businesses. See the April 8, 2024 packet for more details.

✓ **GROUND MOUNTED SOLAR EQUIPMENT MORATORIUM** *(No Change of Status)*

The moratorium on ground mounted solar equipment will be effective on May 2<sup>nd</sup>. This will provide the city with 180 days to draft an ordinance to accommodate such primary and accessory uses in the city. Much of the impetus for this comes from pending state legislation that will eliminate local control over large scale solar farms. See the April 8 city council packet for more details.

✓ **WATER TOWER LEASE AGREEMENT** *(No Change of Status)*

As most in the community are aware, Verizon appears to be having wireless connectivity issues in the west side of town, from about the High School to Winchester Woods. This problem was so bad for us, that we switched carriers. Verizon has been working on a solution for a couple years, including the search for space south of town for a new tower.

They have approached the city to use the water tower. I think this is a win-win. Using the city tower will greatly improve service to the community, while providing some financial resources to the city. Since the tower is used by two wireless providers currently, this request will be treated as a colocation. This means that the city will be responsible for approving the site plan at the planning commission level for a permitted use, as well as a lease for occupancy.

As of writing, there is not a site plan available, but I do have a draft lease (included in the April 8, 2024 packet). I am attempting to increase the lease amount, as well as to get a



site plan to both the planning commission (for site plan review), as well as to the council (for general review) as soon as possible.

Again, I think this will shape up to be a win-win, provided the city does not need to invest in the site and the user is not installing obnoxious equipment. We will have more information related to such circumstances moving forward.

✓ **HOLLAND SQUARE CROWDFUNDING PROJECT (Update)**

The Holland Square Steering Committee met on May 30<sup>th</sup>. We believe we explored many opportunities and areas of concern to narrow in on what appears to be the most viable and desirable project. The concept remains the same, but there have been some additions relating to power, lighting, sound, and architectural style. The architect and contractor are working on renderings now. The previous report follows.

In addition to previous reports, Samantha is working on a separate grant that may provide as much as \$75,000 to this project (the potential for this funding appears very high). We are getting a lot of inquiries and back-and-forth communication with the state agency responsible for reviewing the submission, which we take as a good sign.

Our community continues to pursue a crowd funding match for a public place enhancement. The Public Places, Community Spaces opportunity is a powerful incentive and can provide up to \$50,000 towards a downtown project (perhaps as much as \$75,000 if it includes universal design)!

The DDA believes that the primary objective for such funds is to invest in Holland Square to provide built-in structures for community seating, vending, entertainment, and related activities. There are a couple examples of this already that seem to work well in public spaces. Such a concept would activate Holland Square along Miller Road by providing social interactions, market activities, and some recreation. It would also include lighting, sound systems, and some shade/weather protection. Parking would be reduced but only minimally.

Over the last year, the DDA has worked with a local architect (thanks AMA Architects for the in-kind work), and a local builder (thanks JW Morgan) to refine a design, materials, and cost. This has resulted in concept plans for a pergola style structure, with a total base installation price of about \$150,000.

The city council created a steering committee to finalize project details for review by the city. The council will have the final say in any structure constructed on city property.

✓ **WEBSITE ACCESSIBILITY (No Change of Status)**

Web Matters is on the case. I will keep the city council informed regarding the creation of a new website and the transfer of our data.

✓ **MDOT PARK AND RIDE (No Change of Status)**

The MDOT is renewing all of their agreements for trunkline maintenance. Generally these apply to county road agencies and cities that have M-roads and interstate maintenance responsibility. For us, it also applies to the park and ride on Miller, east of I-69. We maintain this lot as it relates to snow/ice removal, waste collection, and mowing. The state pays the

city up to \$5,000 for this service. We generally spend a bit more, but there is not really an alternative to keeping the area in reasonable condition. At any rate, we submitted preliminary information to the state so they can draft an agreement. I expect this to be before the council within 30 days.

✓ **OTHER COMMUNICATIONS & HAPPENINGS** *(See Individual Category)*

✓ **MONTHLY REPORTS** *(Update)*

Monthly reports are included.

✓ **OPEB AND MERS ACTUARIALS** *(Update)*

Our 2023 valuations are in for OPEB (Other Post Employment Benefits (post-employment medical)) and MERS (defined benefit pensions). The OPEB evaluation is as of July 1, 2023 and MERS is as of December 31, 2023. As expected, the OPEB liabilities dropped slightly, with annual payments to be dropping significantly due to changes in retiree age/eligibility.

As noted previously, our current bargaining agreements generally offer defined contribution post-retirement medical in the form of employer payments to a healthcare savings plan. These contributions are very predictable and are easily budgeted on an annual basis. Existing (accrued) liabilities are limited to former bargaining agreements that guaranteed premium payments and other contributions for retiree healthcare.

These obligations are lessening each year as retirees go into Medicare or otherwise lose eligibility. As such, we are able to sustain our obligations through a pay-as-you-go method, which is experiencing reductions on an annual basis. As you can see from page four, these payments will amount to about \$30,000 per year and should be reduced greatly over time. The total OPEB liability, as a lump sum, is estimated to be \$434,656 as of June 30, 2024. This is a very agreeable position for the city in the long run.

Concerning MERS investments, I am less thrilled. Our funded ratio for the defined benefit pension (which is also a closed system) fell again from 92% to 89%, despite a history of making higher than requested contributions. While this is still a relatively good position, the amount of our projected future contributions is becoming significant. Much of this change is due to the performance of MERS investments, which they are now projecting to be sustainable at less than 7%. Note that they used to use a return rate of 8% in their assumptions. This continual decrease is infuriating, especially given that risk adverse return rates could be found for around 5% in the last year.

The bad news is that we may need to budget up to \$250,000 to stay on top of this liability on an annual basis between now and 2030. Much of this is due to the change in assumptions, including a decrease in the rate of return. The upside is that this is a closed pension liability, which will be seeing decreases in retiree payments until it eventually goes away entirely. The actuarial estimates that the fund will be 100% supported by investments in about a dozen years. In addition, there is a five-year smoothing period that limits the impact of a very positive 2023 investment year (while actual returns were 10.94%, a return of 5.54% was utilized to account for less than stellar performances within the last five years).

With that said, we should see a strong 2024 investment year and an increase in the five-year return rate for the next evaluation. The bottom-line implication is that we will need to closely monitor this liability because it inevitably appears to be an issue, despite being nearly 100% funded in 2017 and despite the additional contributions.

I am including an educational resource on how unfunded accrued liabilities are calculated. It reads like stereo instructions, but there is not an easy way to cover the topic. I think this is something that I will recommend a council training session on in 2025 since it appears we will have two new council members, as well as the potential for large contributions in future budgets. I will cover the concept and implications of this report in further detail at the meeting.

✓ **STATE TAX COMMISSION REPORT ON ASSESSING AUDIT (Update)**

I am including another audit report on our assessing services, as performed by the State of Michigan. As usual, it is perfect, with no adverse findings or recommendations. While this is routine for our department, I wish to stress how fortunate a position this is. Most communities do NOT get this result. We are very pleased with Legacy Assessing (Heather MacDermaid) and the work they have done over the years to build up our capacity and keep us functioning at a high professional level, with high marks for accuracy, transparency, accessibility, documentation, and efficiency.

✓ **CONSUMERS ENERGY HEARING (Update)**

CE is holding an electric rate adjustment meeting on June 27<sup>th</sup>. These meetings can now be accessed virtually. Their notice is included.

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

✓ **PLANNING COMMISSION (Update)**

The planning commission met on May 7<sup>th</sup>. They went over the lighting ordinance, which is a bit out of date. The commission has a workable draft that will strengthen the ordinance as it relates to LED use in existing fixtures, offsite glare, and some other new technologies. The amendments to be minor but necessary. They are looking to hold a public hearing on July 9 (one week later due to the holiday) related to the ordinance. If recommended for approval, it will be before the council in July.

There is now a moratorium for ground based solar installations. This gives the community 180 days to consider regulations for ground based solar applications and permits. We will monitor state legislation and look to see how best to proceed this summer and into fall.

The next regular meeting is scheduled for July 9, 2024 (one week later due to the holiday). This will be a public hearing regarding the lighting ordinance.

✓ **DOWNTOWN DEVELOPMENT AUTHORITY (Update)**

The DDA did not meet in May. We were scheduled to hold our annual meeting in June, but we were not able to get a quorum of members present. Their last meeting was on April 11<sup>th</sup>. See the sections above for details on wayfinding, Holland Square and the social district.

Though there is not any new business, they are scheduled to meet on July 11 to hold their annual meeting and select officers.

✓ **ZONING BOARD OF APPEALS** (*No Change of Status*)

The ZBA met on April 17<sup>th</sup> for their annual organizational meeting. They selected officers, with James Packer being Chair, John Gilbert being Vice Chair, and Ron Smith being Secretary. We also discussed current events and training. There are no variances, interpretations, or appeals in process. This group meets the third Wednesday of each month at 6pm, as needed.

✓ **PARKS AND RECREATION COMMISSION** (*Update*)

The park board met on June 18<sup>th</sup>. The board was updated on current happenings. These include bids for fencing, repair to Elms Park pavilion #3, the addition of two additional temporary laborers, disc golf improvements, the addition of trees and a bioswale to Otterburn Park/Genesee Valley Trail, waste bin purchases, bench installations, interpretive sign schedule (delayed), wayfinding sign movement, and Holland Square updates.

In addition, the Friends of Abrams Park group is proposing to donate a new flag reflection area at Abrams Park, near Daval Drive. This feature would replace the current flag, which is in rough shape. The park board agreed to remove the existing spruce that is in the vicinity and is in the way. The details of the potential donation are expected at a later date.

The 2024 slip and slide date is Saturday, July 27, 2024. Shattered Chains is going to run this event again.

I do not believe we will get much traction with the company that attempts to repurpose urban wood. This may have been useful during the street reconstruction era. However, the removal of healthy trees is expected to be minimal now that most of the watermain and road reconstruction is done. Since they do not work with rotted or unhealthy trees, we simply do not have the volume to justify their program.

The next regular meeting is scheduled for July 16, 2024.

✓ **BOARD OF REVIEW** (*No Change of Status*)

The Board of Review will meet again on July 16<sup>th</sup>. The duties between the different boards of review (March, July, and December) appear to be in a state of flux, with state statutes and State Tax Commission adjustments each year. Finding a summary of their duties to be difficult, I am including a Bulletin by the STC to explain in detail.

✓ **CLERK'S OFFICE/ELECTION UPDATE (Kraft)** (*No Change of Status*)

Routine duties include record management, publications, FOIA request, human resources, payroll approval and everything related to elections.

Ballots have been ordered and we should receive them in the next couple of weeks.

ELECTION DATES FOR 2024:

Primary Election: August 6, 2024

General Election: November 5, 2024

✓ **DEPARTMENT OF COMMUNITY SERVICES UPDATE (Bincsik) (Update)**

- ❑ DPS continues to GPS water and sewer assets. This will be ongoing for most of the year as we have time available.
- ❑ All water main work, concrete and storm sewer work is completed in the village. Asphalt base layers are completed with the exception of a small section on Winshall and Cappy, Greenleaf south of Oakview and Norbury. Soft surface restoration is moving along on Winshall and will be complete probably middle of the week 6/24.
- ❑ Road striping is completed. The vendor still has some of the hand painting to finish including bike path symbols and on road speed limit paintings. Stencils are completed and painting is supposed to be completed this weekend. Seymour Rd. will be completed later in the season once construction traffic is finished.
- ❑ DPS continues to update water meter transponders, registers and meters as needed to allow the new meter reading collectors to read meters. This will be ongoing for several months.
- ❑ TG Priehs will be returning later in the construction season to work on Young drive and finish some ditching and culvert work on Oakview and Chesterfield.
- ❑ Sewer cleaning has started. The vendor will be working in the Miller Rd. Elms corridor for most of this year's allotted cleaning. They are contracted to clean 3 miles annually. This shouldn't cause any interruptions in service to residents or businesses.
- ❑ The #3 pavilion repair at Elm's Park has started. Contractor had an accident and completion is being delayed a bit.

✓ **TREASURER UPDATE (Nichols) (Update)**

The 2023 tax roll has been prepared. We await the public hearings for Mott College to finalize the roll and print tax notices. Preparations continue for the FY24 audit. Routine operations include, but are not limited to, processing payments for utility bills, tax bills, delinquent personal and qualified real taxes, building permits, daily/weekly/monthly journal entries, bank wires, review/approval of accounts payable invoices, issuance of building permits and rental inspection collections, processing payroll, accounting for grants and projects and other financial matters impacting the city.

✓ **ECONOMIC DEVELOPMENT UPDATE (Fountain) (Update)**

The Marketing Plan Update should be in the packet for your review. I amended the plan to include new initiatives, goals, and listing things we've already accomplished.

The Nelson, NZ observatory that we are partnering with is excited to hear that we are in the production stage of the Cosmos in the Creek signs! They even sent us a breathtaking image of Proxima Centauri that they were able to take from their observatory.

I continue to receive positive communication from MSHDA about the MI Neighborhoods grant opportunity. We've been asked to submit a budget asap, so we are meeting to get revised pricing estimates. I feel positive about our chances on this grant!

The Jeepers Creekers Makers Markets seem to be going well! They are the 2<sup>nd</sup> Tuesday of each month this summer- July 9<sup>th</sup>, August 13<sup>th</sup>, and Sept. 10<sup>th</sup>. Please check these out! We need to keep the vendors happy to keep these events successful.



The first Family Move Night of the year is on Friday, June 28<sup>th</sup>. I have an ice cream bicycle schedule for every movie after the first, and have a lemonade stand that is interested in participating as well, but no paperwork in on that one. I have extra flyers if you'd like to help me pass them out.

On a disappointing note, we received news that neither business from Swartz Creek that we applied on behalf of for Match on Main received the grant. This round was very competitive, we're told, with roughly \$2.8million in requests. I've encouraged both projects to apply for the façade match grant through the DDA, as I believe both would qualify and genuinely make the downtown area nicer.

There may be a new mural coming to Swartz Creek soon! We have a business that is potentially interested, and the Flint Art Project reached out to us recently with a design they'd love to do in Swartz Creek. More to come as things develop!

## **NEW BUSINESS / PROJECTED ISSUES & PROJECTS**

### ✓ **EAGLE SCOUT PARK DONATION** (*Business Item*)

The Park Board reviewed a proposal by an aspiring Eagle Scout at their May meeting. The individual is seeking to donate two bike racks each to Elms and Abrams Parks. He is proposing a weighted and painted PVC pipe system. I do not have more information as of writing. If it is not available at the meeting, I will look to remove this from the agenda.

The park board deliberated the issue and recommended acceptance of the donation. I am including a standard donation acceptance resolution in the packet.

### ✓ **GFL ASSIGNMENT** (*Business Item*)

We received official notice that GFL is selling and assigning their company and contracts to Priority Waste. I am including that letter in the packet. The agreement indicates that this process cannot occur without written approval of the city, which will not be unreasonably withheld. The liaison from GFL indicated that a representative from each group will be present at our meeting to describe the process and answer questions. Verbally, they indicate that the transition will be seamless, that the trucks and labor are to transfer, along with all terms and conditions of the agreement.

The transition date is supposed to be June 30, 2024. As such, they seek to have the city countersign the letter to affirm assignment of our service agreement as soon as possible. I am very hesitant to switch companies given our prior experience, especially since GFL has delivered a superior product. However, I cannot provide any reasonable cause for denying assignment as a result of a sale. Nor do we have a viable alternative given the timeline.

I did attempt to locate communities that have been utilizing the service to investigate their operations further. However, the public list already includes GFL transfers, including Swartz Creek, making this difficult. Anecdotal findings from Flint appear to be unremarkable.

A resolution is included in the packet to authorize a countersignature on the letter.

### ✓ **FISCAL YEAR 2024 BUDGET ADJUSTMENTS** (*Update*)

Kim has prepared our year end budget adjustments. Before you get too excited, note that these are limited to the essential adjustments to account for new revenues and expenses, especially those that exceed budget parameters. For example, if we expected to pay \$100 on a service and spent \$101, there must be an amendment. If we spent \$95 on that service, there will NOT be an amendment.

As such, this is not intended to be a snapshot of where we actually believe the fiscal year will end. For example, we still expect underspending in many general fund departments, but this adjustment does not attempt to estimate and record that reduction. To do so could simply cut the margins too close and result in an overrun that would otherwise not occur.

The most remarkable adjustments include increases to general fund revenues, a Metro Police budget refund, addition of lighting costs (new lighting for Winchester Village), added costs for Miller Road work, the addition of Grove Street rehabilitation, the reallocation of street work from 203 Local Streets to 204 Municipal Street Fund, increases in sewer repairs, and reductions in vehicle purchase payments.

With that said, Kim and I both still agree that our year end position, once the dust settles will still likely be significantly better than the positions noted in the budget adjustment. These figures will be presented in budget reports for July and August, as well as the year-end audit (usually October). See the most recent budget report that is attached for a picture of how expenses are tracking lower than expected. Kim should be able to join us, depending on circumstances, and I am including our standard resolution.

✓ **ELECTION PRE-PROCESSING BALLOT INSPECTOR PAY (*Business Item*)**

We may have an addition to the agenda over the weekend or on Monday. Renne is away at training and made a request to have the city council consider this matter. The deadline is July 9, so I am inclined to handle this at our meeting on Monday if we can, since our next meeting is July 8. I do not currently have any additional information to pass along. When I do, you can expect a council packet supplement with a report, resolution, and any related supporting materials.

**Council Questions, Inquiries, Requests, Comments, and Notes**

*Council Chamber Sound:* The installer of the system that was put in in 2021 conducted an inspection on May 20<sup>th</sup>. We should know what options are to clear up background noise and get us a functional podium microphone soon.

**City of Swartz Creek  
RESOLUTIONS  
Regular Council Meeting, Monday, June 24, 2024, 7:00 P.M.**

**Motion No. 240624-4A**                      **MINUTES – June 10, 2024**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Monday, June 10, 2024, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Motion No. 240624-5A**                      **AGENDA APPROVAL – June 24, 2024**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council approve the Agenda as presented / printed / amended for the Regular Council Meeting of June 24, 2024, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Motion No. 240624-6A**                      **CITY MANAGER’S REPORT**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council accept the City Manager’s Report of June 24, 2024 including reports and communications, to be circulated and placed on file.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624–8A**                      **A RESOLUTION TO APPROVE THE UPDATED MARKETING PLAN OF THE CITY OF SWARTZ CREEK**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek is a certified Redevelopment Ready Community, as recognized by the Michigan Economic Development Authority; and

**WHEREAS**, in addition to providing financial and service benefits, the program requires the city to maintain specific plans, policies, and informational materials in order to remain a



certified community; and

**WHEREAS**, RRC staff have indicated which benchmarks are required to be met by the fall of 2024 to maintain certification, including the update of the 2019 City of Swartz Creek Marketing Plan; and

**WHEREAS**, Samantha Fountain has reviewed and updated said document to reflect accomplishments, outdated tasks, and new tasks that reflect current efforts related to marketing.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the City of Swartz Creek approves the 2024 Marketing Plan as included in the June 24, 2024 city council packet.

**BE IT FURTHER RESOLVED THAT**, the City Council authorizes and directs Mrs. Fountain to file, distribute, and report said plan as required by the MEDC.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624-8B                      RESOLUTION TO AUTHORIZE ASSIGNMENT OF THE GFL WASTE AGREEMENT TO PRIORITY WASTE**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the entered into an agreement with GFL Environmental USA Inc on June 17, 2021 to provide for residential waste services for a five year term; and

**WHEREAS**, GFL intends to sell the residential waste services of southeast Michigan to Priority Waste LLC on or about June 30, 2024; and

**WHEREAS**, Section 8 of the agreement states, "Hauler shall not delegate or assign this Agreement, or any part thereof, to an unaffiliated entity nor shall Hauler subcontract this Agreement or any part thereof without the prior written approval of the City, which approval shall not be unreasonably withheld. Hauler may not assign any part of this Agreement by way of sale, merger, or acquisition of hauler without the prior written approval of the City, which shall not be unreasonably withheld."; and

**WHEREAS**, GFL seeks said written approval from the City of Swartz Creek; and

**WHEREAS**, the City of Swartz Creek finds no reasonable cause for objection.

**NOW THEREFORE, BE IT RESOLVED**, that the Swartz Creek City Council authorizes the assignment of the GFL 2021 Agreement to Priority as requested in the letter dated June 7, 2024.

**BE IT FURTHER RESOLVED**, that the Swartz Creek City Council authorize and direct the Mayor to execute said letter on behalf of the City.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624-8C**

**RESOLUTION TO APPROVE A QUOTE TO INSTALL AND REPAIR SIDEWALK USING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek has \$35,721 of Community Development Block Grant Funds to spend on eligible improvements by August 31, 2024; and

**WHEREAS**, the city bid sidewalk improvements on Mclain and School in accordance with program requirements, and no bids were received; and

**WHEREAS**, ~~the~~ they reduced the work scope and sought quotes on said work; and

**WHEREAS**, a quote in the amount of \$56, 070 was received by BP Surface Solutions LLC.

**WHEREAS**, the Genesee County Metropolitan Planning Commission finds this project is fundable with CDBG funds as presented and quoted.

**THEREFORE BE IT RESOLVED**, the Swartz Creek City Council hereby approves the quote by BP Surface Solutions LLC as included in the June 24, 2024 city council packet, conditioned upon final approval of the work scope, quote, and construction agreement by the GCMPC; and

**BE IT FURTHER RESOLVED**, the Swartz Creek City Council hereby authorizes and directs the City Manager or his designee to execute any and all agreements, forms, reports, and related compliance documentation as required to complete this project.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624-8D**

**PARK BIKE RACK DONATION ACCEPTANCE**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek owns, operates and maintains a system of parks; and

**WHEREAS**, Eagle Scout candidate has offered to donate two bike racks to Elms Park and two to Abrams Park; and

**WHEREAS**, the Park Board, after deliberation, found the painted and weighted PVC constructs to be in the best interests of the park and approved the donation at their meeting on May 21, 2024.

**NOW, THEREFORE, BE IT RESOLVED**, the City of Swartz Creek City Council hereby accepts the bike rack donation for Elms and Abrams Park, conditioned upon the following:

1. The project shall be overseen by the Director of Public Works and not commence until the ability to ensure project completion is evidenced.
2. The city will own and maintain the structure in a reasonable manner, with eventual replacement or removal dependent on the best interests of the city at a future date.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624-8E**

**RESOLUTION TO APPROVE FISCAL YEAR 2024 BUDGET AMENDMENTS AND ADJUSTMENTS**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, Act 621 of P.A. 1978 provides for a uniform budgeting system for local units of government; and

**WHEREAS**, Act 275 of P.A. of 1980 further prohibits deficit spending by local units of government; and

**WHEREAS**, the City Council has reviewed the City's 2023 - 2024 Fiscal Year Budget and comparative year-to-date balance sheet of expenses and revenues, and finds that it is not in deficit; however, certain department activity line items may be in deficit.

**WHEREAS**, the City Council has received a Budget Amendment Summary; and

**WHEREAS**, new budget amounts necessitate adjustments to the original adopted budget; and

**WHEREAS**, said supplemental documentation shows the new proposed revenue and expenditures changes by account number.

**THEREFORE BE IT RESOLVED**, the Swartz Creek City Council hereby authorizes and directs the city manager or his designee to make all necessary end-year budget adjustment amendments to all city funds in accordance with the supplemental documentation (pages \_\_\_ to \_\_\_) attached.

**BE IT FURTHER RESOLVED**, the Swartz Creek City Council hereby authorizes and directs the City Manager or his designee to make all necessary year-end budget adjustment amendments.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Resolution No. 240624-8F**

**RESOLUTION TO APPROVE A PROPOSAL FOR SUPPLEMENTAL FINANCIAL SERVICES**

Motion by Councilmember: \_\_\_\_\_

**WHEREAS**, the City of Swartz Creek continues to onboard and train new staff in the duties of Treasury and Finance; and

**WHEREAS**, the city’s administrative staffer that was responsible for payroll and accounts payable is retiring at the end of 2024 and is transferring duties to the City Treasurer and front desk administrator; and

**WHEREAS**, the city has removed finance related duties from the City Treasurer and assigned them to Kimberly Lynch, a contractual employee, as of March 2024; and

**WHEREAS**, the City of Swartz Creek finds that it would be more prudent and cost-effective to retain said financial services as a separate professional service; and

**WHEREAS**, the workload for the next three months is expected to be intensive, due to the need to provide audit support services to Plante Moran; and

**WHEREAS**, Mrs. Lynch has subsequently provided an engagement letter to meet the immediate needs of the city’s finance functions.

**NOW, THEREFORE, BE IT RESOLVED** the city intends to negotiate and extend post-audit services at a lower weekly rate once the audit is complete.

**BE IT FURTHER RESOLVED**, that the City Council directs the City Manager to execute said proposal on behalf of the city and for the city treasurer to appropriate such costs commensurate with the appropriation of the city’s audit.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_

Voting Against: \_\_\_\_\_

**Motion No. 240624-11A**

**ADJOURN**

Motion by Councilmember: \_\_\_\_\_

**I Move** the Swartz Creek City Council adjourn the regular council meeting of June 24, 2024.

Second by Councilmember: \_\_\_\_\_

Voting For: \_\_\_\_\_  
Voting Against: \_\_\_\_\_

**CITY OF SWARTZ CREEK  
SWARTZ CREEK, MICHIGAN  
MINUTES OF THE REGULAR COUNCIL MEETING  
DATE June 10, 2024**

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, Spillane, Gilbert, Hicks, Krueger, Knickerbocker, Henry.

Councilmembers Absent: None.

Staff Present: City Manager Adam Zettel, Clerk Renee Kraft.

Others Present: Chief Bade, Amanda Odette, Sandi Brill, Ken Brill, Boots Abrams, Carol Richardson, Gary Leyanna.

Others Virtually Attended: Lania Rocha

**APPROVAL OF MINUTES**

**Resolution No. 240610-01** **(Carried)**

Motion by Councilmember Spillane  
Second by Councilmember Gilbert

**I Move** the Swartz Creek City Council approve the Minutes of the Regular Council Meeting held Tuesday, May 28, 2024 as amended to be circulated and placed on file.

YES: Spillane, Gilbert, Hicks, Krueger, Knickerbocker, Henry, Cramer.  
NO: None. Motion Declared Carried.

**APPROVAL OF AGENDA**

**Resolution No. 240610-02** **(Carried)**

Motion by Councilmember Henry  
Second by Councilmember Cramer

**I Move** the Swartz Creek City Council approve the Agenda as amended for the Regular Council Meeting of June 10, 2024 to be circulated and placed on file.

YES: Gilbert, Hicks, Krueger, Knickerbocker, Henry, Cramer, Spillane.

NO: None. Motion Declared Carried.

**CITY MANAGER’S REPORT**

**Resolution No. 240610-03**

**(Carried)**

Motion by Councilmember Cramer  
Second by Councilmember Henry

**I Move** the Swartz Creek City Council accept the City Manager’s Report of June 10, 2024, including reports and communications to be circulated and placed on file.

Discussion Ensued.

YES: Hicks, Krueger, Knickerbocker, Henry, Cramer, Spillane, Gilbert.  
NO: None. Motion Declared Carried.

**MEETING OPENED TO THE PUBLIC:**

Susan Mesack, President of Swartz Creek Hometown Days: Presented a Certificate of Appreciation to City Council. Discussed challenges at Hometown Days and plan to make changes accordingly. They added security measures-attendees felt secure and safe. Attendance was down from last year. Council thanked Susan.

Ken Brill: Car show-Road shutdown caused issues with traffic. Ingalls was not open between Holland Drive and Morrish when the right lane was supposed to be.

Amanda Odette: Running for Judge of the 67<sup>th</sup> District-4<sup>th</sup> Division. She introduced herself and explained why she is running. The City Manager endorses her.

Sandi Brill: Friends of Abrams Park-Thanked Council for passing a motion for the art donation. Discussed the cement issue. There is less activity at the park. Hoping council will be able to invest in Abrams Park structures.

Carol Richardson: Discussed speed limit signs. Commented on Cappy Lane and also Don Shenk. Questioned what part of Cappy will be fixed. City manager commented that all of Cappy will be resurfaced.

**COUNCIL BUSINESS:**

**RESOLUTION TO ESTABLISH A REQUEST FOR FUNDING, DESIGNATE AN AGENT, ATTEST TO THE EXISTENCE OF FUNDS AND COMMIT TO IMPLEMENTING A MAINTENANCE PROGRAM FOR THE WINCHESTER VILLAGE REHABILITATION PROJECT PARTIALLY FUNDED BY THE TRANSPORTATION ECONOMIC DEVELOPMENT FUND CATEGORY B PROGRAM.**

**Resolution No. 240610-04**

**(Carried)**

Motion by Mayor Pro Tem Hicks

Second by Councilmember Cramer

**WHEREAS**, the City of Swartz Creek is applying for \$250,000.00 in funding through MDOT from the Transportation Economic Development Category B Program to rehabilitate several local streets in the Winchester Village Subdivision. Specifically, Cappy Lane and Don Shenk Drive; and

**WHEREAS**, MDOT requires a formal commitment from the public agency that will be receiving these funds and will be implementing and maintaining these infrastructure projects; and

**NOW, THEREFORE, BE IT RESOLVED THAT**, the City has authorized Adam Zettel, City Manager, to act as agent on behalf of the City to request Transportation Economic Development Fund Category B Program funding, to act as the applicant's agent during the project development, and to sign a project agreement upon receipt of a funding award.

**BE IT FURTHER RESOLVED THAT**, the City attests to the existence of, and commits to, providing at least \$1,589,673.00 toward the construction costs of the road projects (\$2,249,578.00 for participating and non-participating projects), and all costs for design, permit fees, administration costs, and cost overruns.

**BE IT FURTHER RESOLVED THAT**, the City commits to owning, operating, funding, and implementing a maintenance program over the design life of the facilities constructed with Transportation Economic Development Fund Category B Program funding.

Discussion Ensued.

YES: Krueger, Knickerbocker, Henry, Cramer, Spillane, Gilbert, Hicks.

NO: None. Motion Declared Carried.

**RESOLUTION TO APPROVE A GRANT AGREEMENT WITH THE MEDC TO SUPPORT CREATION OF A WAYFINDING SIGN PROGRAM**

**Resolution No. 240610-05**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Mayor Pro Tem Hicks

**WHEREAS**, the City of Swartz Creek holds status with the MEDC as a Redevelopment Ready Community; and

**WHEREAS**, the City of Swartz Creek submitted and was awarded a grant of \$20,000 that will support professional service costs related to the creation of a wayfinding sign program in the community; and



**WHEREAS**, an agreement is required to establish term and conditions for the city's performance and subsequent payment by the MEDC.

**NOW THEREFORE, BE IT RESOLVED**, that the Swartz Creek City Council approves the Michigan Economic Development Corporation Grant with City of Swartz Creek, Case, 411434, and authorize and direct the City Manager to sign on behalf of the city.

**BE IT FURTHER RESOLVED**, that the Swartz Creek City Council authorize and direct the city manager to process and execute any and all documentation necessary to carry out the terms of the agreement.

**BE IT FURTHER RESOLVED**, that the Swartz Creek City Council authorize direct payment of said funds to the professional service provider or transfer of said funds to the DDA to cover the same costs, as deemed most appropriate by the MEDC and City Treasurer.

Discussion Ensued.

YES: Knickerbocker, Henry, Cramer, Spillane, Gilbert, Hicks, Krueger.  
NO: None. Motion Declared Carried.

## **COMMISSION APPOINTMENTS**

### **Resolution No. 240610-06**

**(Carried)**

Motion by Councilmember Knickerbocker  
Second by Councilmember Henry

**WHEREAS**, the laws of the State of Michigan, the Charter and Ordinances of the City of Swartz Creek, interlocal agreements in which the City of Swartz Creek is a member, and previous resolutions of the city council require and set terms of offices for various appointments to city boards and commissions, as well as appointments to non-city boards and commissions seeking representation by city officials; and

**WHEREAS**, there exist a number of vacancies for such positions; and

**WHEREAS**, said appointments are Mayoral appointments subject to affirmation of the city council.

**NOW, THEREFORE, BE IT RESOLVED**, the Swartz Creek City Council concur with the Mayor and City Council appointments as follows:

#240610- 8C1	<b>MAYOR APPOINTMENT:</b> Planning Commission, Resident Three-year term, expiring June 30, 2027	<b>Charles Campbell</b>
#240610- 8C2	<b>MAYOR APPOINTMENT:</b> Planning Commission, Resident Three-year term, expiring June 30, 2027	<b>Mark Branoff</b>
#240610- 8C3	<b>MAYOR APPOINTMENT:</b> Surface Water Advisory Committee-Staff Delegate Two-year term, expiring June 30, 2026	<b>Adam Zettel</b>
#240610- 8C4	<b>MAYOR APPOINTMENT:</b> Surface Water Advisory Committee-Staff Delegate Alternate Two-year term, expiring June 30, 2026	<b>Robert Bincsik</b>
#240610- 8C5	<b>MAYOR APPOINTMENT:</b> Zoning Board of Appeals Three-year term, expiring June 30, 2027	<b>James Packer</b>
#240610- 8C6	<b>MAYOR APPOINTMENT:</b> Zoning Board of Appeals Three-year term, expiring June 30, 2027	<b>George Hicks</b>

Discussion Ensued.

YES: Henry, Cramer, Spillane, Gilbert, Hicks, Krueger, Knickerbocker.  
NO: None. Motion Declared Carried.

**RESOLUTION TO INSTALL A FLOCK CAMERA AT THE MAIN ENTRANCE TO ELMS PARK FOR A PERIOD OF TWO YEARS AND TO ACCEPT FINANCIAL RESPONSIBILITY FOR SAID CAMERA**

**Resolution No. 240610-07 (Carried)**

Motion by Councilmember Spillane  
Second by Councilmember Henry

**WHEREAS**, the city operates and maintains a system of parks that are primarily served by vehicle access; and

**WHEREAS**, the city aspires to reduce or eliminant all criminal activity in the parks; and

**WHEREAS**, technology, in the form of Flock cameras, exists to identify license plates, notify police, and record data regarding users that enter the park; and

**WHEREAS**, the city desires to place a Flock camera at the main entrance to Elms Park; and

**WHEREAS**, the agreement to install said camera must be authorized and financially supported by the city but executed by the Metro Police Authority of Genesee County in order for data rights to be extended to the Metro Police.

**NOW, THEREFORE, BE IT RESOLVED THAT**, the City Council authorizes and approves the placement of a Flock camera at the main entrance to Elms Park and accepts the financial responsibility for said camera and license as outlined in the agreement that is included in the June 10, 2024 council packet.

**BE IT FURTHER RESOLVED THAT**, said approval is conditioned upon the execution of the agreement, as included in the June 10, 2024 city council packet, by the Metro Police Authority of Genesee County.

Discussion Ensued.

YES: Cramer, Spillane, Gilbert, Hicks, Krueger, Knickerbocker, Henry.  
NO: None. Motion Declared Carried.

**MEETING OPENED TO THE PUBLIC:**

Sandi Brill: Monarch butterfly garden going to Parks Board soon-she would like it to have power and water and asked for permission to talk with the DPW in regard to rocks at Abrams Park.

**REMARKS BY COUNCILMEMBERS:**

Councilmember Cramer: Acknowledged David Wright and the article written about him in the Municipal Magazine.

Councilmember Knickerbocker: Discussed Cappy Lane timeline – curb work happened between 1990 and 2011.

**ADJOURNMENT**

**Resolution No. 240610-08**

**(Carried)**

Motion by Councilmember Gilbert  
Second by Councilmember Henry

**I Move** the Swartz Creek City Council adjourn the regular meeting at 8:23 p.m.

Unanimous Voice Vote.

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**David A. Krueger, Mayor**

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**Renee Kraft, CMC, MiPMC, City Clerk**

REVENUE AND EXPENDITURE REPORT FOR CITY OF SWARTZ CREEK  
 PERIOD ENDING 05/31/2024

GL NUMBER	DESCRIPTION	2023-24 ORIGINAL BUDGET	2023-24 AMENDED BUDGET	YTD BALANCE 05/31/2024	AVAILABLE BALANCE	% BDGT USED
<b>Fund 101 - General Fund</b>						
<b>Revenue</b>						
000.000 - General		2,652,434.00	2,653,757.27	2,417,108.13	236,649.14	91.08
172.000 - Executive		0.00	0.00	384.64	(384.64)	100.00
262.000 - Elections		0.00	0.00	390.25	(390.25)	100.00
266.000 - Legal Council		0.00	0.00	22,579.72	(22,579.72)	100.00
301.000 - Police Dept		4,700.00	5,235.16	8,268.96	(3,033.80)	157.95
336.000 - Fire Department		0.00	1,074.93	16,995.43	(15,920.50)	1,581.07
345.000 - PUBLIC SAFETY BUILDING		24,200.00	24,200.00	21,711.89	2,488.11	89.72
371.000 - Building/Zoning/Planning		75,865.00	76,905.00	74,377.00	2,528.00	96.71
444.000 - Sidewalks		3,000.00	3,000.00	0.00	3,000.00	0.00
448.000 - Lighting		8,721.52	8,721.52	7,078.06	1,643.46	81.16
523.000 - Grass, Brush & Weeds		3,600.00	5,700.00	6,000.00	(300.00)	105.26
694.000 - Community Development Block Grant		39,822.25	39,822.25	2,101.00	37,721.25	5.28
728.005 - Holland Square Streetscape		40,000.00	40,000.00	40,000.00	0.00	100.00
780.000 - Parks & Recreation		0.00	0.00	42,954.38	(42,954.38)	100.00
780.500 - Mundy Twp Park Services		10,166.00	10,166.00	8,544.80	1,621.20	84.05
782.000 - Facilities - Abrams Park		230.00	6,330.00	6,525.00	(195.00)	103.08
783.000 - Facilities - Elms Rd Park		10,000.00	11,375.00	12,435.00	(1,060.00)	109.32
786.000 - Non-Motorized Trailway		65,000.00	95,000.00	204,130.34	(109,130.34)	214.87
790.000 - Facilities-Senior Center/Libr		5,300.00	5,300.00	4,611.43	688.57	87.01
794.000 - Community Promotions Program		0.00	0.00	5,000.00	(5,000.00)	100.00
797.000 - Facilities - City Parking Lots		0.00	21,933.45	21,933.45	0.00	100.00
<b>TOTAL REVENUES</b>		<b>2,943,038.77</b>	<b>3,008,520.58</b>	<b>2,923,129.48</b>	<b>85,391.10</b>	<b>97.16</b>
<b>Expense</b>						
000.000 - General		13,524.00	13,524.00	13,652.78	(128.78)	100.95
101.000 - Council		25,253.09	25,254.09	21,588.31	3,665.78	85.48
172.000 - Executive		296,605.20	234,184.66	172,127.85	62,056.81	73.50
215.000 - Administration and Clerk		40,701.14	40,907.71	38,449.64	2,458.07	93.99
228.000 - Information Technology		20,518.40	20,518.40	20,157.35	361.05	98.24
247.000 - Board of Review		3,916.00	3,916.00	1,912.25	2,003.75	48.83
253.000 - Treasurer		111,205.57	111,205.57	128,295.42	(17,089.85)	115.37
257.000 - Assessor		55,199.09	55,199.09	38,481.19	16,717.90	69.71
262.000 - Elections		79,024.09	79,024.09	61,425.40	17,598.69	77.73
265.000 - Facilities - City Hall		18,106.00	18,106.00	20,469.03	(2,363.03)	113.05
266.000 - Legal Council		18,900.00	18,900.00	11,930.72	6,969.28	63.13
301.000 - Police Dept		7,925.00	7,925.00	11,818.80	(3,893.80)	149.13
301.266 - Legal Council PSFY		24,000.00	24,000.00	20,685.10	3,314.90	86.19
301.851 - Retiree Employer Health Care PSFY		34,250.00	34,250.00	28,137.89	6,112.11	82.15

GL NUMBER	DESCRIPTION	2023-24	2023-24	YTD BALANCE	AVAILABLE	% BDGT
		ORIGINAL BUDGET	AMENDED BUDGET	05/31/2024	BALANCE	USED
334.000 - Metro Police Authority		1,210,137.00	1,210,137.00	1,140,053.84	70,083.16	94.21
336.000 - Fire Department		182,362.29	182,362.29	180,876.34	1,485.95	99.19
345.000 - PUBLIC SAFETY BUILDING		38,427.00	38,517.00	25,208.25	13,308.75	65.45
371.000 - Building/Zoning/Planning		126,652.09	126,652.09	109,499.32	17,152.77	86.46
444.000 - Sidewalks		4,925.00	4,925.00	0.00	4,925.00	0.00
448.000 - Lighting		103,000.00	103,000.00	124,162.60	(21,162.60)	120.55
523.000 - Grass, Brush & Weeds		1,500.00	1,500.00	510.00	990.00	34.00
567.000 - Facilities - Cemetery		2,772.25	2,772.25	2,542.12	230.13	91.70
694.000 - Community Development Block Grant		39,822.25	39,822.25	2,657.77	37,164.48	6.67
728.000 - Economic Development		12,865.00	12,865.00	16,888.80	(4,023.80)	131.28
780.000 - Parks & Recreation		13,786.00	13,786.00	38,848.94	(25,062.94)	281.80
780.500 - Mundy Twp Park Services		9,552.00	9,552.00	8,236.67	1,315.33	86.23
782.000 - Facilities - Abrams Park		75,872.87	117,500.14	84,874.00	32,626.14	72.23
783.000 - Facilities - Elms Rd Park		99,605.51	224,605.51	138,261.22	86,344.29	61.56
786.000 - Non-Motorized Trailway		0.00	0.00	79,438.11	(79,438.11)	100.00
788.000 - Otterburn Disc Golf Park		62,505.00	62,505.00	2,893.46	59,611.54	4.63
790.000 - Facilities-Senior Center/Libr		28,881.00	28,970.00	26,595.18	2,374.82	91.80
794.000 - Community Promotions Program		63,573.00	75,151.86	68,816.42	6,335.44	91.57
797.000 - Facilities - City Parking Lots		8,700.00	169,800.00	164,343.97	5,456.03	96.79
851.000 - Retired Employee Health Care		32,460.00	32,460.00	21,941.20	10,518.80	67.59
965.000 - Transfers Out		281,000.00	281,000.00	281,000.00	0.00	100.00
<b>TOTAL EXPENDITURES</b>		<b>3,147,525.84</b>	<b>3,424,798.00</b>	<b>3,106,779.94</b>	<b>318,018.06</b>	<b>90.71</b>
<b>Fund 101 - General Fund:</b>						
TOTAL REVENUES		2,943,038.77	3,008,520.58	2,923,129.48	85,391.10	97.16
TOTAL EXPENDITURES		3,147,525.84	3,424,798.00	3,106,779.94	318,018.06	90.71
NET OF REVENUES & EXPENDITURES		(204,487.07)	(416,277.42)	(183,650.46)	(232,626.96)	
<b>Fund 202 - Major Street Fund</b>						
<b>Revenue</b>						
000.000 - General		600,075.00	601,775.00	464,348.26	137,426.74	77.16
441.000 - Miller Rd Park & Ride		5,000.00	5,000.00	2,920.64	2,079.36	58.41
454.000 - Major Streets Projects		1,124,549.10	1,124,549.10	0.00	1,124,549.10	0.00
463.000 - Routine Maint - Streets		0.00	10,000.00	11,340.00	(1,340.00)	113.40
478.000 - Snow & Ice Removal		3,800.00	3,800.00	1,812.00	1,988.00	47.68
<b>TOTAL REVENUES</b>		<b>1,733,424.10</b>	<b>1,745,124.10</b>	<b>480,420.90</b>	<b>1,264,703.20</b>	<b>27.53</b>
<b>Expense</b>						
228.000 - Information Technology		900.00	900.00	744.55	155.45	82.73
429.000 - Occupational Safety		0.00	154.45	295.28	(140.83)	191.18
441.000 - Miller Rd Park & Ride		5,784.00	5,784.00	4,252.58	1,531.42	73.52
449.500 - Right of Way - General		15,000.00	15,000.00	4,345.00	10,655.00	28.97
449.501 - Right of Way - Storms		15,000.00	15,000.00	1,517.01	13,482.99	10.11
452.100 - Safe Routes to School Grant		220,782.68	223,667.70	261,106.48	(37,438.78)	116.74
454.000 - Major Streets Projects		1,309,836.20	1,310,143.49	1,442,597.49	(132,454.00)	110.11
463.000 - Routine Maint - Streets		77,054.00	114,568.85	112,368.95	2,199.90	98.08

GL NUMBER	DESCRIPTION	2023-24 ORIGINAL BUDGET	2023-24 AMENDED BUDGET	YTD BALANCE 05/31/2024	AVAILABLE BALANCE	% BDGT USED
473.000	Routine Maint - Bridges	16,250.00	32,398.35	17,148.57	15,249.78	52.93
474.000	Traffic Services	29,390.00	30,637.31	41,585.87	(10,948.56)	135.74
478.000	Snow & Ice Removal	61,079.00	61,079.00	37,341.46	23,737.54	61.14
482.000	Administrative	16,084.00	16,084.00	14,216.27	1,867.73	88.39
538.500	Intercommunity storm drains	14,540.00	14,540.00	8,884.08	5,655.92	61.10
<b>TOTAL EXPENDITURES</b>		<b>1,781,699.88</b>	<b>1,839,957.15</b>	<b>1,946,403.59</b>	<b>(106,446.44)</b>	<b>105.79</b>
<b>Fund 202 - Major Street Fund:</b>						
TOTAL REVENUES		1,733,424.10	1,745,124.10	480,420.90	1,264,703.20	27.53
TOTAL EXPENDITURES		1,781,699.88	1,839,957.15	1,946,403.59	(106,446.44)	105.79
NET OF REVENUES & EXPENDITURES		(48,275.78)	(94,833.05)	(1,465,982.69)	1,371,149.64	1,545.86
<b>Fund 203 - Local Street Fund</b>						
<b>Revenue</b>						
000.000	General	190,400.00	190,500.00	394,112.74	(203,612.74)	206.88
449.000	Right of Way Telecomm	15,000.00	15,000.00	0.00	15,000.00	0.00
478.000	Snow & Ice Removal	2,200.00	2,200.00	1,208.00	992.00	54.91
931.000	Transfers IN	3,593,000.00	3,593,000.00	0.00	3,593,000.00	0.00
<b>TOTAL REVENUES</b>		<b>3,800,600.00</b>	<b>3,800,700.00</b>	<b>395,320.74</b>	<b>3,405,379.26</b>	<b>10.40</b>
<b>Expense</b>						
228.000	Information Technology	0.00	609.31	744.55	(135.24)	122.20
449.500	Right of Way - General	14,000.00	14,000.00	1,588.98	12,411.02	11.35
449.501	Right of Way - Storms	1,000.00	8,230.40	14,531.90	(6,301.50)	176.56
451.000	Construction	0.00	0.00	140,950.00	(140,950.00)	100.00
455.000	Local Street Projects	3,593,000.00	3,593,000.00	18,378.18	3,574,621.82	0.51
463.000	Routine Maint - Streets	66,016.67	231,966.67	87,940.50	144,026.17	37.91
463.503	Local Streets Rehab	0.00	2,200.00	3,905.00	(1,705.00)	177.50
474.000	Traffic Services	10,621.00	10,621.00	5,932.98	4,688.02	55.86
478.000	Snow & Ice Removal	42,495.00	42,495.00	29,231.27	13,263.73	68.79
482.000	Administrative	12,062.00	12,062.00	10,662.34	1,399.66	88.40
538.500	Intercommunity storm drains	13,200.00	13,200.00	8,884.08	4,315.92	67.30
543.230	Water Main Repair USDA Grant	0.00	0.00	38,614.50	(38,614.50)	100.00
<b>TOTAL EXPENDITURES</b>		<b>3,752,394.67</b>	<b>3,928,384.38</b>	<b>361,364.28</b>	<b>3,567,020.10</b>	<b>9.20</b>
<b>Fund 203 - Local Street Fund:</b>						
TOTAL REVENUES		3,800,600.00	3,800,700.00	395,320.74	3,405,379.26	10.40
TOTAL EXPENDITURES		3,752,394.67	3,928,384.38	361,364.28	3,567,020.10	9.20
NET OF REVENUES & EXPENDITURES		48,205.33	(127,684.38)	33,956.46	(161,640.84)	26.59
<b>Fund 204 - MUNICIPAL STREET FUND</b>						
<b>Revenue</b>						
000.000	General	7,150,145.00	7,168,365.54	789,277.74	6,379,087.80	11.01
<b>TOTAL REVENUES</b>		<b>7,150,145.00</b>	<b>7,168,365.54</b>	<b>789,277.74</b>	<b>6,379,087.80</b>	<b>11.01</b>
<b>Expense</b>						
455.100	CAPITAL IMPROVEMENT BOND	0.00	0.00	944,379.78	(944,379.78)	100.00
905.000	Debt Service	174,953.63	174,953.63	268,045.02	(93,091.39)	153.21
965.000	Transfers Out	3,593,000.00	3,593,000.00	0.00	3,593,000.00	0.00
<b>TOTAL EXPENDITURES</b>		<b>3,767,953.63</b>	<b>3,767,953.63</b>	<b>1,212,424.80</b>	<b>2,555,528.83</b>	<b>32.18</b>
<b>Fund 204 - MUNICIPAL STREET FUND:</b>						
TOTAL REVENUES		7,150,145.00	7,168,365.54	789,277.74	6,379,087.80	11.01
TOTAL EXPENDITURES		3,767,953.63	3,767,953.63	1,212,424.80	2,555,528.83	32.18
NET OF REVENUES & EXPENDITURES		3,382,191.37	3,400,411.91	(423,147.06)	3,823,558.97	12.44

GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE 05/31/2024	AVAILABLE BALANCE	% BDGT USED
		ORIGINAL BUDGET	2023-24 AMENDED BUDGET			
<b>Fund 226 - Garbage Fund</b>						
<b>Revenue</b>						
000.000 - General		471,920.00	471,920.00	482,242.80	(10,322.80)	102.19
TOTAL REVENUES		471,920.00	471,920.00	482,242.80	(10,322.80)	102.19
<b>Expense</b>						
101.000 - Council		3,951.00	3,951.00	3,437.48	513.52	87.00
172.000 - Executive		8,915.50	8,915.50	8,962.07	(46.57)	100.52
215.000 - Administration and Clerk		2,922.20	2,922.20	3,324.77	(402.57)	113.78
228.000 - Information Technology		2,749.60	2,749.60	2,465.97	283.63	89.68
253.000 - Treasurer		14,428.00	14,428.00	17,856.29	(3,428.29)	123.76
265.000 - Facilities - City Hall		4,711.00	4,711.00	4,647.50	63.50	98.65
528.000 - Sanitation Collection		326,375.00	326,375.00	270,840.20	55,534.80	82.98
530.000 - Wood Chipping		56,106.00	56,106.00	58,148.70	(2,042.70)	103.64
782.000 - Facilities - Abrams Park		16,987.00	16,987.00	9,425.24	7,561.76	55.49
783.000 - Facilities - Elms Rd Park		19,548.00	19,548.00	11,762.06	7,785.94	60.17
965.000 - Transfers Out		0.00	0.00	2,386.69	(2,386.69)	100.00
TOTAL EXPENDITURES		456,693.30	456,693.30	393,256.97	63,436.33	86.11
<b>Fund 226 - Garbage Fund:</b>						
TOTAL REVENUES		471,920.00	471,920.00	482,242.80	(10,322.80)	102.19
TOTAL EXPENDITURES		456,693.30	456,693.30	393,256.97	63,436.33	86.11
NET OF REVENUES & EXPENDITURES		15,226.70	15,226.70	88,985.83	(73,759.13)	584.41
<b>Fund 248 - Downtown Development Fund</b>						
<b>Revenue</b>						
000.000 - General		167,754.50	167,863.22	170,019.62	(2,156.40)	101.28
TOTAL REVENUES		167,754.50	167,863.22	170,019.62	(2,156.40)	101.28
<b>Expense</b>						
173.000 - DDA Administration		25,303.00	26,303.00	1,987.52	24,315.48	7.56
728.000 - Economic Development		33,375.00	38,375.00	16,013.04	22,361.96	41.73
728.002 - Streetscape		40,500.00	40,500.00	40,000.00	500.00	98.77
728.003 - Facade Program		12,500.00	12,500.00	7,257.62	5,242.38	58.06
728.004 - Family Movie Night		8,793.75	8,793.75	5,757.45	3,036.30	65.47
TOTAL EXPENDITURES		120,471.75	126,471.75	71,015.63	55,456.12	56.15
<b>Fund 248 - Downtown Development Fund:</b>						
TOTAL REVENUES		167,754.50	167,863.22	170,019.62	(2,156.40)	101.28
TOTAL EXPENDITURES		120,471.75	126,471.75	71,015.63	55,456.12	56.15
NET OF REVENUES & EXPENDITURES		47,282.75	41,391.47	99,003.99	(57,612.52)	239.19
<b>Fund 401 - Capital Project Fund</b>						
<b>Revenue</b>						
000.000 - General		0.00	0.00	0.55	(0.55)	100.00
<b>Expense</b>						
931.000 - Transfers IN		60,000.00	60,000.00	55,000.00	5,000.00	91.67
TOTAL REVENUES		60,000.00	60,000.00	55,000.55	4,999.45	91.67
<b>Fund 401 - Capital Project Fund:</b>						
TOTAL REVENUES		60,000.00	60,000.00	55,000.55	4,999.45	91.67
TOTAL EXPENDITURES		0.00	0.00	0.00	0.00	0.00
NET OF REVENUES & EXPENDITURES		60,000.00	60,000.00	55,000.55	4,999.45	91.67
<b>Fund 402 - Fire Equip Replacement Fund</b>						
<b>Revenue</b>						
000.000 - General		2,000.00	2,378.00	765.60	1,612.40	32.20
931.000 - Transfers IN		226,000.00	226,000.00	226,000.00	0.00	100.00
TOTAL REVENUES		228,000.00	228,378.00	226,765.60	1,612.40	99.29
<b>Expense</b>						

GL NUMBER	DESCRIPTION	2023-24 ORIGINAL BUDGET	2023-24 AMENDED BUDGET	YTD BALANCE 05/31/2024	AVAILABLE BALANCE	% BDGT USED
336.000	Fire Department	341,617.50	341,617.50	113,869.50	227,748.00	33.33
TOTAL EXPENDITURES		341,617.50	341,617.50	113,869.50	227,748.00	33.33
Fund 402 - Fire Equip Replacement Fund:						
TOTAL REVENUES		228,000.00	228,378.00	226,765.60	1,612.40	99.29
TOTAL EXPENDITURES		341,617.50	341,617.50	113,869.50	227,748.00	33.33
NET OF REVENUES & EXPENDITURES		(113,617.50)	(113,239.50)	112,896.10	(226,135.60)	99.70
Fund 590 - Sanitary Sewer Fund						
<b>Revenue</b>						
000.000	- General	10,077.50	10,077.50	32,679.80	(22,602.30)	324.28
536.000	- Sewer System	1,383,000.00	1,383,000.00	992,002.15	390,997.85	71.73
TOTAL REVENUES		1,393,077.50	1,393,077.50	1,024,681.95	368,395.55	73.56
<b>Expense</b>						
101.000	- Council	9,912.00	9,936.33	8,593.25	1,343.08	86.48
172.000	- Executive	36,602.39	36,602.39	36,423.88	178.51	99.51
215.000	- Administration and Clerk	13,051.28	13,051.28	14,949.92	(1,898.64)	114.55
228.000	- Information Technology	9,940.00	9,940.00	7,235.09	2,704.91	72.79
253.000	- Treasurer	66,785.03	71,856.53	86,205.33	(14,348.80)	119.97
265.000	- Facilities - City Hall	9,613.50	9,613.50	11,739.43	(2,125.93)	122.11
536.000	- Sewer System	1,162,224.00	1,183,343.00	651,048.97	532,294.03	55.02
537.000	- Sewer Lift Stations	11,165.00	11,488.52	7,741.05	3,747.47	67.38
542.000	- Read and Bill	66,928.00	66,928.00	58,196.76	8,731.24	86.95
543.400	- Reline Existing Sewers	0.00	268,087.50	312,287.50	(44,200.00)	116.49
850.000	- Other Functions	8,000.00	8,000.00	0.00	8,000.00	0.00
965.000	- Transfers Out	2,500.00	2,500.00	4,773.38	(2,273.38)	190.94
TOTAL EXPENDITURES		1,396,721.20	1,691,347.05	1,199,194.56	492,152.49	70.90
Fund 590 - Sanitary Sewer Fund:						
TOTAL REVENUES		1,393,077.50	1,393,077.50	1,024,681.95	368,395.55	73.56
TOTAL EXPENDITURES		1,396,721.20	1,691,347.05	1,199,194.56	492,152.49	70.90
NET OF REVENUES & EXPENDITURES		(3,643.70)	(298,269.55)	(174,512.61)	(123,756.94)	58.51
Fund 591 - Water Supply Fund						
<b>Revenue</b>						
000.000	- General	9,000.00	9,000.00	39,350.15	(30,350.15)	437.22
540.000	- Water System	2,300,750.00	2,300,750.00	1,671,210.92	629,539.08	72.64
TOTAL REVENUES		2,309,750.00	2,309,750.00	1,710,561.07	599,188.93	74.06
<b>Expense</b>						
101.000	- Council	9,375.00	9,375.00	8,592.95	782.05	91.66
172.000	- Executive	36,394.86	36,466.11	37,006.64	(540.53)	101.48
215.000	- Administration and Clerk	16,096.28	16,134.06	14,949.91	1,184.15	92.66
228.000	- Information Technology	9,940.00	9,940.00	7,235.07	2,704.93	72.79
253.000	- Treasurer	87,091.53	87,091.53	76,362.27	10,729.26	87.68
265.000	- Facilities - City Hall	9,297.50	9,297.50	11,807.64	(2,510.14)	127.00
540.000	- Water System	2,361,062.00	2,382,181.00	1,511,802.52	870,378.48	63.46
542.000	- Read and Bill	47,702.00	47,702.00	41,758.03	5,943.97	87.54
543.230	- Water Main Repair USDA Grant	4,369,435.00	4,369,435.00	2,219,086.20	2,150,348.80	50.79
850.000	- Other Functions	10,000.00	10,000.00	0.00	10,000.00	0.00
905.000	- Debt Service	67,370.13	67,370.13	77,965.85	(10,595.72)	115.73
965.000	- Transfers Out	2,500.00	2,500.00	4,773.38	(2,273.38)	190.94



GL NUMBER	DESCRIPTION	2023-24		YTD BALANCE 05/31/2024	AVAILABLE BALANCE	% BDGT USED
		ORIGINAL BUDGET	2023-24 AMENDED BUDGET			
TOTAL EXPENDITURES		7,026,264.30	7,047,492.33	4,011,340.46	3,036,151.87	56.92
Fund 591 - Water Supply Fund:						
TOTAL REVENUES		2,309,750.00	2,309,750.00	1,710,561.07	599,188.93	74.06
TOTAL EXPENDITURES		7,026,264.30	7,047,492.33	4,011,340.46	3,036,151.87	56.92
NET OF REVENUES & EXPENDITURES		(4,716,514.30)	(4,737,742.33)	(2,300,779.39)	(2,436,962.94)	48.56
Fund 661 - Motor Pool Fund						
<b>Revenue</b>						
000.000 - General		218,795.00	219,700.95	203,649.21	16,051.74	92.69
TOTAL REVENUES		218,795.00	219,700.95	203,649.21	16,051.74	92.69
<b>Expense</b>						
172.000 - Executive		11,240.00	11,240.00	11,438.96	(198.96)	101.77
228.000 - Information Technology		815.00	815.00	789.45	25.55	96.87
253.000 - Treasurer		1,195.00	1,195.00	2,417.69	(1,222.69)	202.32
265.100 - Facilities - City Garage		390,106.50	390,106.50	268,169.49	121,937.01	68.74
850.000 - Other Functions		3,000.00	3,000.00	0.00	3,000.00	0.00
TOTAL EXPENDITURES		406,356.50	406,356.50	282,815.59	123,540.91	69.60
Fund 661 - Motor Pool Fund:						
TOTAL REVENUES		218,795.00	219,700.95	203,649.21	16,051.74	92.69
TOTAL EXPENDITURES		406,356.50	406,356.50	282,815.59	123,540.91	69.60
NET OF REVENUES & EXPENDITURES		(187,561.50)	(186,655.55)	(79,166.38)	(107,489.17)	42.41



# Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report  
December 31, 2023 - Swartz Creek, City of (2504)





Spring 2024

Swartz Creek, City of

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

This report presents the results of the Annual Actuarial Valuation, prepared for Swartz Creek, City of (2504) as of December 31, 2023. The report includes the determination of liabilities and contribution rates resulting from the participation in the Municipal Employees' Retirement System of Michigan ("MERS"). This report contains the minimum actuarially determined contribution requirement, in alignment with the MERS Plan Document, Actuarial Policy, the Michigan Constitution, and governing statutes. Swartz Creek, City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees.

The purposes of this valuation are to:

- Measure funding progress as of December 31, 2023,
- Establish contribution requirements for the fiscal year beginning July 1, 2025,
- Provide information regarding the identification and assessment of risk,
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements, and
- Provide information to assist the local unit of government with State reporting requirements.

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

The findings in this report are based on data and other information through December 31, 2023. The valuation was based upon information furnished by MERS concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by MERS.

The Municipal Employees' Retirement Act, PA 427 of 1984 and the MERS' Plan Document Article VI Sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. As the fiduciary of the plan, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed regularly through a comprehensive study, most recently in the fall of 2021. The MERS Retirement Board adopted a Dedicated Gains Policy at the February 17, 2022 Board meeting. The Dedicated Gains Policy automatically reduces the assumed rate of investment return in conjunction with recognizing excess investment gains to mitigate the impact on employer contributions the first year. The policy was effective with the December 31, 2021 annual actuarial valuation.

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

For a full list of all the assumptions used, please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:

<https://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2023AnnualActuarialValuation-Appendix.pdf>

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

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to the Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. Beginning with the December 31, 2023 annual actuarial valuation, the revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the "Low-Default-Risk Obligation Measure" (LDRM). The LDRM calculation is provided in aggregate, along with aggregate employer results, in a separate report titled "Summary Report of the 78<sup>th</sup> Annual Actuarial Valuations," and will be available on the MERS website during the fall of 2024.

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

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



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

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

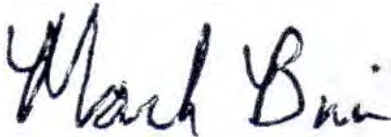
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible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

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

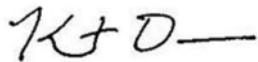
Sincerely,  
Gabriel, Roeder, Smith & Company



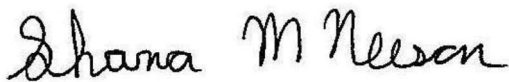
Rebecca L. Stouffer, ASA, FCA, MAAA



Mark Buis, FSA, FCA, EA, MAAA



Kurt Dosson, ASA, FCA, MAAA



Shana M. Neeson, ASA, FCA, MAAA



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# Executive Summary

## Funded Ratio

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

	12/31/2023	12/31/2022
Funded Ratio*	89%	92%

\* Reflects assets from Surplus divisions, if any.

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

## Required Employer Contributions

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

Effective with the December 31, 2021 valuation, the MERS Retirement Board adopted a Dedicated Gains Policy which allows for recognition of asset gains in excess of a set threshold in combination with lowering the assumed rate of investment return. Effective with the 2020 and 2019 valuations respectively, the MERS Retirement Board adopted updated demographic and economic assumptions. **The combined impact of the prior 2020 and 2019 demographic and economic assumption changes is fully reflected in the 2023 annual actuarial valuation, evidenced with the Phase-in and No Phase-in contribution requirements being equal.** There is no phase-in of dedicated gains.

By default, MERS will invoice you based on the amount in the “No Phase-in” columns. This amount will be considered the minimum required contribution unless you request to be billed the “Phase-in” rates. If you wish to be billed using the phased-in rates, please contact MERS, at which point the alternate minimum required contribution will be the amount in the “Phase-in” columns.

	Percentage of Payroll				Monthly \$ Based on Projected Payroll			
	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in
Valuation Date:	12/31/2023	12/31/2023	12/31/2022	12/31/2022	12/31/2023	12/31/2023	12/31/2022	12/31/2022
Fiscal Year Beginning:	July 1, 2025	July 1, 2025	July 1, 2024	July 1, 2024	July 1, 2025	July 1, 2025	July 1, 2024	July 1, 2024
Division								
01 - AFSCME	-	-	-	-	\$ 71	\$ 71	\$ 0	\$ 67
10 - Sprvsrs	-	-	-	-	11,460	11,460	7,821	8,778
Total Municipality -								
Estimated Monthly Contribution					\$ 11,531	\$ 11,531	\$ 7,821	\$ 8,845
Total Municipality -								
Estimated Annual Contribution					\$ 138,372	\$ 138,372	\$ 93,852	\$ 106,140

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2023	12/31/2022
Division		
01 - AFSCME	2.00%	2.00%
10 - Sprvsrs	4.00%	4.00%

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

**MERS strongly encourages employers to contribute more than the minimum contribution shown above. With the implemented dedicated gains policy, market gains and losses will continue to be smoothed over five years; however, since excess returns are used to lower the investment assumption, there will be fewer**



**gains to smooth in down markets. Having additional funds in Surplus divisions will assist plans with navigating any market volatility.**

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

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

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

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

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

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

### **Comments on Investment Rate of Return Assumption**

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

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

### **Assumption and Method Changes in 2023**

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

- Provide a systematic approach to lower the assumed rate of investment return between experience studies; and

- Use excess gains to cover both the increase in normal cost and any increase in UAL payment the first contribution year after application (i.e., minimize the first-year impact (i.e., increase) in employer contributions).

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

Investment performance measured for the one-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return. As a result, the assumed rate of investment return was lowered from 7.00% to 6.93%. The December 31, 2023 valuation liabilities were developed using this new, lower assumption. Additionally, as a result of recognizing excess market gains, the valuation assets used to fund these liabilities are 1.4% higher than if there were no dedicated gains policy. The combined impact of these changes will minimize the first-year impact on employer contributions and may result in an increase or a decrease in employer contributions.

There were no other assumption or method changes in 2023.

## Future Assumption and Method Changes

As the fiduciary of the plan, the MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are reviewed periodically through a comprehensive study, called an Experience Study. The next Experience Study will commence during the fall of 2024.

## Protecting MI Pension Grant Program

On July 1, 2022, Michigan lawmakers passed the State budget for the 2022-23 fiscal year. As a part of the budget, \$750 million was earmarked for underfunded municipal pension plans in counties, cities, townships, villages and road commissions across the State. Known as the **Protecting MI Pension Grant Program**, the legislation is designed to support municipal plans that are under 60% funded.

Funds received by municipalities were deposited into the MERS trust during August 2023 and are reflected in this valuation.

## Comments on Asset Smoothing

To avoid dramatic spikes and dips in annual contribution requirements due to short-term fluctuations in asset markets, MERS applies a technique called **asset smoothing**. This spreads out each year's investment gains or losses over the prior year and the following four years. After initial application of asset smoothing, remaining excess market gains are used to buy down the assumed rate of investment return and increase the level of valuation assets, to the extent allowed by the dedicated gains policy. This smoothing method is used to determine your actuarial value of assets (valuation assets), which is then used to determine both your funded ratio and your required contributions. **The (smoothed) actuarial rate of return for 2023 was 5.54%, while the actual market rate of return was 10.94%.** The actuarial rate of return is below the assumed rate of return, which will put upward pressure on the employer contribution requirements determined in this valuation. To see historical details of the market rate of return compared to the smoothed actuarial rate of return, refer to this report's Appendix or view the "[How Smoothing Works](#)" video on the [Defined Benefit resource page](#) of the MERS website.

As of December 31, 2023, the actuarial value of assets is 110% of market value due to asset smoothing. This means that there are deferred investment losses, which will put upward pressure on contributions in the short term.

If the December 31, 2023 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 81% (instead of 89%); and
- Your total employer contribution requirement for the fiscal year starting July 1, 2025 would be \$209,292 (instead of \$138,372).

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

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

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

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

The relative impact of the economic scenarios below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2023 valuation and are for the municipality in total, not by division.

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

12/31/2023 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
<b>Investment Return Assumption</b>	<b>4.93%</b>	<b>5.93%</b>	<b>6.93%</b>
Accrued Liability	\$ 8,625,239	\$ 7,883,726	\$ 7,247,430
Valuation Assets <sup>1</sup>	\$ 6,446,141	\$ 6,446,141	\$ 6,446,141
Unfunded Accrued Liability	\$ 2,179,098	\$ 1,437,585	\$ 801,289
<b>Funded Ratio</b>	75%	82%	89%
Monthly Normal Cost	\$ 166	\$ 110	\$ 71
Monthly Amortization Payment	\$ 23,713	\$ 17,129	\$ 11,460
<b>Total Employer Contribution<sup>2</sup></b>	\$ 23,879	\$ 17,239	\$ 11,531

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

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

## Projection Scenarios

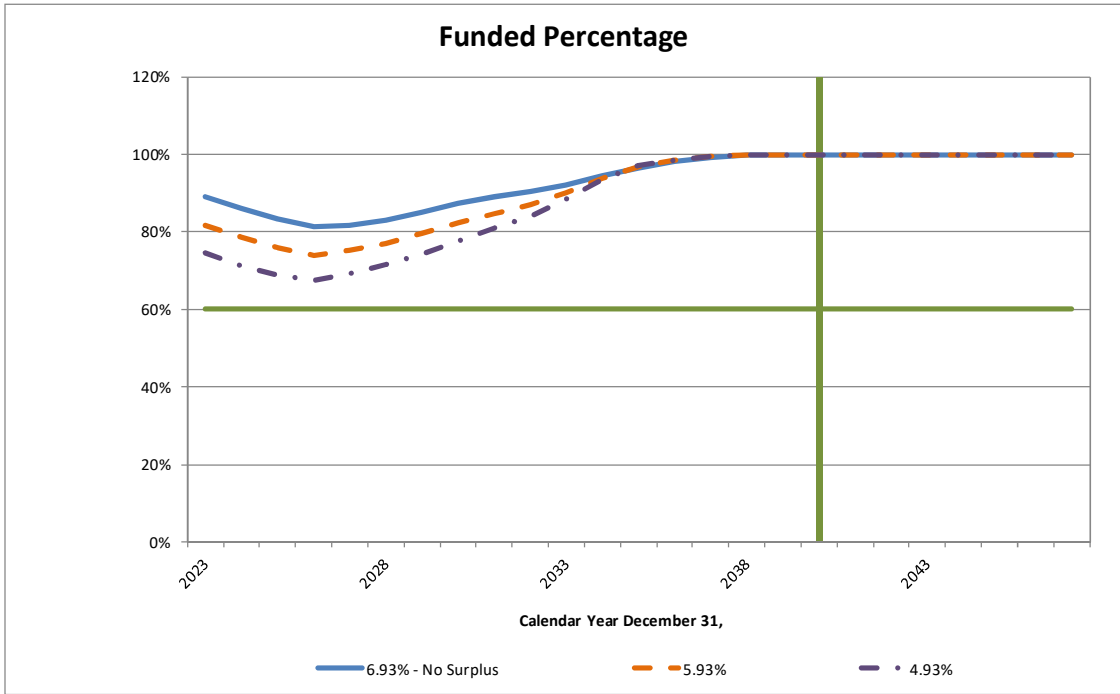
The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate economic assumption scenarios. All three projections account for the past investment experience that will continue to affect the actuarial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

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

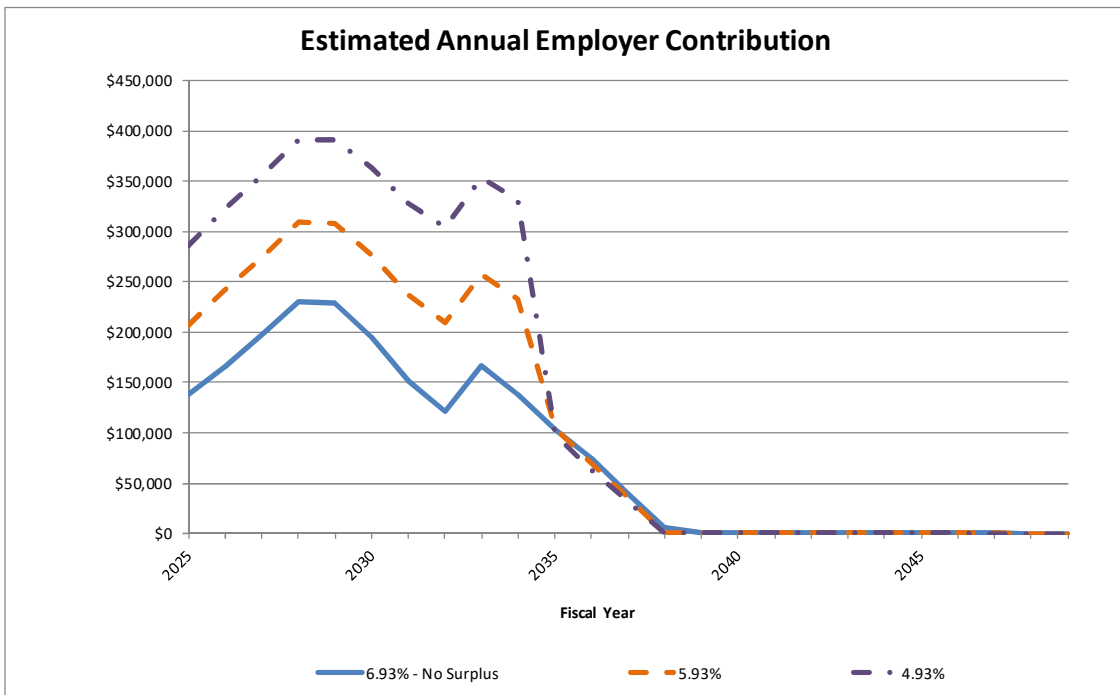
Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Estimated Annual Employer Contribution
<b>6.93%<sup>1</sup></b>					
2023	2025	\$ 7,247,430	\$ 6,446,141	89%	\$ 138,372
2024	2026	\$ 7,110,000	\$ 6,110,000	86%	\$ 165,000
2025	2027	\$ 6,930,000	\$ 5,780,000	83%	\$ 198,000
2026	2028	\$ 6,730,000	\$ 5,470,000	81%	\$ 230,000
2027	2029	\$ 6,510,000	\$ 5,310,000	82%	\$ 229,000
2028	2030	\$ 6,280,000	\$ 5,220,000	83%	\$ 195,000
<b>5.93%<sup>1</sup></b>					
2023	2025	\$ 7,883,726	\$ 6,446,141	82%	\$ 206,868
2024	2026	\$ 7,710,000	\$ 6,050,000	78%	\$ 242,000
2025	2027	\$ 7,510,000	\$ 5,700,000	76%	\$ 275,000
2026	2028	\$ 7,270,000	\$ 5,370,000	74%	\$ 310,000
2027	2029	\$ 7,020,000	\$ 5,280,000	75%	\$ 308,000
2028	2030	\$ 6,750,000	\$ 5,210,000	77%	\$ 277,000
<b>4.93%<sup>1</sup></b>					
2023	2025	\$ 8,625,239	\$ 6,446,141	75%	\$ 286,548
2024	2026	\$ 8,420,000	\$ 5,990,000	71%	\$ 322,000
2025	2027	\$ 8,170,000	\$ 5,620,000	69%	\$ 356,000
2026	2028	\$ 7,900,000	\$ 5,330,000	67%	\$ 391,000
2027	2029	\$ 7,610,000	\$ 5,260,000	69%	\$ 391,000
2028	2030	\$ 7,310,000	\$ 5,220,000	71%	\$ 364,000

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

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



Notes:  
The green indicator lines have been added at 60% funded and 17 years following the valuation date for PA 202 purposes.



**Table 1: Employer Contribution Details for the Fiscal Year Beginning July 1, 2025**

Division	Total Normal Cost	Employee Contribution Rate	Employer Contributions <sup>1</sup>			Blended ER Rate No Phase-In <sup>5</sup>	Blended ER Rate With Phase-In <sup>5</sup>	Employee Contribution Conversion Factor <sup>2</sup>
			Employer Normal Cost <sup>6</sup>	Payment of the Unfunded Accrued Liability <sup>4</sup>	Computed Employer Contribution No Phase-In			
<b>Percentage of Payroll</b>								
01 - AFSCME	6.73%	2.00%	-	-	-	-	-	-
10 - Spvsrs	0.00%	4.00%	-	-	-	-	-	-
<b>Estimated Monthly Contribution<sup>3</sup></b>								
01 - AFSCME			\$ 71	\$ 0	\$ 71	\$ 71	\$ 71	
10 - Spvsrs			0	11,460	11,460	11,460	11,460	
<b>Total Municipality</b>			<b>\$ 71</b>	<b>\$ 11,460</b>	<b>\$ 11,531</b>	<b>\$ 11,531</b>	<b>\$ 11,531</b>	
<b>Estimated Annual Contribution<sup>3</sup></b>			<b>\$ 852</b>	<b>\$ 137,520</b>	<b>\$ 138,372</b>	<b>\$ 138,372</b>	<b>\$ 138,372</b>	

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

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

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

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

<sup>5</sup> For linked divisions, the employer will be invoiced the Computed Employer Contribution No Phase-in rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-MERS (6377).

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

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



## Table 2: Benefit Provisions

### 01 - AFSCME: Closed to new hires

	2023 Valuation	2022 Valuation
<b>Benefit Multiplier:</b>	2.00% Multiplier (no max)	2.00% Multiplier (no max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	55/30	55/30
<b>Early Retirement (Reduced):</b>	50/25 55/15	50/25 55/15
<b>Final Average Compensation:</b>	5 years	5 years
<b>Employee Contributions:</b>	2.00%	2.00%
<b>DC Plan for New Hires:</b>	7/1/1997 SLIF (9 Days)	7/1/1997 SLIF (9 Days)
<b>Act 88:</b>	Yes (Adopted 12/10/1970)	Yes (Adopted 12/10/1970)

### 10 - Sprvsrs: Closed to new hires

	2023 Valuation	2022 Valuation
<b>Benefit Multiplier:</b>	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
<b>Normal Retirement Age:</b>	60	60
<b>Vesting:</b>	10 years	10 years
<b>Early Retirement (Unreduced):</b>	50/25	50/25
<b>Early Retirement (Reduced):</b>	55/15	55/15
<b>Final Average Compensation:</b>	3 years	3 years
<b>COLA for Future Retirees:</b>	2.50% (Non-Compound)	2.50% (Non-Compound)
<b>COLA for Current Retirees:</b>	2.50% (Non-Compound)	2.50% (Non-Compound)
<b>Employee Contributions:</b>	4.00%	4.00%
<b>DC Plan for New Hires:</b>	7/1/1997	7/1/1997
<b>Act 88:</b>	Yes (Adopted 12/10/1970)	Yes (Adopted 12/10/1970)



### Table 3: Participant Summary

Division	2023 Valuation		2022 Valuation		2023 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
<b>01 - AFSCME</b>							
Active Employees	1	\$ 57,426	1	\$ 56,039	72.9	54.2	54.2
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	7	152,968	7	152,295	71.9		
Pending Refunds	0		0				
<b>10 - Sprvrs</b>							
Active Employees	0	\$ 0	0	\$ 0	0.0	0.0	0.0
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	9	457,869	9	446,904	72.3		
Pending Refunds	0		0				
<b>Total Municipality</b>							
<b>Active Employees</b>	<b>1</b>	<b>\$ 57,426</b>	<b>1</b>	<b>\$ 56,039</b>	<b>72.9</b>	<b>54.2</b>	<b>54.2</b>
<b>Vested Former Employees</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Retirees and Beneficiaries</b>	<b>16</b>	<b>610,837</b>	<b>16</b>	<b>599,199</b>	<b>72.1</b>		
<b>Pending Refunds</b>	<b>0</b>		<b>0</b>				
<b>Total Participants</b>	<b>17</b>		<b>17</b>				

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

<sup>2</sup> Descriptions can be found under Miscellaneous and Technical Assumptions in the Appendix.

## Table 4: Reported Assets (Market Value)

Division	2023 Valuation		2022 Valuation	
	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>	Employer and Retiree <sup>1</sup>	Employee <sup>2</sup>
01 - AFSCME	\$ 1,824,497	\$ 90,104	\$ 1,781,611	\$ 85,057
10 - Sprvsrs	3,947,899	0	3,884,767	0
<b>Municipality Total<sup>3</sup></b>	<b>\$ 5,772,396</b>	<b>\$ 90,104</b>	<b>\$ 5,666,377</b>	<b>\$ 85,057</b>
<b>Combined Assets<sup>3</sup></b>	<b>\$5,862,500</b>		<b>\$5,751,434</b>	

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

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

<sup>3</sup> Totals may not add due to rounding.

The December 31, 2023 valuation assets (actuarial value of assets) are equal to 1.099555 times the reported market value of assets (compared to 1.157665 as of December 31, 2022). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

**Table 5: Flow of Valuation Assets**

Year Ended 12/31	Employer Contributions		Employee Contributions	Investment Income (Valuation Assets)	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
	Required	Additional						
2013	\$ 85,735	\$ 3	\$ 14,323	\$ 425,428	\$ (533,278)	\$ 0	\$ 0	\$ 7,711,987
2014	97,181	0	13,279	418,854	(583,933)	0	0	7,657,368
2015	100,374	111,999	11,529	348,798	(654,308)	0	0	7,575,760
2016	94,061	564,769	12,248	434,113	(618,056)	0	0	8,062,895
2017	50,402	26,976	3,697	326,892	(545,810)	0	(1,225,547)	6,699,505
2018	36,552	36,552	2,144	230,691	(521,077)	0	0	6,484,367
2019	0	73,104	2,168	288,042	(528,836)	0	0	6,318,845
2020	13,104	60,000	2,117	470,291	(536,595)	0	0	6,327,762
2021	57,498	23,448	2,157	1,053,058	(544,354)	0	0	6,919,569
2022	99,990	0	2,200	188,588	(552,113)	0	0	6,658,234
2023	95,712	15,480	1,300	278,700	(603,285)	0	0	6,446,141

**Notes:**

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

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

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

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



**Table 6: Actuarial Accrued Liabilities and Valuation Assets  
as of December 31, 2023**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - AFSCME	\$ 466,786	\$ 0	\$ 1,581,936	\$ 0	\$ 2,048,722	\$ 2,105,209	102.8%	\$ (56,487)
10 - Sprvrs	0	0	5,198,708	0	5,198,708	4,340,932	83.5%	857,776
<b>Total</b>	<b>\$ 466,786</b>	<b>\$ 0</b>	<b>\$ 6,780,644</b>	<b>\$ 0</b>	<b>\$ 7,247,430</b>	<b>\$ 6,446,141</b>	<b>88.9%</b>	<b>\$ 801,289</b>

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

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



## Table 7: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2009	\$ 8,337,631	\$ 7,821,234	94%	\$ 516,397
2010	8,532,967	7,924,796	93%	608,171
2011	8,597,380	7,829,897	91%	767,483
2012	8,184,102	7,719,776	94%	464,326
2013	8,235,676	7,711,987	94%	523,689
2014	8,657,510	7,657,368	88%	1,000,142
2015	9,174,180	7,575,760	83%	1,598,420
2016	8,781,556	8,062,895	92%	718,661
2017	6,786,126	6,699,505	99%	86,621
2018	6,756,614	6,484,367	96%	272,247
2019	6,951,256	6,318,845	91%	632,411
2020	7,131,533	6,327,762	89%	803,771
2021	7,290,069	6,919,569	95%	370,500
2022	7,245,747	6,658,234	92%	587,513
2023	7,247,430	6,446,141	89%	801,289

Notes: Actuarial assumptions were revised for the 2009, 2010, 2011, 2012, 2015, 2019, 2020, 2021 and 2023 actuarial valuations.

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

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

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

# Tables 8 and 9: Division-Based Comparative Schedules

## Division 01 - AFSCME

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

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2013	\$ 1,758,360	\$ 1,579,950	90%	\$ 178,410
2014	1,822,679	1,592,868	87%	229,811
2015	1,926,030	1,626,153	84%	299,877
2016	1,944,441	1,969,146	101%	(24,705)
2017	1,933,339	1,976,157	102%	(42,818)
2018	1,925,433	1,941,838	101%	(16,405)
2019	1,977,402	1,926,862	97%	50,540
2020	1,982,054	1,971,182	99%	10,872
2021	2,012,086	2,199,762	109%	(187,676)
2022	2,060,315	2,160,976	105%	(100,661)
2023	2,048,722	2,105,209	103%	(56,487)

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

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

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

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2013	3	\$ 139,994	\$ 2,607	2.00%
2014	2	108,915	\$ 3,833	2.00%
2015	2	106,804	\$ 5,577	2.00%
2016	2	109,768	\$ 0	2.00%
2017	2	104,656	\$ 0	2.00%
2018	2	107,183	\$ 10	2.00%
2019	2	107,380	\$ 834	2.00%
2020	2	105,848	\$ 291	2.00%
2021	2	107,856	\$ 206	2.00%
2022	1	56,039	\$ 67	2.00%
2023	1	57,426	\$ 71	2.00%

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

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

Note: The contributions shown in Table 9 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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

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

## Division 10 - Sprvsrs

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

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2013	\$ 4,940,754	\$ 5,001,525	101%	\$ (60,771)
2014	5,152,171	4,906,270	95%	245,901
2015	5,398,232	4,708,454	87%	689,778
2016	4,862,938	4,785,486	98%	77,452
2017	4,852,787	4,723,348	97%	129,439
2018	4,831,181	4,542,529	94%	288,652
2019	4,973,854	4,391,983	88%	581,871
2020	5,149,479	4,356,580	85%	792,899
2021	5,277,983	4,719,807	89%	558,176
2022	5,185,432	4,497,258	87%	688,174
2023	5,198,708	4,340,932	84%	857,776

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

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

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

Valuation Date December 31	Active Employees		Computed Employer Contribution <sup>1</sup>	Employee Contribution Rate <sup>2</sup>
	Number	Annual Payroll		
2013	2	\$ 124,816	\$ 0	4.00%
2014	0	0	\$ 4,321	0.00%
2015	0	0	\$ 13,379	0.00%
2016	0	0	\$ 0	4.00%
2017	0	0	\$ 719	4.00%
2018	0	0	\$ 3,262	4.00%
2019	0	0	\$ 6,565	4.00%
2020	0	0	\$ 8,975	4.00%
2021	0	0	\$ 6,480	4.00%
2022	0	0	\$ 8,778	4.00%
2023	0	0	\$ 11,460	4.00%

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

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

Note: The contributions shown in Table 9 reflect the employer contribution requirement without phase-in. If applicable, the current phase-in contribution is shown in Table 1.

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

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

## Table 10: Division-Based Layered Amortization Schedule

### Division 01 - AFSCME

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

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2025		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
Experience	12/31/2021	\$ (192,665)	10	\$ (187,594)	8	\$ (27,540)
Experience	12/31/2022	80,488	10	84,074	9	11,172
Experience	12/31/2023	37,135	10	41,061	10	4,992
<b>Total</b>				<b>\$ (62,459)</b>		<b>\$ (11,376)</b>

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

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

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

The unfunded accrued liability (UAL) as of December 31, 2023 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2023 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

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



## Division 10 - Sprvsrs

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

Type of UAL	Date Established	Original Balance <sup>1</sup>	Original Amortization Period <sup>2</sup>	Amounts for Fiscal Year Beginning 7/1/2025		
				Outstanding UAL Balance <sup>3</sup>	Remaining Amortization Period <sup>2</sup>	Annual Amortization Payment
(Gain)/Loss	12/31/2017	\$ 63,029	10	\$ 38,208	4	\$ 10,440
(Gain)/Loss	12/31/2018	220,741	10	158,280	5	35,220
(Gain)/Loss	12/31/2019	111,361	10	90,188	6	17,028
Assumption	12/31/2019	164,509	10	131,393	6	24,816
Experience	12/31/2020	192,742	10	173,329	7	28,560
Experience	12/31/2021	(235,814)	10	(229,622)	8	(33,708)
Experience	12/31/2022	187,132	10	195,473	9	25,968
Experience	12/31/2023	217,067	10	240,018	10	29,196
<b>Total</b>				<b>\$ 797,267</b>		<b>\$ 137,520</b>

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

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

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

The unfunded accrued liability (UAL) as of December 31, 2023 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2023 valuation to take into account the expected future contributions that are based on past valuations. Each type of UAL (layer) is amortized over the appropriate period. Please see the Appendix on the MERS website for a detailed description of the amortization policy.

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

## GASB Statement No. 68 Information

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

Actuarial Valuation Date:		12/31/2023
Measurement Date of the Total Pension Liability (TPL):		12/31/2023
At 12/31/2023, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		16
Inactive employees entitled to but not yet receiving benefits (including refunds):		0
Active employees:		<u>1</u>
		17
Total Pension Liability as of 12/31/2022 measurement date:	\$	7,097,915
Total Pension Liability as of 12/31/2023 measurement date:	\$	7,102,487
Service Cost for the year ending on the 12/31/2023 measurement date:	\$	3,492
Change in the Total Pension Liability due to:		
- Benefit changes <sup>1</sup> :	\$	0
- Differences between expected and actual experience <sup>2</sup> :	\$	71,854
- Changes in assumptions <sup>2</sup> :	\$	39,655
Average expected remaining service lives of all employees (active and inactive):		0

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

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

Covered employee payroll (Needed for Required Supplementary Information):	\$	57,426
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Note: Covered employee payroll may differ from the GASB Statement No. 68 definition.

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

	1% Decrease <u>(6.18%)</u>	Current Discount Rate <u>(7.18%)</u>	1% Increase <u>(8.18%)</u>
Change in Net Pension Liability as of 12/31/2023:	\$ 613,117	\$ 0	\$ (530,873)

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

# Benefit Provision History

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

## 01 - AFSCME

1/1/2021	Sick Eligibility - 72 hours of unused at 100% of pay
1/1/2021	Service Credit Qualification - 80 hours
1/1/2021	Custom Wages
12/1/2016	Service Credit Purchase Estimates - No
7/1/2004	Benefit F55 (With 30 Years of Service)
7/1/2004	Member Contribution Rate 2.00%
7/1/1997	DC Adoption Date 07-01-1997
7/1/1994	2.00% Multiplier
7/1/1991	1.70% Multiplier
7/1/1988	Member Contribution Rate 0.00%
12/10/1970	Covered by Act 88
7/1/1970	1.20% Multiplier on FAC < \$4,200 and 1.70% Multiplier on FAC > \$4,200
7/1/1966	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1966	10 Year Vesting
7/1/1966	1.00% Multiplier on FAC < \$4,200 and 1.50% Multiplier on FAC > \$4,200
7/1/1966	Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
	Fiscal Month - July
	Normal Retirement Age (DB) - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

## 10 - Sprvsrs

12/1/2016	Service Credit Purchase Estimates - No
7/1/1997	DC Adoption Date 07-01-1997
1/1/1992	E2 2.5% COLA for future retirees (07/01/1991)
1/1/1992	E1 2.5% COLA for past retirees (07/01/1991)
7/1/1991	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/1991	2.50% Multiplier (Capped at 80% of FAC)
7/1/1991	Member Contribution Rate 4.00%
7/1/1988	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1988	10 Year Vesting
7/1/1988	1.20% Multiplier on FAC < \$4,200 and 1.70% Multiplier on FAC > \$4,200
7/1/1988	Benefit F50 (With 25 Years of Service)
7/1/1988	Member Contribution Rate 1.00%
12/10/1970	Covered by Act 88
	Fiscal Month - July
	Normal Retirement Age (DB) - 60
	Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

# Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

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

## Increase in Final Average Compensation

Division	FAC Increase Assumption	SLIF Increase Assumption
01 - AFSCME	0.00%	0.69%
10 - Sprvsrs	2.00%	0.00%

## Miscellaneous and Technical Assumptions

Loads – None.

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

## Risk Commentary

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

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

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

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

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

## Plan Maturity Measures

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

December 31,	Ratio of:				
	Market Value of Assets to Total Payroll	Actuarial Accrued Liability to Payroll	Actives to Retirees and Beneficiaries	Market Value of Assets to Benefit Payments	Net Cash Flow to Market Value of Assets (BOY)
2018	55.2	63.0	0.1	11.4	-6.7%
2019	58.1	64.7	0.1	11.8	-7.7%
2020	61.5	67.4	0.1	12.1	-7.4%
2021	64.3	67.6	0.1	12.7	-7.1%
2022	102.6	129.3	0.1	10.4	-6.5%
2023	102.1	126.2	0.1	9.7	-8.5%

### Ratio of Market Value of Assets to Total Payroll

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

### Ratio of Actuarial Accrued Liability to Payroll

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

### Ratio of Actives to Retirees and Beneficiaries

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

### Ratio of Market Value of Assets to Benefit Payments

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

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

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

# State Reporting

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

Form 5572		
Line Reference	Description	Result
<b>10</b>	<b>Membership as of December 31, 2023</b>	
11	Indicate number of active members	1
12	Indicate number of inactive members (excluding pending refunds)	0
13	Indicate number of retirees and beneficiaries	16
<b>14</b>	<b>Investment Performance for Calendar Year Ending December 31, 2023<sup>1</sup></b>	
15	Enter actual rate of return - prior 1-year period	11.60%
16	Enter actual rate of return - prior 5-year period	8.07%
17	Enter actual rate of return - prior 10-year period	6.49%
<b>18</b>	<b>Actuarial Assumptions</b>	
19	Actuarial assumed rate of investment return <sup>2</sup>	6.93%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any <sup>3</sup>	10
22	Is each division within the system closed to new employees? <sup>4</sup>	Yes
<b>23</b>	<b>Uniform Assumptions</b>	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$6,108,455
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions <sup>5</sup>	\$7,265,180
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30, 2024	\$120,108

1. The Municipal Employees’ Retirement System’s investment performance has been provided to GRS from MERS Investment Staff and is included here for reporting purposes. The investment performance figures reported are net of investment expenses on a rolling calendar year basis for the previous 1-, 5-, and 10-year periods as required under PA 530.
2. Net of administrative and investment expenses.
3. Populated with the longest amortization period remaining in the amortization schedule, across all divisions in the plan. This is when each division and the plan in total is expected to reach 100% funded if all assumptions are met.
4. If all divisions within the employer are closed, “yes.” If at least one division is open (including shadow divisions), “no.”
5. Line 25 actuarial accrued liability is determined under PA 202 uniform assumptions which differ from the valuation assumptions. In particular, the assumed rate of return for PA 202 purposes is 6.90%.



# City of Swartz Creek

## Actuarial Valuation of Other Post Employment Benefits (OPEBs) as of July 1, 2023

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### PREPARED BY

The Retirement & Investment Solutions Practice of  
CBIZ, Inc. | June 2024





June 7, 2024

Amy Nichols  
City Treasurer  
City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

**RE: Actuarial Valuation as of July 1, 2023**

Dear Amy:

The primary purpose of this report is to:

1. Provide the City with all estimated financial disclosures under GASB Statement No. 75 for fiscal year ended June 30, 2024
2. Determine the Actuarially Determined Contributions (ADC) for fiscal years ending June 30, 2024 and June 30, 2025.

This report is intended for the sole use of the City to comply with the stated purposes and may not be appropriate for other purposes. Additional determinations may be needed for other purposes, such as meeting State and Local reporting requirements or plan funding and forecasts. This report should not be relied upon for other purposes without consulting CBIZ.

Overall, the Total OPEB Liability increased relative to the expectation from the prior valuation. Below is a summary of the primary drivers of the increase:

- Demographic Experience

Please review the results thoroughly. If you have any further questions or concerns, feel free to reach out to me by phone at 216.525.4683, or by e-mail at [AJJohnson@CBIZ.com](mailto:AJJohnson@CBIZ.com).

Respectfully,

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Alex J. Johnson, ASA, FCA, MAAA  
Actuarial Managing Consultant



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## **Actuarial Certification**

To the best of my knowledge, the information supplied in this report is complete and accurate. In my opinion, the methods and assumptions used in the valuation comply with the Governmental Accounting Standards Board (GASB), particularly GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pension", as applicable. Other than prescribed assumptions, the actuarial assumptions have been selected by City of Swartz Creek with input from CBIZ. I believe that each non-prescribed assumption is individually reasonable, and in combination they offer our best estimate of anticipated experience under the Plan. Nevertheless, the actual costs of the plan in the future will differ from the results of the valuation, as the emerging experience varies from the assumptions projected in the valuation.

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. The potential range of future measurements was not assessed as it is outside the scope of this project.

CBIZ has relied upon participant data and financial information provided to us by the City and other organizations designated by the City. I did not audit this data, but it has been reviewed for reasonableness and consistency with prior years. I believe that the information is sufficiently complete to be relied upon for the purposes intended. To the best of my knowledge, all plan participants on July 1, 2023, and all plan provisions in effect on that date have been reflected in the valuation.

To the best of my knowledge, there have been no events after the measurement date and before the date of communication which necessitated adjustments to the actuarial findings. There are no significant benefits that are excluded from the valuation.

I, the undersigned, am a consulting actuary associated with the firm CBIZ Benefits & Insurance Services, Inc. I am a member of the American Academy of Actuaries and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and is qualified to render the actuarial opinion contained herein. The relationship between CBIZ and City of Swartz Creek is strictly professional. There are no aspects of the relationship that may impair or appear to impair the objectivity of our work.

Respectfully Submitted,



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Alex J. Johnson, ASA, FCA, MAAA  
Actuarial Managing Consultant

## Summary of Valuation Results as of July 1, 2023

Division	Supervisors	AFSCME	FOP	Total
<b>Participant Data</b>				
Active Employees	1	1	0	2
Retirees and Covered Spouses	6	2	1	9
Total	<u>7</u>	<u>3</u>	<u>1</u>	<u>11</u>
<b>Present Value of Future Benefits ("PVFB")</b>				
Active Employees	\$ 78,453	24,844	0	\$ 103,297
Retirees and Covered Spouses	243,553	90,415	39,740	373,708
Total	<u>\$ 322,006</u>	<u>115,259</u>	<u>39,740</u>	<u>\$ 477,005</u>
<b>Actuarial Accrued Liability ("AAL")</b>				
Active Employees	70,501	22,215	0	\$ 92,716
Retirees and Covered Spouses	243,553	90,415	39,740	373,708
Total	<u>\$ 314,054</u>	<u>112,630</u>	<u>39,740</u>	<u>\$ 466,424</u>
<b>Actuarial Value of Assets ("AVA")</b>				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Unfunded Actuarial Accrued Liability ("UAAL")</b>				
	<u>\$ 314,054</u>	<u>112,630</u>	<u>39,740</u>	<u>\$ 466,424</u>
<b>AVA as a Percentage of AAL ("Funded Status")</b>				
	0.00%	0.00%	0.00%	0.00%
<b>Current Year Normal Cost</b>				
	1,827	726	0	\$ 2,553
<b>Actuarially Determined Contribution ("ADC") for Year Ending:</b>				
June 30, 2024	\$ 22,282	8,065	2,580	\$ 32,927
June 30, 2025	21,909	8,148	2,580	32,637

## Development of Actuarially Determined Contribution (ADC)

The Actuarially Determined Contribution (ADC) is calculated in accordance with the Employer's funding and investment policy or other state and local statutes, if any exist. Otherwise, it is calculated in accordance with the Employer's substantive history of financing retiree benefits.

Consistent with Michigan Public Act 202 of 2017, the Actuarially Determined Contribution ("ADC") is calculated in the same manner as the Act's Annual Required Contribution ("ARC"), which is defined as the sum of the normal cost payment and the annual amortization payment for past service costs to fund the Unfunded Actuarial Accrued Liability. Key actuarial assumptions that are used in the calculation of the ADC are disclosed below.

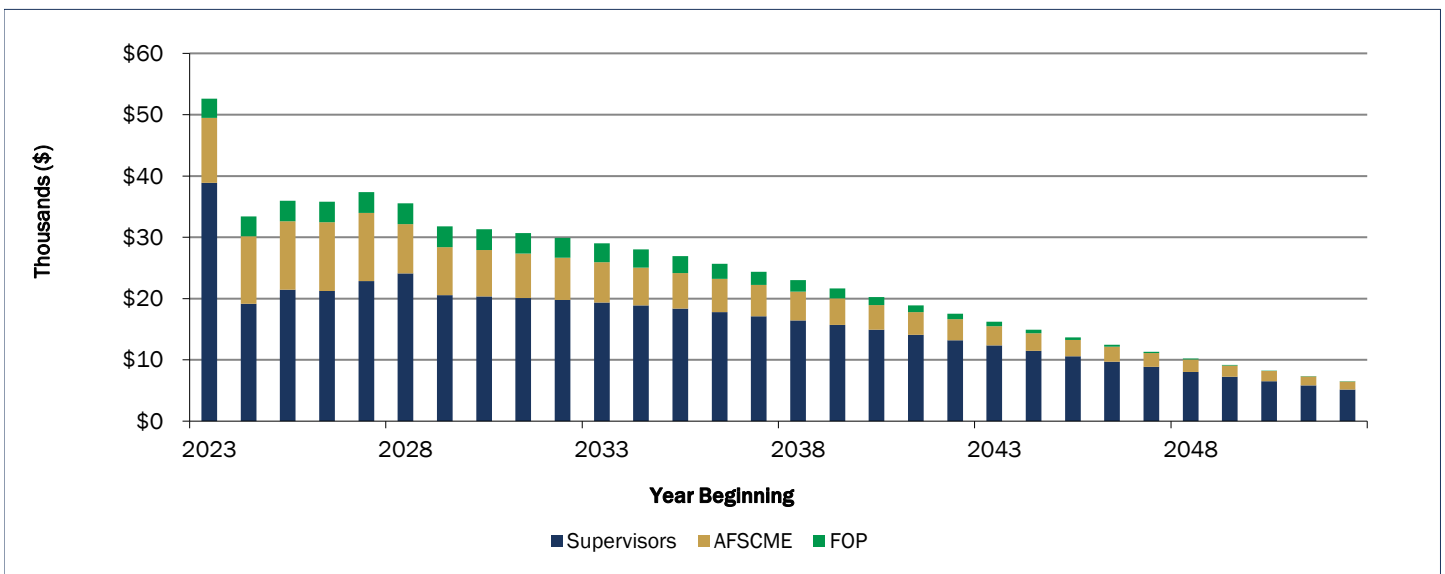
<b>Year Ending:</b>	<b>6/30/2025</b>	<b>6/30/2024</b>
<b>Normal Cost Component</b>		
Normal Cost	\$ 2,274	\$ 2,553
Expenses	0	0
Interest to End of Year	94	105
Total Normal Cost	<u>\$ 2,368</u>	<u>\$ 2,658</u>
<b>Amortization Component</b>		
Actuarial Accrued Liability		\$ 466,424
Actuarial Value of Assets		0
Unfunded Actuarial Accrued Liability		<u>\$ 466,424</u>
Amortization Factor		<u>16.04604</u>
Amortization Payment	\$ 29,068	\$ 29,068
Interest on Amortization Payment to End of Year	1,201	1,201
Total Amortization Payment	<u>\$ 30,269</u>	<u>\$ 30,269</u>
<b>Actuarially Determined Contribution</b>	<b>\$ 32,637</b>	<b>\$ 32,927</b>
Expected Covered Payroll	127,025	142,605
ADC as a % of Covered Payroll	25.69%	23.09%

Actuarial Cost Method: Entry Age Normal as a Percentage of Payroll  
Discount Rate: 4.13%  
Wage Increase Rate: 3.00%  
Amortization Method: Level Dollar over a closed 25 years

## Projected Retiree Benefit Payments

Exhibit A is a graph that shows the 30-year projection of expected benefit payments under the OPEB plan. These payments only reflect those participants who have already been hired or who are retired. Expected benefit payments are equal to the number of retirees each year times the per retiree cost to the employer. The first year's projected benefit payments total \$52,604. As the last participants retire and then reach the end of their benefit period, the benefit payments decline and eventually would reach zero. Exhibit B is a table showing the first 10 years of expected benefit payments.

**Exhibit A - 30yr Projection of Expected Benefit Payments**



**Exhibit B - First 10 Years of Expected Benefit Payments**

Plan Year Beginning July 1,	Supervisors	AFSCME	FOP	Total
2023	38,861	10,611	3,132	52,604
2024	19,159	11,001	3,220	33,380
2025	21,446	11,189	3,295	35,930
2026	21,225	11,223	3,349	35,797
2027	22,854	11,137	3,384	37,375
2028	24,084	8,072	3,393	35,549
2029	20,538	7,848	3,385	31,771
2030	20,366	7,571	3,354	31,291
2031	20,105	7,254	3,300	30,659
2032	19,766	6,908	3,221	29,895

## OPEB Expense (Income)

	<b>Measurement Period Ending</b>	
	<b>6/30/2025</b>	<b>6/30/2024</b>
	<i>Estimate</i>	<i>Estimate</i>
<b>OPEB Expense (Income)</b>		
1. Service Cost	\$ 2,683	\$ 2,605
2. Interest on the Total OPEB Liability	17,317	18,231
3. Non-Investment Administrative Expenses	0	0
4. Employee Contributions	0	0
5. Projected Earnings on Fiduciary Net Position	0	0
6. Recognition of Deferred Outflows/(Inflows) related to:		
Net difference between projected and actual earnings	0	0
Differences between expected and actual experience	0	15,876
Changes in assumptions	0	(3,619)
7. Ad Hoc Postemployment Benefit Changes	0	0
8. Total	<u>\$ 20,000</u>	<u>\$ 33,093</u>

### Development of Interest on the Total OPEB Liability

1. Beginning Total OPEB Liability x 100% x Discount Rate	\$ 17,951	\$ 19,263
2. Service Cost x 50% x Discount Rate	55	54
3. Benefit Payments x 50% x Discount Rate	(689)	(1,086)
4. Total	<u>\$ 17,317</u>	<u>\$ 18,231</u>

### Development of Projected Earnings Fiduciary Net Position

1. Beginning Fiduciary Net Position x 100% x Rate of Return on Assets	\$ 0	\$ 0
2. Employer Contributions x 50% x Rate of Return on Assets	0	0
3. Employee Contributions x 50% x Rate of Return on Assets	0	0
4. Benefit Payments x 50% x Rate of Return on Assets	0	0
5. Administrative Expenses x 50% x Rate of Return on Assets	0	0
6. Total	<u>\$ 0</u>	<u>\$ 0</u>

### Key Assumptions for OPEB Expense (Income)

Discount Rate	4.13%	4.13%
Annual Wage Increase	3.00%	3.00%
Expected Rate of Return on Assets	N/A	N/A

### Key Assumptions for Net OPEB Liability

Discount Rate	4.13%	4.13%
Annual Wage Increase	3.00%	3.00%
Expected Rate of Return on Assets	N/A	N/A

## Net OPEB Liability

	<b>Measurement Period Ending</b>	
	<b>6/30/2025</b>	<b>6/30/2024</b>
	<i>Estimate</i>	<i>Estimate</i>
<b>Reconciliation of Total OPEB Liability</b>		
1. Total OPEB Liability at End of Prior Year	\$ 434,656	\$ 454,316
2. Service Cost	2,683	2,605
3. Interest on the Total OPEB Liability	17,317	18,231
4. Net Benefits Paid by Employer	(33,380)	(52,604)
5. Ad Hoc Postemployment Benefit Changes	0	0
6. Differences between expected and actual experience	0	15,511
7. Changes in assumptions	0	(3,403)
8. Total OPEB Liability at End of Year	<u>\$ 421,276</u>	<u>\$ 434,656</u>
<b>Reconciliation of Fiduciary Net Position</b>		
1. Fiduciary Net Position at End of Prior Year	\$ 0	\$ 0
2. Projected Earnings on Fiduciary Net Position	0	0
3. Difference Between Projected and Actual Earnings	0	0
4. Employer Contributions	33,380	52,604
5. Employee Contributions	0	0
6. Net Benefits Paid by Employer	(33,380)	(52,604)
7. Non-Investment Administrative Expenses	0	0
8. Fiduciary Net Position at End of Year	<u>\$ 0</u>	<u>\$ 0</u>
Money-Weighted Rate of Return	0.00%	0.00%
<b>Net OPEB Liability (Asset)</b>		
1. Total OPEB Liability	\$ 421,276	\$ 434,656
2. Fiduciary Net Position	0	0
3. Net OPEB Liability (Asset)	<u>\$ 421,276</u>	<u>\$ 434,656</u>
4. Fiduciary Net Position as % of Total OPEB Liability ("Funded Status")	0.00%	0.00%
5. Covered Payroll	\$ 127,025	\$ 142,605
6. Net OPEB Liability (Asset) as a % of Covered Payroll	331.65%	304.80%
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate</b>		
1. 1% increase in the discount rate	\$ 401,019	\$ 406,207
2. 1% decrease in the discount rate	471,581	480,785
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Trend</b>		
1. 1% increase in healthcare trend	435,804	442,795
2. 1% decrease in healthcare trend	431,256	438,368



## Deferred Outflows (Inflows)

	Measurement Period Ending	
	6/30/2025	6/30/2024
	Estimate	Estimate
<b>Deferred Outflows of Resources Related to OPEB</b>		
1. Net difference between projected and actual earnings	\$ 0	\$ 0
2. Differences between expected and actual experience	0	0
3. Changes in assumptions	0	0
4. Contributions subsequent to measurement date	0	0
5. Total	\$ 0	\$ 0
<b>Deferred Inflows of Resources Related to OPEB</b>		
1. Net difference between projected and actual earnings	\$ 0	\$ 0
2. Differences between expected and actual experience	0	0
3. Changes in assumptions	0	0
4. Total	\$ 0	\$ 0

### Schedule of Deferred Outflows (Inflows)

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

MPE 6/30/2025			MPE 6/30/2024		
2026	\$	-	2025	\$	-
2027		-	2026		-
2028		-	2027		-
2029		-	2028		-
2030		-	2029		-
2031+		-	2030+		-

## Deferred Outflows (Inflows) (cont.)

### Deferred Outflows/(Inflows) - Historical Amortization Schedules

Meas. Period Ending	Original Amount	Current-Year Amortization Amount	Original Amortization Period	Outstanding Balance at 6/30/2025	Outstanding Balance at 6/30/2024
<b>Differences between expected and actual experience</b>					
2024 \$	15,511 \$	15,511	1.00	\$ 0	\$ 0
<b>Changes in assumptions</b>					
2024 \$	(3,403) \$	(3,403)	1.00	\$ 0	\$ 0

## Summary of Participant Data as of July 1, 2023

Participant Summary	Active Employees		Retirees and Spouses	
	Metric			
Covered Participants		2		9
Average Age		65.8		69.2
Average Service		37.4		N/A
Percentage Male		50.0		44.4

Age / Service Distribution for Active Participants	Years of Credited Service											
	Attained Age										Total	
		<1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39		40+
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0	0	0	0	0	0	0
55 to 59	0	0	0	0	0	1	0	0	0	0	0	1
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0
65 to 70	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	1	1
Total	0	0	0	0	0	1	0	0	0	0	1	2

## Summary of Plan Provisions

**Retiree Benefits and Eligibility** The Employer provides medical, pharmacy, dental, vision, and life insurance benefits for eligible retired Supervisors and AFSCME employees and their spouses. Benefits are provided through fully-insured plans administered by Blue Cross Blue Shield of Michigan.

*Supervisors*

Hired prior to April 7, 2014, and  
 Age 50 with 15 years of service upon retirement/duty-related disablement

*AFSCME*

Age 55 with 25 years of full-time service

**Current Retirees** Specific benefits current retirees that differ from those listed below were detailed in the participant data provided by the Employer.

**Length of Benefits**

*Supervisors*

Retiree: Life  
 Spouse: Until age 65

*AFSCME*

Retiree: Life, if hired prior to January 1, 2006, and retired on or after July 1, 2016. Otherwise, benefits end at age 65.

**Retiree Contributions**

*Supervisors*

Pre-65: retirees and spouses pay a percentage of the fully-insured medical and pharmacy premium equivalent rates below, based on years of service at retirement:

Service	Percent
15 - 19	60%
20 - 24	45
25+	30

Post-65: retirees with a date of retirement prior to July 1, 2019 receive a monthly stipend of \$325 to pay for healthcare expenses in lieu of coverage through the Employer's plan. Those with a date of retirement after June 30, 2019 receive a monthly stipend of \$450.

## Summary of Plan Provisions

### Retiree Contributions (cont.) AFSCME

Pre-65: the Employer contributes \$446 per month toward the cost of healthcare coverage. The retiree is responsible for the remaining premium cost for self and spouse.

Post-65: retirees receive a monthly stipend of \$250 to pay for healthcare expenses in lieu of coverage through the Employer's plan.

All retirees and spouses are required to pay 100% of dental, vision, and life insurance premium equivalent rates. As these costs do not vary materially by age, no liability is assumed for these benefits.

### Annual Premium Rates per Person

Age	Active 0001	Suffix 0005
50	\$ 7,185	\$ 7,514
51	7,503	7,846
52	7,853	8,212
53	8,207	8,582
54	8,589	8,982
55	8,972	9,382
56	9,386	9,815
57	9,804	10,253
58	10,251	10,720
59	10,472	10,951
60	10,919	11,418
61	11,305	11,822
62	11,558	12,087
63	11,876	12,419
64	12,069	12,621

**Changes Since Prior Valuation** 1. Premium equivalent rates were updated to reflect current rates.

## Actuarial Assumptions and Methods

<b>Actuarial Valuation Date</b>	July 1, 2023
<b>Actuarial Cost Method</b>	Individual Entry Age Normal as a level percentage of payroll
<b>Discount Rate</b>	4.13%
<b>Annual Wage Increases</b>	3.00%
<b>Price Inflation</b>	2.50%
<b>Investment Rate of Return</b>	N/A
<b>Actuarial Value of Assets</b>	N/A
<b>Healthcare Reform</b>	Aspects of the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

**Annual Healthcare Trend**

Years after Valuation Date	Medical/Pharmacy Pre-65	Medical/Pharmacy Post-65	PA 152 Hard Caps	Fixed Stipends
1	7.25%	5.50%	3.00%	0.00%
2	7.00	5.25	3.00	0.00
3	6.75	5.00	3.00	0.00
4	6.50	4.75	3.00	0.00
5	6.25	4.50	3.00	0.00
6	6.00	4.50	3.00	0.00
7	5.75	4.50	3.00	0.00
8	5.50	4.50	3.00	0.00
9	5.25	4.50	3.00	0.00
10	5.00	4.50	3.00	0.00
11	4.75	4.50	3.00	0.00
12+	4.50	4.50	3.00	0.00

**Annual Per-Capita Claims Costs**

Starting pre-Medicare per capita costs were set equal to the per-person annual premium equivalent rates as listed in the Summary of Plan Provisions. These costs are age-specific by covered individual and, thus, require no further adjustment.

<b>Public Act 152 Hard Caps</b>	Single:	\$	7,399.47
	Couple:		15,474.60
	Family:		20,180.43

## Actuarial Assumptions and Methods

<b>Maximum Reimbursements</b>	For retirees that receive an annual reimbursement for medical costs, it is assumed that the retirees will receive the maximum reimbursement allowed.
<b>Participation</b>	<p><i>Future Retirees:</i> 100% of future retirees are assumed to elect coverage at retirement, and 70% of participating retirees will cover a spouse, if married. All future pre-Medicare retiree benefits are based on Active Employee Suffix 0001. One current Supervisor retiree has benefits based on Suffix 0005. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.</p> <p><i>Current Retirees:</i> Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.</p>
<b>Marital Status</b>	<p><i>Future Retirees:</i> 80% of participating retirees are assumed to be married at retirement.</p> <p><i>Current Retirees:</i> Based on current coverage election.</p>
<b>Spouse Age</b>	Male spouses are assumed to be 3 years older, and female spouses are assumed to be 3 years younger. Actual age is used for spouses of current retirees, if provided.
<b>Mortality</b>	<p><u><i>Pre-Retirement:</i></u> Pub-2010 General Employees Amount-Weighted Mortality Table without adjustment</p> <p><u><i>Healthy Retirees:</i></u> Pub-2010 General Retiree Amount-Weighted Mortality Table scaled by a factor of 106%</p> <p><u><i>Disabled Retirees:</i></u> PubNS-2010 Disabled Retiree Amount-Weighted Mortality Table without adjustment</p> <p>The mortality assumptions include a margin for future mortality improvements using Scale MP-2021 projected fully-generationally from the central year of data, 2010.</p> <p>Ninety percent (90%) of active member deaths are assumed to be non-duty deaths, and 10% of the deaths are assumed to be duty related.</p>

## Actuarial Assumptions and Methods

### Disability

Participants are assumed to become disabled in accordance with annual rates varying by age. Sample rates are as follows:

Age	Rate
25	0.02%
30	0.02
35	0.05
40	0.08
45	0.21
50	0.29
55	0.38
60+	0.39

Eighty percent (80%) of the disabilities are assumed to be non-duty and 20% of the disabilities are assumed to be duty related.

### Retirement

Participants are assumed to retire in accordance with annual rates varying by years of service and age. Rates are only applicable if a participant is eligible to retire with a benefit. Sample rates are as follows:

Normal/Unreduced Service	Rate
0 - 4	15%
5 - 9	15
10 - 20	20
21	22
22	24
23	26
24	30
25	34
26 - 30	25
31 - 34	28
35 - 39	25
40+	25

Early/Reduced Age	Rate
All Ages	4%

**100% Retirement at age 85**



## **Actuarial Assumptions and Methods**

### **Termination**

Participants are assumed to terminate employment for reasons other than death, disability or retirement in accordance with annual rates varying by service and employment type. Sample rates are as follows:

<b>Service</b>	<b>Rate</b>
0	23.40%
1	19.50
2	15.80
3	12.50
4	10.30
5	8.30
10	5.40
15	4.00
20	3.10
25+	2.60

### **Changes Since Prior Valuation**

1. Per-capita costs and PA 152 Hard Caps were updated to reflect experience since the previous valuation.
2. Healthcare trend rates were updated to reflect the most recent industry study data.

## Rationale for Key Assumptions

### Investment Rate of Return

Not applicable

### Discount Rate

The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

For purposes of calculating the discount rate, projected Employer contributions are equal to the projected net retiree benefits in accordance with the Employer's substantive policy of financing benefits on a 'pay-as-you-go' basis.

#### Single Equivalent Interest Rate (SEIR)

Long-Term Expected Rate of Return	0.00%
S&P Municipal Bond 20-Year High-Grade Rate Index	4.13%
Administrative Expenses Paid from the Trust	0.00%
Year in which Fiduciary Net Position is Depleted	2023
Single Equivalent Interest Rate	4.13%

### Annual Healthcare Trend

Initial health care cost trends are set based on recent credible employer experience and current marketplace trends benchmarked in the most recent Segal Health Plan Cost Trend Survey which includes responses from 80 percent of the commercially insured and self-insured market. The initial trend rates are assumed to decrease to an ultimate rate over a period of 5 to 10 years. For the ultimate rate, we used the latest Getzen Model of Long-Run Medical Cost Trends published by the Society of Actuaries as a benchmark. Healthcare costs are currently approximately 18% of the Gross Domestic Product (GDP). The basis of this long-run model is that health care costs will grow at a slightly higher rate than GDP until they reach a certain percentage of GDP, at which point health costs and GDP will increase at the same pace.

### Mortality, Termination, Disability, Retirement, Annual Wage Increases, Marital Status

Because the Employer does not have enough data to conduct a fully credible experience analysis with respect to these assumptions, the current assumptions are based on those used in the most recent actuarial valuation of pension benefits through MERS. Said assumptions are based on an experience study conducted using actual MERS experience from 2014 - 2018.

MERS retirement rates are based on pension replacement ratio; for purposes of this valuation, they have been converted to service-related rates to reflect similar expectations.

## **Rationale for Key Assumptions**

### **Participation**

The assumed rate of participation for both the employee and spouse incorporated into these measurements is based on observations of the plan's past experience, the actuary's experience with plans of a similar size, plan design and retiree contribution level.

## Definitions

<b>Actuarial Present Value of Projected Benefits</b>	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
<b>Actuarial Valuation Date</b>	The date as of which the service cost, total OPEB liability, and related actuarial present value of projected benefit payments is determined in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
<b>Actuarially Determined Contribution (ADC)</b>	A target or recommended contribution to a defined benefit plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
<b>Closed Period</b>	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
<b>Contributions</b>	Additions to a OPEB plan's fiduciary net position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government plan), or employees. Contributions can result from cash receipts by the OPEB plan or from recognition by the OPEB plan of a receivable from one of these sources.
<b>Cost-of-Living Adjustments</b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b>Covered Employee Payroll</b>	The payroll of employees that are provided with OPEBs through the OPEB plan.
<b>Deferred Outflows and Inflows of Resources Related to OPEBs</b>	Deferred outflows of resources and deferred inflows of resources related to OPEBs arising from certain changes in the net OPEB liability.

## Definitions

- Defined Benefit OPEB** OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.
- Defined Contribution OPEB** OPEB having terms that (a) provide an individual account for each employee; (b) define the contributions that an employer or nonemployer contributing entity is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (c) provide that the OPEB an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earning on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as OPEB plan administrative costs, that are allocated to the employee's account.
- Discount Rate** The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:
- (a) The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan's fiduciary net position is projected (under the requirements of Statement 75) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.
  - (b) The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

## Definitions

<b>Entry Age Actuarial Cost Method</b>	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the <i>normal cost</i> . The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the <i>actuarial accrued liability</i> .
<b>Healthcare Cost Trend Rates</b>	The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
<b>Money-Weighted Rate of Return</b>	A method of calculating period-by-period returns on OPEB plan investments that adjusts for the changing amounts actually invested. For purposes of Statement 74, money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense.
<b>Net OPEB Liability</b>	The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan, less the Fiduciary Net Position.
<b>OPEB Expense</b>	OPEB expense arising from certain changes in the net OPEB liability.
<b>Other Postemployment Benefits (OPEB)</b>	Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
<b>Postemployment Healthcare Benefits</b>	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

## Definitions

<b>Projected Benefit Payments</b>	All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or nonemployer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.
<b>Real Rate of Return</b>	The rate of return on an investment after adjustment to eliminate inflation.
<b>Service Costs</b>	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
<b>Termination Benefits</b>	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
<b>Total OPEB Liability</b>	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 75. The total OPEB liability is the liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of paragraph 4 of Statement 75.



AMERICAN ACADEMY *of* ACTUARIES

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## **Fundamentals of Current Pension Funding and Accounting For Private Sector Pension Plans**

**An Analysis by the Pension Committee of the  
American Academy of Actuaries**

July 2004

The American Academy of Actuaries is the public policy organization for actuaries practicing in all specialties within the United States. A major purpose of the Academy is to act as the public information organization for the profession. The Academy is non-partisan and assists the public policy process through the presentation of clear and objective actuarial analysis. The Academy regularly prepares testimony for Congress, provides information to federal elected officials, comments on proposed federal regulations, and works closely with state officials on issues related to insurance. The Academy also develops and upholds actuarial standards of conduct, qualification and practice, and the Code of Professional Conduct for all actuaries practicing in the United States.



## FUNDAMENTALS OF CURRENT PENSION FUNDING AND ACCOUNTING FOR PRIVATE SECTOR PENSION PLANS

In general, pension plan sponsors are concerned with two primary financial issues:

- **Pension Funding** – the cash contributions that are made to the pension plan. Pension funding is governed by laws described in the Internal Revenue Code (IRC), which determine the annual minimum required contribution and the annual maximum tax-deductible contribution.
- **Pension Accounting** – the annual pension expense calculation and disclosure of a pension plan's assets and liabilities in a company's financial statement. The Financial Accounting Standards Board (FASB) governs pension accounting under generally accepted accounting principles (GAAP) in the U.S.

Amounts calculated under pension funding rules are completely different than those calculated for pension accounting, and one must be careful not to mix the two topics.

### PENSION PLAN COST: THE BASICS

The cash contribution and pension expense calculations are both often referred to as the cost of a pension plan – one as a cash outlay and the other as a reduction (or increase) in company earnings. Both are calculated using similar principles, although the rules for calculation are very different.

Pension plan formulas are generally designed to tie the participants' benefits at retirement to their **compensation** and/or **service** with the employer. Each employer chooses how to reflect compensation and service based on their individual business needs and the needs of their workforce. Pensions are a form of **deferred compensation**. Participants trade compensation today for future pensions tomorrow. Both the pension funding rules and pension accounting rules require that the cost of that deferred compensation be recognized as it is earned.

An actuary takes the plan's pension formula and determines how to reflect the cost of the plan over each participant's working lifetime. There are three basic principles used:

- Active participants earn new benefits each year. Actuaries call that the **normal cost**. The normal cost is always reflected in the cash and accounting cost of the plan.
- Actuaries must consider the difference between the **actuarial liability**, which is the value of benefits already earned, and the assets. An unfunded liability, when the actuarial liability exceeds the assets, will increase cost. An asset surplus, when the actuarial liability is less than the assets, will decrease cost.
- Actuaries set **assumptions** to measure the normal cost and the actuarial liability. Measuring assets is relatively easy, because we have markets to set a value to the equity and bond investments held in the pension trust. However, there is no market of freely traded pension liabilities. Actuaries and plan sponsors are given very specific, and different, guidance by the IRS and the FASB about how those assumptions are chosen, who chooses them, and what conditions they must reflect.

The rest of this paper will deliver more detail on:

- How assumptions are usually selected;
- How the normal cost and actuarial liability are typically calculated;
- How funding rules use the normal cost and actuarial liability to determine cash contributions; and
- How accounting rules use the normal cost and actuarial liability (called service cost and benefit obligation in Statement of Financial Accounting Standard (SFAS) No. 87) to determine pension expense.

## ACTUARIAL ASSUMPTIONS

Why do actuaries set assumptions? Pension benefits are paid far out into the future, but how and when they'll be paid is uncertain.

- Today's 70-year old retirees are promised payments for the rest of their (and perhaps their spouse's) lifetime. How long will they live? How long might their spouse survive them?
- Today's 30 year-old active participants will earn additional benefits, terminate employment, and receive payments for the rest of their lifetimes. How long will 30-year olds work for their employer? How might their pay increase? When will they start to receive their retirement benefits? How long will they live after retirement?

Both pension funding and accounting require assumptions to be made about the future. These assumptions are called **actuarial assumptions** and they, along with current plan participant data and the benefit formula described in the pension plan, are used to project future benefits. For pension funding, the law gives the plan's actuary responsibility for the selection of actuarial assumptions. For pension accounting, the plan sponsor selects the actuarial assumptions, with guidance from the actuary. Actuarial assumptions for pension accounting are also generally reviewed by and approved by the company's external auditors in their general auditing of a company's financial statements.

There are two primary types of assumptions selected:

- **Economic assumptions** dealing with current interest rates, salary increases, inflation and investment markets. How will market forces affect the cost of the plan?
- **Demographic assumptions** about the participant group make-up and expected behavior and life expectancy. How will participant behavior affect the cost of the plan?

Several key actuarial assumptions are described in more detail below.

- **Economic Assumptions**
  - **Interest Rate** – For pension funding, this assumption is used to discount future benefits to determine plan liabilities and it should be a reasonable expectation of the future rate of return on the pension plan's assets. It is often called the **valuation interest rate**. Different plans

will have different valuation interest rates, reflecting different investment strategies and varying opinions of future rates of return. It is typically selected as a long-term reflection of plan assets and liabilities.

For pension accounting, this is called the **discount rate** and must reflect either the market rates currently applicable to settling the benefit obligation or the rates of return on high quality fixed income securities at the **measurement date**. The measurement date is a date selected by the company that is generally the last day of the company's fiscal year but may be up to three months earlier. For example, if a company's measurement date is the end of a calendar year fiscal year, each 12/31 the company selects a discount rate based on applicable external interest rates as of that date. The selected discount rate is used to disclose the benefit obligations as of that 12/31 and then used to determine the pension expense for the next fiscal year. The discount rate does not change until the next 12/31 unless a significant event occurs requiring a remeasurement of the benefit obligations.

- **Expected Long-term Rate of Return on Assets** – This assumption is only used for pension accounting. It is used to determine the expected return on assets during the year. This assumption reflects the average rate of earnings expected on current and future investments to pay benefits. It is a long-term assumption that is reviewed regularly but generally changes when the long-term view of the market changes or with shifts in the plan's investment policy.
- **Salary Scale** – This assumption is used to project an individual's future compensation in pension plans that provide benefits based on compensation. The salary scale assumption reflects expected inflation, productivity, seniority, promotion and other factors that affect wages.
- **Inflation** – For pension accounting, this is used to project items, such as IRC limitations on benefits and compensation, which increase with the Consumer Price Index (CPI).<sup>1</sup> Inflation is also used as a basis for determining other economic assumptions because inflation is a fundamental component of each of the economic assumptions.
- **Demographic Assumptions:** Actuaries use rates (probabilities) to model the uncertainty of participant behavior. For example, because some participants will retire early, some will retire at 65, and some will work to age 70, an actuary might assume that each individual has some probability of retiring early, at 65, and working to 70. Sometimes assumptions will be the same for many plans (e.g., mortality rates) and sometimes assumptions are very specific to a given employer's workforce (e.g., rates of terminating employment before retirement). Some typical demographic assumptions are:
  - **Withdrawal or Termination Assumptions** – how long will participants continue to work for this employer?
  - **Mortality Assumptions** – how long will people live?
  - **Retirement Assumptions** – when will participants retire and begin receiving benefits?

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<sup>1</sup> IRC funding rules prohibit the actuary from projecting increases in IRC limitations on compensation and benefits when calculating the minimum required or maximum tax-deductible contributions to the plan.

- **Disability Assumptions** – will participants become disabled and no longer be able to work?

## **BASIC PENSION LIABILITY PRINCIPLES**

A pension plan's liabilities can be calculated in different ways, but the same principles always apply.

The actuary calculates the expected future pension payments for each participant in the plan using the company's participant data and plan provisions. These future benefit payments consider the individual's compensation and service history, and when that individual might be expected to die, quit, become disabled or retire. Each future payment is discounted from the date of payment to today using the actuarial assumptions. Actuaries call this discounted amount the **present value of future benefits** (PVFB) and it represents the present value of all benefits expected to be paid from the plan to current plan participants. If assumptions are correct (and if it were allowed), the company could theoretically set aside that amount of money in a plan today and it would cover payments from the plan, including those for service not yet rendered. Note this amount considers future service the participant is expected to earn and future pay increases.

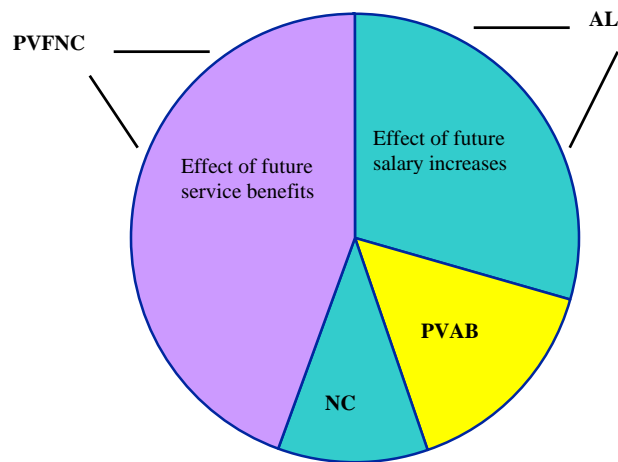
However, pension plan sponsors can't recognize the cost of unearned future service; it would be equivalent to recognizing a cost for compensation before it is paid. Actuaries have developed **cost methods** to divide the PVFB into the following three pieces:

- **Actuarial Liability** (AL) – The portion of the PVFB that is attributed to past service. This is the current value of the compensation that was deferred in prior years. For pension accounting, this is referred to as the **projected benefit obligation** (PBO). Different cost methods calculate the AL differently, but it always reflects only past service. Sometimes the AL reflects expected future pay increases because many pension plans are designed so that the retirement benefit is based on the pay at retirement. To allow the plan sponsor to recognize the cost of the plan gradually over the participant's lifetime, the actuary considers the portion of the future benefit due to past service to already include expected future pay increases.

The portion of the PVFB that only recognizes benefits accrued to date (i.e., without future pay increases) is called the **present value of accumulated benefits** (PVAB). This reflects current service and current salary. For pension funding, this may also be called the **current liability**; however, the current liability is calculated using IRS mandated interest and mortality assumptions. For pension accounting purposes, this is referred to as the **accumulated benefit obligation** (ABO).

- **Normal Cost** (NC) – The portion of the PVFB that is attributed to the current year of service. This is the current value of the compensation that is being deferred this year. For pension accounting purposes, this is referred to as the **service cost** (SC). Different cost methods calculate the NC differently, but generally it reflects the current year of service and may reflect expected future pay increases.
- **Present Value of Future Normal Costs** (PVFNC) - The portion of the PVFB that will be attributed to future years of service. Quite simply, it covers compensation that hasn't yet been earned. This number is not disclosed and is rarely used in any cost calculations.

The composition of the PVFB can be illustrated as follows:



To understand the differences between the calculations, consider the following example. Joe participates in a pension plan that gives him 1 percent of final salary for each year of service he earns under the plan (1 percent times salary times service). Joe is currently age 55, has worked for 20 years for the company, and his current pay is \$50,000. The actuary assumes Joe will retire at 65, after working 30 years for the company, with an estimated future pay of \$75,000.

- Joe’s present value of future benefits or PVFB is based on what he’s actually expected to get from the plan at the end of all of his years of service. His PVFB is the actuarial present value of his projected age 65 benefit. That projected age 65 benefit is calculated as 1 percent times his projected salary at 65 times his projected service at 65, or 1 percent times \$75,000 times 30 years (\$22,500).
- Joe’s actuarial liability or AL can be calculated using several methods. In our example, we’ll use a method based on past service and expected future pay (called the Projected Unit Credit cost method). The liability is based on his expected future salary, but only takes into account the service he’s earned today. The AL is the actuarial present value of 1 percent times his projected salary at 65 times his service today (at age 55), or the actuarial present value of 1 percent times \$75,000 times 20 years (actuarial present value of \$15,000).
- The normal cost or NC is calculated under the same method as the actuarial liability, but only reflects the current year’s service. So, we’ll continue using the Projected Unit Credit Cost method, which uses projected salary but we’ll only reflect one year of service. The NC is the actuarial present value of 1 percent times his projected salary at 65 times 1 year of service, or the actuarial present value of 1 percent times \$75,000 times 1 year (actuarial present value of \$750).

As noted, the PVFB can be divided into the AL, NC and PVFNC under many different actuarial **cost methods**. The two most common cost methods are the Projected Unit Credit cost method (PUC) and the (Traditional) Unit Credit (UC) cost method. The PUC cost method considers expected future pay increases in the calculation of liability and normal cost. The UC cost method does not reflect expected future pay increases in the liability, and only reflects one year’s expected growth in pay in the normal cost. The PUC and UC cost method are prescribed for use in certain accounting cost calculations. Other cost methods can be used for funding cost calculations, as noted below.

The various measurements discussed so far can be summarized as follows:

<b>General Term</b>	<b>Also known as for Funding</b>	<b>Also known as for Accounting</b>	<b>Cost Method for Funding</b>	<b>Cost Method for Accounting</b>	<b>Salary Basis</b>	<b>Service Basis</b>
Present Value of Future Benefits	Not Defined	Not Defined <sup>2</sup>	N/A	N/A	Projected	Projected
Actuarial Liability	Actuarial Liability	Projected Benefit Obligation	Not prescribed <sup>3</sup>	PUC or UC only, depending on benefit formula	Projected	Current
Present Value of Accumulated Benefits	Present Value of Accumulated Benefits or Current Liability	Accumulated Benefit Obligation	UC	UC	Current	Current
Normal Cost	Normal Cost	Service Cost	Not prescribed <sup>2</sup>	PUC	Projected	One year only

## **BASIC PENSION FUNDING PRINCIPLES**

Companies prefund their pension obligations for a variety of reasons, including:

- Prefunding is required by ERISA for all U.S. tax qualified pension plans.
- Prefunding attempts to equitably allocate to each year the cost of the pension benefits.
- Benefit security is increased when pension benefits are prefunded.
- Investment earnings on assets held in a qualified pension plan’s trust are tax-free.
- Contributions up to the maximum generate a tax deduction.

<sup>2</sup> Sometimes informally called the “Expected Benefit Obligation,” although this term is never formally defined in the accounting statement.

<sup>3</sup> The actuary is allowed to select the funding cost method used to calculate the actuarial liability and normal cost. For pay-related benefits, the method must consider expected future pay. The PUC method is allowed, and widely used, but there are other methods (e.g., entry-age normal, aggregate) that are used and beyond the scope of this paper. The same cost method must be used to calculate the normal cost and actuarial liability.

- Participants do not pay taxes on benefits earned under the plan until they are received.
- Intergenerational equity is preserved by paying for benefits as they are earned.

Because plan sponsors get a tax deduction for contributions, the IRC mandates certain minimum required and maximum tax-deductible contributions. In general, the basic minimum required contribution is equal to:

- Normal cost, plus
- Amortization of the **unfunded actuarial liability** (“UAL”), which is the actuarial liability (“AL”) less the **actuarial value of assets** (“AVA”).<sup>4</sup> The UAL to be amortized generally has two components:
  - **Prior service liability** – Prior service liability arises if the plan improves benefits for service already earned. It can arise when the plan is established (if participants are given credit for time with the employer before the establishment of the plan) or when the plan is amended. This liability increase can generally be funded by amortizing over a period of thirty years.
  - **Actuarial gains or losses** – A pension plan has actuarial gains or losses each year because the actual events during the year (“experience”) do not exactly match the long-term assumptions previously made. Gains or losses on plan assets occur because the actual investment returns were higher or lower than anticipated. Gains or losses on actuarial liabilities can occur because long-term assumptions (e.g., mortality, salary increases, termination, retirement, economic) were not met. These gains or losses can generally be funded by amortizing over five years.

Changes in the UAL may also be amortized if they are due to changes in actuarial assumptions or methods.

Other considerations are important in determining the minimum required contribution, including:

- To the extent that the funding rules result in a negative number, then no contribution is required, but assets cannot be withdrawn from the pension trust.
- If the plan is well funded, contributions may be limited to the **full funding limitation**. When a plan is very well funded, this limitation can be zero. This limitation applied to many plans in the 1990s; however, due to poor investment experience of many pension plans and the unusually low interest rates in the early 2000s, many of those plans have significant required plan contributions in the early 2000s.
- An additional set of calculations is required comparing the plan’s current liability to the AVA. If the value of the AVA is significantly below the current liability, the plan sponsor must pay an

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<sup>4</sup> The AVA is a value of plan assets calculated for funding purposes. This value may be equal to the fair market value of the assets, or it may be an asset value that gradually recognizes unexpected asset returns over a period of time (not to exceed 5 years). The AVA must be between 80% and 120% of the fair market value of assets.

**additional funding charge.** These additional contributions have the goal of quickly increasing a plan’s funding so that plan assets become at least 90 percent of the plan’s current liability.

- If a company contributes amounts to its pension plan in excess of the minimum required contribution, a **credit balance** is established for that excess. The credit balance grows with interest in future years and can be used to decrease the minimum required contribution in a future year.

There is a similar calculation of the maximum tax-deductible contribution: the normal cost plus an amortization (over 10 years) of the unfunded actuarial liability. There is a full funding limitation (after it is reached no deductible contributions can be made); however, a company can always contribute and deduct the minimum required contribution. There is an override to this limit that permits most companies with more than 100 employees to contribute and deduct the full amount of the plan’s unfunded current liability.

Plan sponsors generally do not contribute more than the maximum tax-deductible contribution. Any amounts contributed in excess of the maximum tax-deductible contribution are not deductible and generally are subject to an excise tax, although there are exceptions to the application of this excise tax.

Please note that some plans are not funded at all, such as plans covering only executives or employees in some foreign countries.

## **BASIC PENSION ACCOUNTING PRINCIPLES**

Pension accounting principles require pension costs to be recognized in a specific pattern to attribute the value of the benefits over a work life and require clear and consistent disclosure of pension costs, along with the plan’s assets and obligations in a company’s financial statements. Statement of Financial Accounting Standard No. 87 prescribes the single method that a U.S.-based company following GAAP must use to reflect the cost of pension plans in its income statement and on its balance sheet.<sup>5</sup>

As noted earlier, each company selects a measurement date, generally equal to the last date of the fiscal year.<sup>6</sup> As of that date, the company sets assumptions and gathers the participant data used to measure its obligations and determines the fair value of assets in the pension trust. It uses these amounts to calculate the cost of the plan in the future year. It also determines if additional amounts must be recorded on its balance sheet.

The basis for calculations is the benefit obligations (as noted above the projected benefit obligation (PBO), the accumulated benefit obligation (ABO) and the service cost (SC)) and the **market related value of assets (MRVA)**<sup>7</sup>. These are used to calculate the **net periodic pension cost (NPPC)**, which is the annual accounting expense or income a company must recognize in their income statement, and

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<sup>5</sup> Other accounting regimes apply to certain industries such as Statements of Statutory Accounting Principles for insurance companies and Cost Accounting Standards for government contractors. If a company lists its securities in another country, the accounting standards of that country or the International Accounting Standards must be followed.

<sup>6</sup> Companies may elect to use an alternate date within 90 days of the end of the fiscal year as its measurement date. The use of an earlier measurement date allows companies to know the year-end results sooner and helps in budgeting for future years.

<sup>7</sup> The MRVA is either the plan’s market value of assets (“fair value”) or a calculated asset value that recognizes changes in fair value in a systematic and rational manner over not more than five years. Companies may choose to smooth investment returns to decrease volatility of annual accounting expense. This concept is similar, but not identical, to the AVA previously described.



direct adjustments to the plan sponsor's balance sheet, if applicable. The NPPC cost is made up of several components:

- **Service cost** – The actuarial present value of the projected benefits attributable to employees' service in the current year (similar to normal cost).
- **Interest cost** – Increase in PBO associated with the passage of time during the year. This is generally the discount rate multiplied by the beginning of year PBO adjusted for current year expected benefit payments.
- **Expected return on assets** – Increase in plan assets associated with the passage of time during the year. This is offset against the other cost items and is generally the expected long-term rate of return on assets multiplied by the beginning of year MRVA adjusted for current year expected benefit payments, contributions and possibly for expected administrative expenses paid from the trust, if applicable.
- **Amortization amounts** – Systematic recognition of certain changes:
  - **Transition obligation or asset** – Phased recognition on the income statement of the difference between the plan's funded status (PBO less plan assets) and the accrued or prepaid cost on the company's balance sheet when companies first transitioned to this statement - typically in the late 80s. For many plans, this amount has either been fully recognized or will be in the next few years.
  - **Prior service cost** – Phased recognition on the income statement of changes in the PBO associated with a plan amendment. This amount is generally amortized over the average remaining service period of plan participants.
  - **Unrecognized gains or losses** – Phased recognition of actuarial gains or losses. Actuarial gains and losses that have not yet been reflected on the company's income statement are accumulated each year and amortized over the average remaining service period of plan participants only to the extent their total exceeds a corridor. The corridor may be up to 10 percent of the greater of the plan's PBO or MRVA.

The total of the above pieces of the NPPC can produce a negative expense, which appears as income on a company's financial statements.

The **accrued or prepaid pension cost** is the amount on a company's balance sheet that is equal to the accumulated difference between past net periodic pension costs and past plan contributions (for unfunded plans, such as for executives, substitute "benefit payments" for "plan contributions"). A prepaid pension cost arises when the plan contributions exceed the NPPCs and/or the NPPCs are less than zero. An accrued pension cost arises when the NPPCs exceed plan contributions and/or the NPPCs are greater than zero.

For certain plans whose fair value of assets is less than the ABO, there may be additional amounts the company must reflect on its balance sheet. Note that these amounts are reflected on the balance sheet only and do not affect the company's income statement.

- **Additional minimum liability** (“AML”) – At a company’s measurement date, the company must record a liability on their balance sheet at least equal to the excess, if any, of the plan’s ABO over the plan’s assets (unfunded ABO). Therefore, if the plan has an unfunded ABO that is greater than the accrued pension cost, the company must set up an additional balance sheet liability (the AML) equal to that excess. If the plan has an unfunded ABO and a prepaid pension cost, the company must set up an additional balance sheet liability (the AML) equal to the total of the prepaid pension cost and the unfunded ABO. If the plan’s unfunded ABO is less than the accrued pension cost, or if the plan has no unfunded ABO, no AML is set up.
- **Intangible Asset** – If a company has to set up an AML, an offsetting intangible asset can be set up, but it is limited to the total of the unrecognized prior service costs and transition obligations. It theoretically reflects the future “goodwill” from employees arising from the promise to provide past service benefits under the plan.
- **Reduction to Other Comprehensive Income** – If the intangible asset is less than AML, the difference is a reduction to the company’s Other Comprehensive Income. This reflects the impact on the “value” of the company due to the underfunded pension benefits in excess of any anticipated future goodwill.

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The items described in this paper are merely the basics. These rules have exceptions and special rules exist for many situations, such as plan terminations, freezing of benefit accruals, purchasing of annuities and plans sponsored by unions or public sector employers.

**SUMMARY OF CURRENT PENSION FUNDING AND ACCOUNTING  
FOR PRIVATE SECTOR PENSION PLANS**

	<b>Pension Funding</b>	<b>Pension Accounting</b>
Purpose	Cash contributions to the pension plan	Accounting cost and disclosure of pension plans' benefit obligations
Who Sets the Rules	IRS/Congress	Financial Accounting Standards Board
Interest rate used to discount benefits	Valuation interest rate – based on expected future rate of return on pension plan assets	Discount rate – reflects market rates currently applicable for settling the benefit obligation or rates of return on high quality fixed income securities at the measurement date
Expected Rate of Return on Assets	N/A	Based on expected future rate of return on pension assets
Interest Rate Volatility	Because assumptions are long-term, costs are generally stable, unless additional funding charges apply	Because the discount rate is a short-term “snapshot” rate, it changes often resulting in volatility from year to year



June 7, 2024

Via Email

City of Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

Attention: Adam Zettel

**Re: Priority Waste Purchase of Southeast Michigan Residential Business from GFL**

Dear Valued Customer:

We are writing to you in connection with your residential collection services contract with GFL Environmental USA Inc. (“GFL”) (the “Agreement”).

We are excited to announce that GFL has agreed to sell the assets used in its Southeast Michigan residential solid waste collection business to Priority Waste LLC (“Priority”) (such sale, the “Transaction”).

In connection with and conditioned upon closing of the Transaction, it is contemplated that Priority will acquire the Agreement by way of an assignment of the Agreement by GFL to Priority, effective at the closing of the Transaction (the “Agreement Transfer”). We anticipate that the closing of the Transaction and the Agreement Transfer will occur on June 30, 2024, assuming all conditions to closing are satisfied or waived.

We are certain that Priority will continue to meet the high service standards you have come to expect from dealing with GFL and we and Priority are coordinating the transition of the business to ensure there is no disruption in service. GFL will continue to perform its obligations under the Agreement until the closing of the Transaction. Please continue to remit payment to GFL until you are instructed otherwise.

We would ask that you please return a countersigned copy of this letter by email at your earliest convenience. By signing this letter, you consent to the Agreement Transfer, waive any notice period or any other requirement in the Agreement with respect to the Agreement Transfer and agree that, notwithstanding the closing of the Transaction, the Agreement will survive and continue in full force and effect without any further action by you or GFL. Your consent will be effective as of the date of closing of the Transaction.

Please reach out to one of us personally with any questions you may have. On behalf of all of us at GFL, thank you for your business.

Very truly yours,

Rick Vannan ((947) 241-4395 or [rvannan@gflenv.com](mailto:rvannan@gflenv.com))  
Don Barretta ((586) 933-3812 or [dbarretta@gflenv.com](mailto:dbarretta@gflenv.com))  
Sam Caramagno ((734) 812-5732) or [scaramagno@gflenv.com](mailto:scaramagno@gflenv.com))  
Jeff Gomez ((586) 788-3163) or [jgomez@gflenv.com](mailto:jgomez@gflenv.com))

**City of Swartz Creek**

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

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

Title: \_\_\_\_\_

**REQUEST FOR BIDS**  
**Installation of Sidewalks on School and McLain**  
**CITY OF SWARTZ CREEK**  
**February 2024**

**Overview**

Quote Edition  
June 12, 2024

The City of Swartz Creek, Michigan is seeking proposals to build new sidewalks on two local streets near downtown, School St. and McLain St., which will connect to the Safe Routes to School Trail. Swartz Creek is located approximately 7 miles west of downtown Flint, Michigan, near the western edge of Genesee County. Swartz Creek has approximately 25 miles of road and nearly 50 “lane miles” of road within its boundaries.

Qualification Requirements

Bids are solicited only from responsible bidders known to be experienced and regularly engaged in work of similar character and scope covered in this Request for Bids (“RFB”). Satisfactory evidence that the bidder has the necessary capital, equipment and personnel to do the work may be required.

Bid Form

Sealed bids must be submitted on the bid forms furnished by the City. All bids must be filled out in ink or type written and shall be legally signed with the complete address of the bidder given thereon. Bidders not responding to all information requested in this RFB may have their bids rejected. The city council reserves the right to reject any and all bids and to accept any bid which in its opinion, is most advantageous to the City. Bids submitted must remain valid for at least ninety (90) days past the response date provided in this RFB.

Response Date

← Swartz Creek City is now soliciting sealed quotes for this project

**To be considered, sealed bids must be received at the City Office, 8083 Civic Drive, Swartz Creek, MI 48473, on or before 10:00 a.m. on Thursday, March 7, 2024** during the following hours: Monday between 8:00 a.m. and 6:00 p.m., Tuesday and Thursday between 8:00 a.m. and 4:30 p.m., Wednesday between 8:00 a.m. and 4:00 p.m. excluding holidays. Contractors mailing bids should allow adequate delivery time to assure timely receipt of their bids. Sealed envelopes containing bids must be clearly marked on the outside with the contractor’s name and “CITY OF SWARTZ CREEK CDBG SIDEWALKS.”

Opening of Bids

← Quotes will be opened when received or soon after.

All bids received will be publicly opened and read at city hall at or soon after 10:00 a.m. on **Thursday, March 7, 2024**. All bidders are invited to be present if desired.

Rejection of Bids

The City reserves the right to reject any or all bids, in part or in their entirety, or to waive any information or defect in any bid, or accept any bid which, in its opinion is deemed most advantageous to the city.

Explanations and Alternate Bids

Explanations desired by a prospective bidder shall be requested of the City in writing, and if explanations are necessary, a reply shall be made in the form of an addendum, a copy of which will be forwarded to each bidder. Every request of such explanations shall be in writing and addressed to: Robert Bincsik, City of Swartz Creek, 8083 Civic Drive, Swartz Creek, MI 48473.

### Contract Execution

The bidder to whom the contract is awarded shall, within ten (10) calendar days after the notice of award, enter into a written contract with the City. Failure to execute a contract will be considered abandonment of the award and the City shall have no further obligation to that bidder.

### Incurring Costs

The City is not liable for any costs incurred by contractors prior to the issuance of the contract.

### Material Submitted

All materials submitted as part of a bid will become the property of the City. The City reserves the right to use any and all ideas presented.

### Scope of Work

Bids shall address, to the greatest extent possible, all possible service delivery impacts, including but not limited to, bid prices, equipment availability, etc., throughout the term of the contract. The City seeks to have new sidewalks installed on School and McLain Streets to connect the new Safe Routes to School Trail to Downtown Swartz Creek. School St. will need approximately 2500 square feet of sidewalk (500 linear feet) and McLain will need approximately 3950 square feet of sidewalk (790 linear feet) installed. This contract shall also be subject to appropriation by city council. In the absence of an appropriation, a contract issued pursuant to this RFB shall be void and of no effect.

## **CDBG Sidewalk installation Bid Specifications**

### Definitions

“bids”- shall be defined as an announcement of terms indicating what items are needed to complete a project.

“bidders”-shall be defined as any person(s) or company that attempts to meet the terms of the bid.

“City”- shall mean the City of Swartz Creek.

“contract”- shall mean the contract between the City and the Successful Bidder.

“successful bidder”- shall be defined as the bidder who is chosen by the City Council to enter into contract with the City.

These definitions are meant as guides for understanding and are not binding explanations.

### Description

The successful bidder should possess broad expertise in grading, proper bases, forming, pouring and finishing concrete. The installation of the sidewalks will be in compliance with ADA requirements. Bidder will be required to grade sidewalks in a manner maintaining existing driveway grades and provide ADA compliance. Bidder should be able to repair asphalt driveways and restore soft surface (grass) areas. Bidder will provide all equipment, tools, expertise etc. to complete the job. Bidder will be required to communicate with the City of Swartz Creek and the residents in the construction zone to schedule driveway repairs, parking on the street etc. Services required may include but not be limited to any of the following:

### **For Sidewalk installation:**

All sidewalks are to be installed to the following specifications:

1. City will handle the tree removals for the project should they be necessary.
2. Sediment shields will be required on all catch basins prior to the commencement of construction.
3. Sidewalk grading will be set in a manner to comply with ADA requirements and to maintain existing driveway grades.
4. Driveway removal will be sawcut first where necessary. Any interruption to driveway accessibility will be scheduled with the homeowner prior. It is expected that driveway removals will be minimal to complete the sidewalk installation.
5. Sidewalks will be 5' wide and maintain the existing alignment (School St.). Alignment will be directly adjacent to the property line.
6. Minimum of 4" CI II Sand Base compacted in place to 95% Maximum Density. Sand base shall meet requirements of Section 902 of the MDOT 2020 Standard Specifications for Construction.
7. Concrete will consist of the following: Uniform, Grade 3500, Air Entrained.
8. Driveway restoration will be restored in a manner matching the existing material (concrete will be replaced with concrete, asphalt with asphalt etc.) Concrete sidewalk will be 6" thick in the driveway. Restoration will be "in kind" same material, thickness, grade etc. In the event an approach in the right of way has to be removed to achieve proper grading the approach will be replaced with 6" thick concrete.
9. Grassy areas will maintain a slope of 1 on 3 or less directly adjacent to the sidewalk. In the event this slope cannot be achieved curb walls or small knee walls will have to be poured to help achieve the required slope.
10. Restoration will utilize top soil, grass seed and straw coverage as needed. In the event there is a severe slope straw matting will be required
11. Bidder is responsible for all traffic control associated with performing the work (both streets are dead ends). Traffic control will be conducted in a manner to provide safety for the work crew and or the motoring public.
12. Bidder is responsible for completing the project in a timely workmanlike manner. The construction area will be cleaned up after completion and restored to pre-construction condition.

### **Bidder Qualifications**

A detailed description of the primary contact's background, as well as the company's background and previous experience shall be included with the proposal. Background information and experience shall also be submitted for all key personnel that will be working with the City.

In the event that portions of the work are to be subcontracted or a joint affiliation utilized, detail of such affiliation shall be furnished along with the same information as required for the bidder.

### **Requirements**

- A. Proof of State of Michigan licenses and any other necessary licenses or certifications.
- B. Availability and ability to perform the work and coordinate and schedule the work with others involved on the project.
- C. Ability to communicate and work effectively with the City of Swartz Creek, its officials, administration, staff, and consultants with respect to any of the services required.
- D. Ability to work effectively with public agencies and officials.
- E. Thorough knowledge of the underground trade and ability to protect the public should anything hazardous be found on site.
- F. Ability to submit reviews, reports, and inspection results in writing and in a timely manner to the City of Swartz Creek, if so requested.
- G. The successful bidder or their representative shall attend any regular or special meetings, as requested by the City.



- H. Ability to meet or accomplish the following specific project requirements:
1. Successful bidder, at successful bidder's cost, shall secure any necessary permits.
  2. As work progresses, carefully clean and keep the project site clean from rubbish and refuse.
  3. Remove all rubbish or refuse from the project site daily; no material or debris may be buried on site.
  4. Limit hours of operation to Monday through Friday during the hours of 8:00 a.m. to 6:00 p.m.  
Special hours of operation outside the normal hours must be approved by the City.

### The Proposal

A response to this RFB must outline in detail the manner in which they would work with the City to fulfill the City's needs. The outline at a minimum shall address:

- A. The designation and location of the bidder's primary contact (one point of contact who is in charge of the project), support staff and the associate personnel, and the overall relationship, which will be established between the bidder and the City. Further, the qualifications and experience of the primary and main secondary contacts should be included within the proposal.
- B. Communicating and coordinating procedures. Each bidder shall include, within their proposal, the pertinent form(s) to be utilized for progress report(s) to the City.
- C. The bidder's capabilities to perform the necessary demolition and clean-up.
- D. The general manner in which work will be performed.
- E. The experience and references for those who will perform work.
- F. Bid should include any cost to obtain necessary permit and materials as to provide compliance with the law and this bid.

### Bidder Responsibility

The City of Swartz Creek will not be liable for any cost incurred in the development of a proposal responsive to this request. By submitting a bid to the work, the bidder represents that it is fully informed concerning the scope of the project, the requirements of the contract, the physical conditions likely encountered in the work, and the character, quality and quantity of the services required by the City.

The successful bidder shall furnish all labor materials, supplies, devices, or tools needed to perform the required services. The bidder will not be entitled to additional compensation if it later determines that conditions require methods or equipment other than those anticipated in making its bid. In addition, the successful bidder shall provide all vehicles and other equipment and material necessary for work. Bidders having questions regarding this RFB should request clarification prior to submittal of a bid. Negligence or inattention of the bidder in filing a bid, or in any phase of the performance of the work, shall be grounds for refusal of the City to agree to additional compensation. Bidders having questions regarding this RFB shall contact the City for clarification.

### Safety

The successful bidder shall comply with the Safety Rules and Regulations of the Associated General Contractors of America, the Occupational Safety and Health Standards of the Construction Industry, State of Michigan, Department of Energy, Labor & Economic Growth, for the protection of workers on this project.

All equipment and work shall conform to the requirements of the Occupational Safety and Health Act and Michigan Department of Labor Occupational Safety Standards, as amended.

### Assignments or Subcontracting

The successful bidder shall not assign, subcontract or otherwise transfer its duties and/or obligations under this proposal, without prior written consent of the City. If the bidder anticipates that it will need to subcontract its duties in order to fulfill the contract requirements, that information must be disclosed in the bidder's response and subcontractor information (i.e. company name and contact information) shall be included in the bid document.

#### Fair Employment Practices

The successful bidder agrees to not discriminate against any employee or applicant for employment, to be hired in the performance of the contract with respect to hire, tenure, term, conditions or privileges of employment, or any other matter directly or indirectly related to employment, because of sex, race, color, religion, national origin, ancestry handicap or any other basis prohibited by state or federal law or regulations.

#### Contractor's Payment of Taxes, Permits, Etc.

The successful bidder shall be solely responsible for:

- a. Payment of wages to its work force in compliance with all federal and state laws, including the federal and state wage and hour laws.
- b. Payment of any and all FICA, unemployment contributions and other payroll-related taxes or contributions required to be paid by the successful bidder under state and federal law.
- c. Payment of all applicable federal, state, or municipal taxes, charges or permit fees, whether now in force or subsequently enacted.
- d. Payment of any and all suppliers, merchants or vendors from whom the successful bidder obtains items and materials related to the contract.

The successful bidder shall indemnify and hold the City harmless from all claims arising from the foregoing payment obligations of the successful bidder.

#### Damage to Persons or Property

The successful bidder also accepts sole responsibility for any damage to any person or damage to public, or private property resulting from their performance of the work, whether based on negligence or any other legal or equitable claim.

The successful bidder will protect, defend and hold harmless, the City from any and all damage, claim liability, or expenses whatsoever, or amounts paid in compromise there of arising out of or connected with the performance of this contract, including those related to the successful bidder's (or its subcontractors') negligence.

#### Regulatory Grant Compliance

The above-reference project is a federal funded activity authorized under the Housing and Community Development Act of 1974. This project is subject to the Davis-Bacon Act. All successful bidders must comply with the federal labor standards including the Copeland Anti-Kickback legislation, federal equal opportunity requirements and Section 3 of the Housing and Urban Development Act.

Enclosed is the set of documents related to compliance with federal requirements concerning Genesee County Community Development Block Grant projects/or Federal Requirements/CDBG Requirements.

#### Insurance

##### A. Liability Coverages

1. The Successful Bidder shall furnish at his own expense and keep in full force during the terms of this contract the following coverages which shall list the City as an additional insured:
  - Insurance covering bodily injury in the minimum sum of \$1,000,000 for each occurrence
  - Insurance covering property damage in the minimum sum of \$200,000 for each occurrence, \$100,000 aggregate.
  - Automobile liability insurance in the minimum of \$500,000 combined single limit for bodily injury and property damage.
2. Workers Compensation Compliance

Successful bidder shall also comply with all requirements of the Michigan Workers' Compensation Law and shall at his own expense, maintain such insurance, including employer's liability, as will protect him from claims under said law and from any other claims for personal injuries, including death which may arise from the operations under the contract, whether operations be by himself or anyone directly or indirectly employed by him.

#### B. Certificates of Insurance

Included in bid package, bidders shall provide the City complete certificates of insurance to meet the above requirements. Policies shall be endorsed to provide the City at least thirty (30) days written notice of reduction, cancellation, or intent not to renew coverages as called for above.

If insurance is canceled, reduced, non-renewed or otherwise is not in effect to the minimum required coverage, the successful bidder must cease work on this bid.

#### C. Submission of Policies and Certificates of Insurance

The successful bidder shall provide the City with a copy of its required insurance policies and certificates of insurance as described above. If the successful bidder does not provide such materials in the time provided for, the successful bidder will be disqualified and the bid will be awarded to the next lowest bidder or in the creation of a new request for bid.

#### Quality of Service

The City expects the successful bidder to maintain all equipment in a clean and well-operating fashion, with special consideration for proper maintenance and care of all elements, items and equipment mentioned in this document. The successful bidder will operate in a professional manner and keep all noise and other nuisances to a minimum at all times while under contract with the City. The successful bidder shall observe city ordinances relating to obstruction of streets, and shall obey all laws and city ordinances controlling or limiting those engaged in the work. The successful bidder shall handle the work in a manner that will cause the least inconvenience and annoyance to the general public and to the property owners. The successful bidder shall file all documents outlined in this RFB in a timely and well-organized manner.

#### Operation of Vehicles

The successful bidder shall operate all company vehicles in a manner so as to not impede traffic flow on city streets. Company vehicles are not to be left unattended for any reason except for emergencies or in the actual

performance of the job. When a vehicle is left unattended for the actual performance of the job, it shall be according to city codes and ordinance in place at that time.

### Support Facilities

Successful bidder shall have sufficient staff and communications facilities to assure ready accessibility and prompt response to the needs of the City.

### Breach of Contract and City's Right to Terminate Contract

In the event that any of the provisions of this bid and/or resulting contract are breached by the successful bidder, the City shall give written notice to the successful bidder of the breach or pattern of behavior that constitutes the breach and allow the successful bidder to resolve the breach or pattern of behavior that constitutes the breach within ten (10) calendar days of the successful bidder's receipt of notice. If the breach or pattern of behavior is not resolved, then the City manager of the City of Swartz Creek shall have the right to cancel any contract by sending written notice to the successful bidder of cancellation.

If the successful bidder should be judged bankrupt, if it should make a general assignment for the benefit of its creditors, if a receiver should be appointed on account of its insolvency, if it should persistently or repeatedly refuse to supply enough labor, materials and/or equipment to meet the scope of work of the contract, if it should persistently disregard laws of the State of Michigan and/or ordinances of the City, or if it fails to comply and fulfill its obligations under any provision of the contract resulting from its bid, the City may, without prejudice to any other right or remedy, terminate the contract immediately.

If the successful bidder fails to perform or complete the demolition and clean-up of the residential buildings as agreed or otherwise breaches its duties under this bid or the resulting contract, the successful bidder shall be reasonable for any and all costs the City incurs in obtaining satisfactory performance of the project and/or litigation costs and attorney's fees to enforce its rights under the bid and this contract. Such relief shall be in addition to any other legal and equitable remedies available to the City.

### City's Right to Modify Contract

The City reserves the right to negotiate with the successful bidder for a change in terms of the contract during the term of the contract and to make adjustment relative to the implementation of a change that reduces or modifies the need for the engineering services. If the City and the successful bidder are unable to agree on a revised contract, the City may seek new proposals and, upon a minimum of ten (10) calendar day's written notice from the City, may terminate the unexpired portion of the contract. The City shall not be liable for any cost under this section beyond the contract price for the period where service was actually provided.

### No Conflict of Interest

The bidder must provide a statement that it has no conflicting financial or professional interests and is qualified to perform the services requested.

### References

All bidders shall include a list of current and prior projects similar to that proposed in this RFB as references for qualifying experience. The name, address, and telephone numbers of the responsible individual(s) at the reference project site who may be contacted shall be included. Particular attention will be paid to references from other municipalities and/or public sector entities within Genesee, Shiawassee, Livingston and Oakland Counties.

Payment

The City shall pay for acceptable work within thirty (30) days of receipt of invoice, except that prior to approval of and final payment for the completion of the project, the successful bidder must thoroughly clear the project site and any other place affected by the work of all debris to the City's satisfaction, in the City's sole discretion.

BID FORM  
 CDBG Sidewalks  
 LOCATED AT 8083  
 SWARTZ CREEK, MICHIGAN

**BID FORM**  
**CDBG Sidewalks on School and McLain Street, 2024**  
**8083 Civic Drive**  
**SWARTZ CREEK, MICHIGAN**

**To:** The City of Swartz Creek  
 8083 Civic Drive  
 Swartz Creek, MI 48473

**BID PRICE**

The Bidder, having visited the site of the proposed work, and having familiarized themselves with local conditions affecting the cost of the work and with the requirements of the Information For Bidders, hereby agree to furnish all the labor, materials and equipment necessary to complete the work as described in the Advertisement and Bid Specification Document within the time set forth therein.

<u>Item</u>	<u>Cost</u>
School Street (~70' x 5')	\$ 7,000
McLain Street (~65' x 5')	\$ 6,500
Repair 5051 School, 5018 Holland, & 5048 Mclain (~200sf)	\$ 4,000
Infill at <del>5039 School</del> & 5038 Brady ( <del>620</del> ) 620 sqft	\$ 12,400
Infill 5039 School st 765 sqft 4" s/w, 30' curb, 10' ADA, 600 sqft HMA	\$ 26,570
<b>Project Total</b>	<b>\$ 56,070</b>

**EXECUTION OF CONTRACT**

Upon receipt of the Notice of Award the Bidder agrees to execute an Agreement within ten calendar days.

**WAIVER**

The Bidder does hereby represent and warrant that the price in their Bid is a complete and correct statement of the price for the work in said Bid, and further, that all other information given or furnished in this Bid is complete, correct and submitted as intended by them and does hereby waive any right or claim they may now or hereinafter have by reason of errors, mistakes or omissions made by them in said Bid.

BID FORM  
CDBG Sidewalks  
LOCATED AT 8083  
SWARTZ CREEK, MICHIGAN

**BID NON-COLLUSIVE**

The Bidder does hereby represent that their Bid is genuine and not collusive or sham, and that they have not in any manner, directly or indirectly, agreed or colluded with any other person, firm or association to submit a sham Bid or to refrain from bidding or in any way to fix this Bid or that of any other Bidder, or to secure any advantage against The City of Swartz Creek.

The Bidder does hereby represent and warrant that no officer or employee of The City of Swartz Creek is directly or indirectly interested in this Bid or in any Contract which may be made under it, or any expected profits to arise there from.

**PERIOD BID GUARANTEE**

The Bidder agrees that their Bid is guaranteed for a period of ninety (90) calendar days after the scheduled closing time for receipt of the Bids.

**TIME OF COMPLETION**

If awarded the Contract for the project, the Bidder agrees to complete the entire Work within forty five (45) calendar days from the date of a signed contract.

**LEGAL STATUS OF BIDDER**

The Bidder declares the following legal status: (Check One)

A Corporation organized and existing under the laws of the State of Michigan

A Partnership consisting of the following partners:

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An individual doing business as:

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BID FORM  
CDBG Sidewalks  
LOCATED AT 8083  
SWARTZ CREEK, MICHIGAN

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**AUTHORIZED SIGNATURE OF BIDDER**

Firm Name: BP Surface Solutions LLC.

By: Brian G. Pardee

Title: Owner

Business Address: 5503 Meadowcrest Dr.  
(Street)  
Flint, MI 48532  
(City, State, Zip Code)



## Federal Requirements

The above-referenced project is a federally funded activity authorized under the Housing and Community Development Act of 1974. All successful bidders must comply with the federal labor standards, including the Davis-Bacon Act and the Copeland Anti-Kickback legislation, federal equal opportunity requirements and Section 3 of the Housing and Urban Development Act.

Enclosed is the set of documents related to compliance with federal requirements concerning Genesee County Community Development Block Grant (CDBG) projects:

### Labor Standards Requirements

- Federal Labor Standards Provisions (Form HUD-4010)

### Equal Employment Opportunity Requirements

- Equal Employment Opportunity Clause
- Standard Federal Equal Employment Opportunity Construction Contract Specifications
- Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity
- Participation Goals for Minorities and Females

### Minority/Women/Handicap Business Enterprise Requirements

\*if project does not require subcontractor(s), please disregard this section

- Minority/Women/Handicap Business Enterprise (MBE/WBE/HBE) Procurement Procedures
- Genesee County MBE/WBE/HBE Outreach Form
- Genesee County Office of Equity & Diversity Certified Businesses and Minority Directory

### Section 3 Clause Requirements

- Section 24 CFR, Part 135.38 and HUD Grant Agreement (Section 3)
- Certification for Business Concerns Seeking Section 3 Preference in Contracting
- Resident Opportunity for Section 3 Eligibility

### Applicable Federal Acts, Guidelines and Orders

- Architectural Barriers Act of 1968 Provision
- Accessibility Guidelines for Buildings and Facilities
- Clean Air Act of 1970 and Federal Water Pollution Control Act Provisions
- Wetlands Protection Clause Executive Order 11990

### SAM Registration Requirements

- SAM Registration Information
- SAM Registration Quick Start Guide

### Davis-Bacon Act Requirements

- Project Wage Decision

**Applicability**

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

**A. 1. (i) Minimum Wages.** All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

**(ii) (a)** Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

**(1)** The work to be performed by the classification requested is not performed by a classification in the wage determination; and

**(2)** The classification is utilized in the area by the construction industry; and

**(3)** The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

**(b)** If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

**(c)** In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

**(d)** The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

**(iii)** Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

**(iv)** If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

**2. Withholding.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

**3. (i) Payrolls and basic records.** Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

**(ii) (a)** The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

**(b)** Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

**(1)** That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### **4. Apprentices and Trainees.**

(i) **Apprentices.** Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) **Trainees.** Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

**(iii) Equal employment opportunity.** The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

**5. Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

**6. Subcontracts.** The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

**7. Contract termination; debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

**8. Compliance with Davis-Bacon and Related Act Requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

**9. Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

**10. (i) Certification of Eligibility.** By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

**(ii)** No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

**(iii)** The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

**11. Complaints, Proceedings, or Testimony by Employees.** No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

**B. Contract Work Hours and Safety Standards Act.** The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

**(1) Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

**(2) Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

**(3) Withholding for unpaid wages and liquidated damages.** HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

**(4) Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

**C. Health and Safety.** The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

**(1)** No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

**(2)** The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

**(3)** The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

EQUAL EMPLOYMENT OPPORTUNITY  
(Executive Order 11246, as amended -41 CFR Part 60-1.4(b))

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.
3. The contractor will send to each labor union or representative of workers with which s/he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
5. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
6. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedure authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
7. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or

purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provision, including sanctions for noncompliance: *Provided, however,* that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.



STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY  
CONSTRUCTION CONTRACT SPECIFICATIONS  
(Executive Order 11246 - 41 CFR Part 60.4.3)

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;

d. "Minority" includes:

(1) Black (all) persons having origins in any of the Black African racial groups not of Hispanic origin);

(2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);

(3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith

effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided in paragraphs 18.7a through 18.7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical area where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.

6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or female sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students; and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations (18.7a through 18.7p). The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 18.7a through 18.7p of these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally,) the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 18.7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to

keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION  
TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY  
(Executive Order 11246 - 41 CFR PART 60-2)

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for Minority Participation in Each Trade

Time Table: Until Further Notice    Trade: All Trades    Goal (Percent): 12.6%

Goals for Female Participation in Each Trade

Time Table: Until Further Notice    Trade: All Trades    Goal (Percent): 7.0%

These goals are applicable to all the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its Federally involved and non-federally involved construction.

The contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training shall be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project, for the sole purpose of meeting the contractor's goals, shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director, OFCCP, within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is [insert description of the geographical areas where the contract is to be performed giving the state, county, and city, if any].

PARTICIPATION GOALS FOR MINORITIES AND FEMALES  
(Office of Federal Contract Compliance Programs (OFCCP)  
Technical Assistance Guide for Federal Construction Contractors, Appendix E)

Contractors may establish higher goals if they desire. Although a contractor is required to make good faith efforts to meet their goals, the goals are not quotas and no sanctions are imposed solely for failure to meet them. The following factors explain the difference between permissible goals, on the one hand, and unlawful preferences, on the other:

- Participation rate goals are not designed to be, nor may they properly or lawfully be interpreted as, permitting unlawful preferential treatment and quotas with respect to persons of any race, color, religion, sex, or national origin.
- Goals are neither quotas, set-asides, nor a device to achieve proportional representation or equal results. Rather, the goal-setting process is used to target and measure the effectiveness of affirmative action efforts to eradicate and prevent barriers to equal employment opportunity.
- Goals under Executive Order 11246, as amended, do not require that any specific position be filled by a person of a particular gender, race, or ethnicity. Instead, the requirement is that contractors engage in outreach and other efforts to broaden the pool of qualified candidates to include minorities and women.
- The use of goals is consistent with principles of merit, because goals do not require an employer to hire a person who does not have the qualifications needed to perform the job successfully, hire an unqualified person in preference to another applicant who is qualified, or hire a less qualified person in preference to a more qualified person.
- Goals may not be treated as a ceiling or a floor for the employment of members of particular groups.
- A contractor's compliance is measured by whether it has made good faith efforts to meet its goals, and failure to meet goals, by itself, is not a violation of the Executive Order.



Minority/Women/Handicap Business Enterprise Procurement Procedures  
Genesee County Community Development Block Grant (CDBG) Program

Projects assisted with Genesee County Community Development Block Grant (CDBG); Emergency Shelter Grants (ESG); and HOME Investment Partnerships Program (HOME) funds must comply with Program procurement standards. Federal regulations contained at 24 CFR 85.36(e)(2)(I) require that the opportunity to bid on activities assisted, in any part, with these Genesee County Program funds, be offered to MBE/WBE/HBE firms.

Local Units of Genesee County government, Non-Profit Agencies, Architectural / Engineering / Design / Consulting firms; Prime Contractors, and Subcontractors must complete the appropriate Procurement Outreach form (attached) in order for bid procedures to be complete and compliant with federal regulations. For your convenience a copy of the *Minority Business Directory* can be found at: [http://gcmprc.org/wp-content/uploads/2020/02/DBE.MBE\\_WBE-Business-Listing.pdf](http://gcmprc.org/wp-content/uploads/2020/02/DBE.MBE_WBE-Business-Listing.pdf) to assist you in identifying contractors and businesses needed to carry out your project activity. The *Directory* is not to be construed as the sole source listing of MBE/WBE/HBE firms in our community, but rather as one source.

It is required that a minimum of three contractors/business be contacted for each industry Procurement that proposed to be assisted with Genesee County federal Program funds. Of these three, at least one MBE/WBE/HBE per industry must be offered the opportunity to bid on the project activity. Examples of industries are: architectural and engineering services; janitorial services; paper goods; asphalt paving services; roofing firms; electrician services; and other construction trades. This is not an exhaustive list of activities. Procurement procedures depend on the amount of the work to be procured. Please reference the attached information on procurement and labor standards for federally assisted projects and activities.

All subrecipients are responsible for ensuring that their Prime and Subcontractors also complete the MBE/WBE/HBE outreach report (Attachment F) in order for the bid process to be considered compliant. Prime Contractors are required to perform the outreach procedures when seeking subcontractors for performing work / offering materials, services, or supplies on the federally assisted project / activity. Proper documentation includes: the name of the company, name of person contacted, date of contact, registered mail slip, and identification of selected MBE/WBE/HBE. Should the outreach documentation not include a potential MBE/WBE/HBE, the subrecipient; prime and subcontractors must indicate through written documentation the reason(s) why this situation has occurred. This must be attached to the proposed bid tabulations prior to approval of acceptable bid by Genesee County.

If the proper documentation is not provided to Genesee County, the project procurement procedures will not be considered compliant, and therefore any resulting bids will not be considered acceptable. The bid process may be delayed and/or may be required to be re-bid should the MBE/WBE/HBE outreach process be non-compliant. This will be determined at the sole discretion of Genesee County.

In order to assure compliance with federal regulations, a copy of all bid tabs and the MBE/WBE/HBE outreach forms must be submitted to Genesee County prior to any award of contracts, the preconstruction meeting; and/or any purchase of equipment, supplies, and / or services to be assisted under a federally assisted project / activity.

Genesee County MBE/WBE/HBE Outreach Report  
for Local Units of Government, Contractors and Subcontractors

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

Local Unit of Government: \_\_\_\_\_

Prime Contractor: \_\_\_\_\_

Subcontractor: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Name of Project: \_\_\_\_\_

Type (Construction, Materials, Services OR Supplies): \_\_\_\_\_

To comply with federal Procurement and MBE/WBE/HBE outreach requirements, local units of government; non-profit agencies; prime contractors; and subcontractors are required to select three businesses for each category, (i.e., materials, supplies, services, design/engineering/architectural services, construction trades, etc.). Of these three businesses, one business must be selected for solicitation from a MBE/WBE/HBE. This form may be reproduced if necessary for additional contacts.

The following information is required. If the proper documentation is not provided, your bid documentation will be considered as incomplete, and therefore will not be considered acceptable.

Proper documentation includes: name of company, name of person contacted, date of contact, registered mail slip, and identification of selected MBE/WBE/HBE's.

- 1) Contractor Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Form of Contact: \_\_\_\_\_ Date: \_\_\_\_\_  
Supporting Documentation: \_\_\_\_\_  
Written Bid Received: YES NO Amount: \_\_\_\_\_  
Were they Selected for Contract?: YES NO  
If No, Why? \_\_\_\_\_  
MBE/WBE/HBE: YES NO  
Section 3: YES NO If yes, please fill out Section 3 forms.

2) Contractor Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Form of Contact: \_\_\_\_\_ Date: \_\_\_\_\_  
Supporting Documentation: \_\_\_\_\_  
Written Bid Received: YES NO Amount: \_\_\_\_\_  
Were they Selected for Contract?: YES NO  
If No, Why? \_\_\_\_\_  
MBE/WBE/HBE: YES NO  
Section 3: YES NO If yes, please fill out Section 3 forms.

3) Contractor Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Form of Contact: \_\_\_\_\_ Date: \_\_\_\_\_  
Supporting Documentation: \_\_\_\_\_  
Written Bid Received: YES NO Amount: \_\_\_\_\_  
Were they Selected for Contract?: YES NO  
If No, Why? \_\_\_\_\_  
MBE/WBE/HBE: YES NO  
Section 3: YES NO If yes, please fill out Section 3 forms.

Local Unit of Government Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Prime Contractor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Subcontractor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

SECTION 3 CLAUSE  
(24 CFR Part 135.38)

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Attachment G  
Certification for Business Concerns Seeking Section 3 Preference  
in Contracting and Demonstration of Capability  
Genesee County Community Development Block Grant (CDBG) Program

Name of Business: \_\_\_\_\_

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

Type of Business:     Corporation             Partnership             Joint Venture  
                                  Limited Liability Corporation             Sole Proprietorship

Type of Work: \_\_\_\_\_

I \_\_\_\_\_, hereby certify that the business  
(Print Name and Title)

known as \_\_\_\_\_  
(Print business name)

\_\_\_\_\_ is not a Section 3 business (sign below)

\_\_\_\_\_ is a Section 3 business because (check one of the following, sign and complete page 2)

\_\_\_\_\_ 51 percent (51%) or more is owned by Section 3 residents\*; or

\_\_\_\_\_ 30 percent (30%) of the permanent full time employees are currently Section 3 residents\* or were Section 3 residents\* when first hired (if within the last three years); or

\_\_\_\_\_ The business commits in writing to subcontract over 25 percent (25%) of the total dollar amount of all subcontracts to be let to businesses that meet the requirements of paragraphs 1 and 2 of this definition;

AND

The business was formed in accordance with state law and is licensed under state, county or municipal law to engage in the business activity for which it was formed.

\* A Section 3 Resident is a person living in Genesee County who is a Public Housing resident or who is low income.

Low Income Persons means families whose incomes do not exceed 80% of the annual median income as adjusted by HUD, for Genesee County (see income limits on page 2).

***It is important to note that a Genesee County Section 3 Certification in itself, shall not in any way be construed, that any bid or contract award is accepted, nor guaranteed, nor is any Business Concern entitled to any contract award based upon the Section 3 Certification.***

Warning: This program is funded through Federal funds provided by the U.S. Department of Housing and Urban Development. Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to : (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R. parts 24, 28 and 30. Section 1001 of Title 18 U.S. Code makes it a criminal offense to make willful, false statements or misrepresentation of any material fact involving the use of or to obtain federal funds.

\_\_\_\_\_  
 Authorizing Name and Signature

\_\_\_\_\_  
 Date

Attach the following documentation, as applicable, as evidence of status. Not all may apply to your firm or circumstance, although at least one will apply.

**For business claiming status as a Section 3 resident-owned business concern:**

- |   |   |
|---|---|
| <input type="checkbox"/> Copy of resident lease   | <input type="checkbox"/> Copy of receipt of public assistance                               |
| <input type="checkbox"/> Copy of evidence of participation in a public assistance program | <input type="checkbox"/> Copy of previous year's income tax filings for Section 3 residents |

**For business claiming Section 3 status due to at least 30% of its current workforce is Section 3 residents, or were Section 3 residents when first hired (if within the last three years) please provide:**

- |   |   |
|---|---|
| <input type="checkbox"/> List of all current full-time employees                            | <input type="checkbox"/> List of employees claiming Section 3 status                        |
| <input type="checkbox"/> PHA/IHA Residential lease less than 3 years from day of employment | <input type="checkbox"/> Copy of previous year's income tax filings for Section 3 residents |

**For business claiming Section 3 status by subcontracting 25% of the dollar amount awarded to qualified Section 3 businesses:**

- List of subcontracted Section 3 business(es), subcontract amount, and date of subcontract
- Copy of all Subcontractors' previous year's income tax filings

<b>FY 2023 Median Family Income for Flint and Genesee County MSA - \$76,200</b>		
<b>Section 3 Maximum Income Limits</b>		
<b>Number in Household</b>	<b>Very-Low Income</b>	<b>Low Income</b>
One Person	\$26,550	\$31,860
Two Person	\$30,350	\$36,420
Three Person	\$34,150	\$40,980
Four Person	\$37,900	\$45,480
Five Person	\$40,950	\$49,140
Six Person	\$44,000	\$52,800
Seven Person	\$47,000	\$56,400
Eight Person	\$50,050	\$60,060

Attachment H

Certification For Residents For Seeking Section 3 Preference in Training and Employment  
Genesee County Community Development Block Grant (CDBG) Program

Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by Section 3 will certify, or submit evidence to Genesee County, subrecipient, subgrantee, contractor or subcontractor, that the person is a Section 3 resident, as defined in Section 135.5. (Examples of evidence of eligibility for the preference include demonstration of receipt of public assistance; or evidence of participation in a public assistance program; or previous year's income tax filings.) All residents of public housing developments located in Genesee County qualify as Section 3 residents. Additionally, individuals residing in Genesee County who meet the annual income limits set forth in the following table can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

Certification for Resident Seeking Section 3 Preference in Training and Employment

I, \_\_\_\_\_, am a legal resident of \_\_\_\_\_  
 \_\_\_\_\_ and meet the income eligibility guidelines for a low-  
 or very-low-income person as included in this Certification.

My permanent address is: \_\_\_\_\_  
 \_\_\_\_\_

I have attached the following documentation as evidence of my status:

Copy of lease  Copy of receipt of public assistance

Copy of Evidence of participation  Copy of the most recent year's income tax filings  
 in a public assistance program

Other evidence \_\_\_\_\_

*Warning: This program is funded through Federal funds provided by the U.S. Department of Housing and Urban Development. Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions, including but not limited to : (i) fines and imprisonment under 18 U.S.C. §§ 287, 1001, 1010 and 1012; (ii) civil penalties and damages under 31 U.S.C. § 3729; and (iii) administrative sanctions, claims, and penalties under 24 C.F.R. parts 24, 28 and 30. Section 1001 of Title 18 U.S. Code makes it a criminal offense to make willful, false statements or misrepresentation of any material fact involving the use of or to obtain federal funds.*

\_\_\_\_\_

Print Name

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Date



FY 2023 MEDIAN FAMILY INCOME FOR FLINT AND GENESEE COUNTY -- \$76,200

MAXIMUM INCOME LIMITS

Household Size	30% Extremely Low Income	50% Very Low Income	60% Low Income	80% Moderate Income
One Person	\$15,950	\$26,550	\$31,860	\$42,500
Two Person	\$19,720	\$30,350	\$36,420	\$48,550
Three Person	\$24,860	\$34,150	\$40,980	\$54,600
Four Person	\$30,000	\$37,900	\$45,480	\$60,650
Five Person	\$35,140	\$40,950	\$49,140	\$65,550
Six Person	\$40,280	\$44,000	\$52,800	\$70,400
Seven Person	\$45,420	\$47,000	\$56,400	\$75,250
Eight Person	\$50,050	\$50,050	\$60,060	\$80,100

**ARCHITECTURAL BARRIERS ACT OF 1968 PROVISION  
(Public Law 90-480, as amended through 1984 - 42 U.S.C. 4151 et seq.)**

All contracts for construction of facilities shall contain a provision which requires the recipient to comply with the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157), as amended, requirement that the design of any facility constructed comply with the "Architectural and Transportation Accessibility Compliance Board Guidelines under the Authority of the Architectural Barriers Act of 1968, as amended.

**ACCESSIBILITY GUIDELINES FOR BUILDINGS AND FACILITIES**

[www.access-board.gov/adaag/html/adaag.htm](http://www.access-board.gov/adaag/html/adaag.htm)

This document contains scoping and technical requirements for accessibility to buildings and facilities by individuals with disabilities under the Americans with Disabilities Act (ADA) of 1990. These scoping and technical requirements are to be applied during the design, construction, and alteration of building and facilities covered by titles II and III of the ADA to the extent required by regulations issued by Federal agencies, including the Department of Justice and the Department of Transportation, under the ADA.

**CLEAN AIR ACT OF 1970 AND THE FEDERAL  
WATER POLLUTION CONTROL ACT PROVISIONS**

Contracts and subgrants of amounts in excess of \$100,000.00 shall contain a provision which requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended. Violations shall be reported to the grantor agency and the Regional Office of the Environmental Protection Agency.

**PROJECT:**

The above-referenced project is a federally funded activity authorized under the Housing and Community Development Act of 1974. All successful bidders must comply with the National Environmental Policy Act of 1969 and Executive Order 11990, Protection of Wetlands.

WETLANDS PROTECTION CLAUSE  
Executive Order 11990

Every applicant, recipient, contracting party, contractor, and subcontractor shall incorporate, or cause to be incorporated, in all contracts for work in connection with this Community Development Block Grant project, the following clause (referred to as the Wetlands Protection Clause). During the performance of this contract, the contractor agrees to take the following precautions to protect, preserve, and enhance the natural and beneficial values of wetlands in carrying out his/her responsibilities under this contract:

1. The contractor agrees that all work performed under this contract will be kept to existing roadways and their associated drainage ditches.
2. The contractor agrees that any spoils accumulated as a result of the roadway and ditch work is to be transported out of the project area to prevent its possible deposit in nearby sensitive wetland areas.
3. The contractor agrees, that in those areas of impending contact between the roadway and a sensitive wetland area, efforts will be made to impede such contact.
4. The contractor agrees to include this clause in every subcontract for work in connection with this project and will, at the direction of the applicant for or recipient of the federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of the provisions of this clause.
5. Compliance with the provisions of this clause, Executive Order 11990, the regulations set forth in 24CFR 58, and all applicable environmental rules and orders of the Department issued thereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided and to such sanctions as are specified by Community Development Block Grant Regulations 24CFR 570, Sections 570.910, 570.911 and 570.913, or section 111(A) of the Housing and Community Development Act of 1974.

## GENESEE COUNTY COMMUNITY DEVELOPMENT CONTRACT

It is agreed between the Parties that the Contractor affirms to follow all the provisions in 24 CFR 85.36(i) as follows:

### CONTRACT PROVISIONS

A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)
2. Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)
3. Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity", as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)
4. Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)
5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation)
6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)
7. Notice of awarding agency requirements and regulations pertaining to reporting.
8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
9. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
10. Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.
12. Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).
13. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871). [53 FR 8068, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19642, Apr. 19, 1995]
14. Compliance with Genesee County's Drug Free Workplace Act of 1988.

## System for Award Management Registration

Awarded prime contractors must be registered in the System for Award Management (SAM.gov) in order to be reimbursed for Federally Funded CDBG Projects. SAM registration is free. The following document is a Basic Guide to getting registered. For more information and directions for registering, please visit the following link:

<https://www.youtube.com/watch?v=SHNO0Ln74MY&t=22s>

If further assistance is needed, please do not hesitate to contact the GCMPC Office at (810) 257-3010.

## DEBARMENT INFORMATION

HUD recently provided updated information regarding debarment processes. Beginning June 2014, all grantees, subrecipients, contractors, or those entities that will receive CDBG or HOME funding must register with the federal system to comply with federal regulations. The General Services Administration, a federal agency, is required to compile and maintain a list of parties debarred, suspended, or disqualified by federal agencies. This list is the System for Awards Management (SAM) and is maintained at SAM.gov. Grantees, or any entity receiving payment of CDBG or HOME funds, must register prior to receiving award or reimbursement of CDBG or HOME funding. An active registration in SAM is required both to apply for an award or for reimbursement of funds to make a sub-recipient or contractor payment.

SAM registration requirements are as follows:

- 1.) If already registered in SAM, each potential contractor or grantee should ensure that their email address is current in SAM.gov so as to receive annual automated reminders to renew that registration.

SAM and/or DUNS registration requirements are as follows:

- 1.) If NOT already registered, all entities must acquire a D-U-N-S® Number. The process by telephone takes between 5 and 10 minutes. Just call Dun and Bradstreet at 1-866-805-5711. If an entity identifies as a contractor on a State government project, the acquisition of a DUNS number will be free. The following information will need to be provided:

- Legal Name
- Tradestyle, Doing Business As (DBA), or other name by which your organization is commonly recognized
- Physical Address, City, State and Zip Code
- Mailing Address (if separate)
- Telephone Number
- Contact Name
- SIC Code (Line of Business)
- Number of Employees at your location
- Headquarters name and address (if there is a reporting relationship to a parent corporate entity)
- Is this a home-based business

- 2.) Register with SAM. To do so, go to SAM.gov. In order to complete the registration, a user account must be created. After the user account with a username and password are established, registration can occur. The entity's Tax Identification Number must be entered into SAM. The HELP tab on the main page can provide additional guidance to understanding the entity's registration status.



## How to register your entity to be eligible for GRANTS in SAM:

### Before you register, you need to know the following:



#### What is an Entity?

In SAM, your company/business/organization is now referred to as an "Entity."

- **REGISTERING IN SAM IS FREE.**
- If you were registered in CCR, your company's information is already in SAM. You just need to set up a SAM account. See the "Migrating Roles" Quick Start Guide.



#### Your Entity's DUNS Number

You need a DUNS to register your entity in SAM.

- If you do not have a DUNS number, you can request a DUNS number for free by visiting D&B at <http://fedgov.dnb.com/webform>
- It takes 1-2 business days to obtain a DUNS.



#### Your Entity's Taxpayer Identification Number (TIN)

You need your entity's Tax ID Number (TIN) and taxpayer name (as it appears on your last tax return). Foreign entities that do not pay employees within the U.S. do not need to provide a TIN.

- A TIN is an Employer Identification Number (EIN) assigned by the Internal Revenue Service (IRS).
- Sole proprietors may use their Social Security Number (SSN) assigned by the Social Security Administration (SSA) if they do not have a TIN, but please be advised it will not be treated as privacy act data in SAM.
- To obtain an EIN visit: [www.irs.gov/businesses/small/article/0,,id=102767,00.html](http://www.irs.gov/businesses/small/article/0,,id=102767,00.html)
- Activating a new EIN with the IRS takes 2-5 weeks.



### Steps For Registering Your Entity in SAM

1. Go to [www.sam.gov](http://www.sam.gov)
2. Create a Personal Account and Login
3. Click "Register New Entity" under "Manage Entity" on your "My SAM" page
4. Select your type of Entity
5. Select "No" to "Do you wish to bid on contracts?"
6. Select "Yes" to "Do you want to be eligible for grants and other federal assistance?"
7. Complete "Core Data"
  - ✓ Validate your DUNS information
  - ✓ Enter Business Information (TIN, etc.)
  - ✓ Enter CAGE code if you have one. If not, one will be assigned to you after your registration is completed. Foreign registrants must enter NCAGE code.
  - ✓ Enter General Information (business types, organization structure, etc)
  - ✓ Financial Information (Electronic Funds Transfer (EFT) Information)
  - ✓ Executive Compensation
  - ✓ Proceedings Details
8. Complete "Points of Contact"
9. Your entity registration will become active after 3-5 days when the IRS validates your TIN information.

How do I get more information? Take a look at the SAM User Guide.



# WAGE DECISION INFORMATION

The wage decision provided on the following pages is subject to change if updated by the Department of Labor (DOL). Final Wage Decision Lock-In is on the date of Bid Opening. The project manager at GCMPC will provide notice of any Wage Decision updates to the subrecipient on the date of Bid Opening. If the contract is not awarded within 90 days of Bid Opening, the new Lock-In Date is the date of Contract Award. If construction does not begin within 90 days of Contract Award, the first day of construction is the new Lock-In Date for the Wage Decision.





# January 24, 2024 WAGE DECISION

"General Decision Number: MI20240013 01/05/2024

Superseded General Decision Number: MI20230013

State: Michigan

Construction Type: Residential

County: Genesee County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

<p>If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:</p>	<ul style="list-style-type: none"> <li>. Executive Order 14026 generally applies to the contract.</li> <li>. The contractor must pay all covered workers at least \$17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.</li> </ul>
<p>If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:</p>	<ul style="list-style-type: none"> <li>. Executive Order 13658 generally applies to the contract.</li> <li>. The contractor must pay all covered workers at least \$12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.</li> </ul>

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number	Publication Date
0	01/05/2024

CARP0706-012 06/01/2023

	Rates	Fringes
CARPENTER.....	\$ 32.09	22.68

ELEC0948-002 06/14/2023

	Rates	Fringes
ELECTRICIAN.....	\$ 33.25	22%+5.60

ENGI0325-030 06/01/2023

	Rates	Fringes
OPERATOR: Power Equipment		
GROUP 1.....	\$ 45.48	25.25
GROUP 2.....	\$ 42.18	25.25
GROUP 3.....	\$ 39.53	25.25
GROUP 4.....	\$ 37.82	25.25

FOOTNOTES:

Crane operator with main boom and jib 300' or longer: \$1.50 per hour above the group 1 rate.  
 Crane operator with main boom and jib 400' or longer: \$3.00 per hour above the group 1 rate.

PAID HOLIDAYS: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Crane operator with main boom and jib 400', 300', or 220' or longer.

GROUP 2: Crane operator with main boom and jib 140' or longer, tower crane, gantry crane, whirley derrick

GROUP 3: Backhoe/Excavator; Bulldozer; Crane; Grader/Blade; Loader; and Scraper

GROUP 4: Bobcat/ Skid Loader

IRON0025-004 06/01/2023

	Rates	Fringes
IRONWORKER, STRUCTURAL.....	\$ 34.85	40.42

LAB00334-020 06/01/2023

	Rates	Fringes
Landscape Laborer		
GROUP 1.....	\$ 25.97	8.60
GROUP 2.....	\$ 23.75	8.60

LANDSCAPE LABORER CLASSIFICATIONS

GROUP 1: Landscape specialist, including air, gas and diesel equipment operator, lawn sprinkler installer, skidsteer (or equivalent)

GROUP 2: Landscape laborer: small power tool operator,  
 material mover, truck driver and lawn sprinkler installer  
 tender

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LAB01075-001 06/01/2023		
	Rates	Fringes
LABORER		
Common or General; Mason Tender - Cement/Concrete....	\$ 28.21	14.95
-----		
PAIN1052-006 02/01/2013		
	Rates	Fringes
PAINTER: Brush and Roller.....	\$ 22.25	11.10
-----		
PLUM0370-001 06/01/2018		
	Rates	Fringes
PIPEFITTER (HVAC Pipe Installation Only).....	\$ 26.46	20.60
PLUMBER (Excluding HVAC Pipe Installation).....	\$ 26.46	20.60
-----		
ROOF0149-019 06/01/2020		
	Rates	Fringes
ROOFER.....	\$ 29.58	18.33
-----		
SHEE0007-002 05/01/2018		
	Rates	Fringes
SHEET METAL WORKER, Includes HVAC Duct and Unit Installation.....	\$ 24.88	8.76
-----		
SUMI2010-011 09/16/2010		
	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 19.27	5.85
LABORER: Pipelayer.....	\$ 17.99	5.46
TRUCK DRIVER: Dump Truck.....	\$ 17.00 **	5.71
-----		

WELDERS - Receive rate prescribed for craft performing  
 operation to which welding is incidental.

=====

\*\* Workers in this classification may be entitled to a higher  
 minimum wage under Executive Order 14026 (\$17.20) or 13658  
 (\$12.90). Please see the Note at the top of the wage  
 determination for more information. Please also note that the  
 minimum wage requirements of Executive Order 14026 are not  
 currently being enforced as to any contract or subcontract to

which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

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The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

#### Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

#### Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average

rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

#### Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an

interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

=====

END OF GENERAL DECISION"

June 5, 2024

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

SUBJECT: 2023 Community Development Block Grant Spending Deadline

Dear Mr. Zettel:

This letter is to notify you that the City of Swartz Creek has until August 31, 2024 to spend the balance of the 2023 Community Development Block Grant funds. As of June 5, 2024, the account balances remaining for the projects is as follows:

Senior Center Operations  
Contract Award: \$2,101.00  
Account Balance: \$0.00

Infrastructure Improvements  
Contract Award: \$35,721.00  
Account Balance: \$35,721.00

Please submit your final reimbursement request and all supporting documentation no later than September 30, 2024, per your contract.

If you have any questions, please feel free to me at (810) 766-6560 or by email at [dfortney@geneseecountymi.gov](mailto:dfortney@geneseecountymi.gov).

Sincerely,



Damon Fortney, Lead Planner  
Genesee County Metropolitan Planning Commission



June 19, 2024

To the City Manager: Adam Zettel

Swartz Creek  
8083 Civic Drive  
Swartz Creek, MI 48473

I am pleased to confirm our understanding of the services I am able to provide the City of Swartz Creek (the "City") for July 1-September 30th, 2024. I will work independently and collectively with the Treasurer and City staff. The following are planned items of focus for the start of the fiscal year.

1. Assist in the completion of the 6.30.2024 Single and Financial Statement Audit.
2. Help monitor budget to actual variances and make recommendations as needed.
3. Provide essential financial accounting support to maintain accuracy and integrity in the general ledger.
4. Other tasks that are mutually agreed upon during this time.

The fee for these services will be \$1,500 weekly. An invoice will be generated monthly (every 4 weeks). The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the period.

Below is a brief summary of work experience and education.

Finance director/Treasurer with a broad knowledge of governmental accounting and general accounting standards. Strong knowledge and experience with BS&A Software and preparing a variety of financial records. Michigan Certified Professional Treasurer, over 12 years governmental accounting experience and a Master's degree in Accounting from Walsh College.

I appreciate the opportunity to service the City and believe the letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement, please sign and return to me.

Sincerely,

Kimberly Lynch

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City Manager, Adam Zettel

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Date



STATE OF MICHIGAN  
 DEPARTMENT OF TREASURY  
 LANSING

GRETCHEN WHITMER  
 GOVERNOR

RACHAEL EUBANKS  
 STATE TREASURER

June 13, 2024

Adam Zettel, City Manager  
 Swartz Creek City, Genesee County  
 8083 Civic Drive  
 Swartz Creek, MI 48473

Dear Adam Zettel,

Reason Consulting recently conducted an assessment roll and practices audit, as required by Public Act 660 of 2018, on behalf of the State Tax Commission in your local unit. The following is a summary of the audit findings:

<b>Substantial Compliance Review Item</b>	<b>Requirement Met (Yes/No)</b>
1. Does the local unit have properly developed and documented land value determinations?	Yes
2. Does the local unit have properly developed and documented Economic Condition Factors?	Yes
3. Does the local unit have less than 1% of parcels in override and less than 1% flat land values?	Yes
<b>Technical Compliance Review Item</b>	
4. Does the local unit use an STC approved computer-assisted mass appraisal system?	Yes
5. Does the local unit have and follow a policy detailing assessing office accessibility?	Yes
6. Does the local unit provide online access to assessing information?	Yes
7. Does the local unit provide contact information on notices to taxpayers?	Yes
8. Does the local unit ensure that support staff and Board of Review members are sufficiently trained?	Yes
9. Does the local unit comply to statute requirements in respect to any property tax administration fee?	Yes
10. Does the local unit conduct an annual personal property canvass?	Yes
11. Does the July and December Board of Review meetings comply with statutory authority?	Yes
12. Does the local unit have an adequate process for determining exemptions?	Yes

Technical Compliance Review Item	Requirement Met (Yes/No)
13. Does the local unit meet the requirements outlined in the STC publication "Supervising Preparation of the Assessment Roll"?	Yes
14. Does the local unit have proper Poverty Exemption guidelines, including an asset level test, and was the policy followed?	Yes
15. Has the local unit implemented CAMA Data Standards as currently adopted by the STC?	Yes

An electronic version of your PA 660 Audit with detailed comments regarding each item is available through your assessor's MiSuite portal.

Based on the findings of the audit, your local unit is given the designation of **substantially compliant**. We wish to congratulate your local unit on receiving a perfect score on the review and thank you for your cooperation throughout this process.

Sincerely,



David A. Buick, Executive Director  
State Tax Commission

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 101 - General Fund</b>					
ESTIMATED REVENUES					
Dept 000.000 - General					
101-000.000-573.000	LCSA Share Taxes PA 80 2014/2016 Fwd	15,000	14,000	29,000	
101-000.000-664.000	Interest Income	8,500	18,000	26,500	
Dept 266.000 - Legal Council					
101-266.000-677.000	Reimbursements	0	22,579	22,579	<u>Hayes street MR &amp; 8060 Miller Rd</u>
Dept 301.000 - Police Dept					
101-301.000-543.000	State Liquor Returns	4,825	3,000	7,825	
Dept 336.000 - Fire Department					
101-336.000-677.000	Reimbursements	1,075	10,000	11,075	<u>i Treasury Equipment Grant 10,000</u>
Dept 444.000 - Sidewalks					
101-444.000-418.478	Snow Removal Revenue	3,000	(3,000)	0	-----
Dept 694.000 - Community Development Block Grant					
101-694.000-522.000	Federal Grants - CDBG	37,721	(37,721)	0	
Dept 780.000 - Parks & Recreation					
101-780.000-674.003	COSMOS IN THE CREEK DONATIONS	0	42,000	42,000	-----
Dept 786.000 - Non-Motorized Trailway					
101-786.000-560.000-786.000	State DNR Grant	30,000			
101-786.000-677.000-786.000	Reimbursements	65,000	110,000	175,000	<u>nt township &amp; GM Escrow for drive</u>
Dept 794.000 - Community Promotions Program					
101-794.000-551.000	Other State Grant Revenue	0	5,000	5,000	-----
Totals for dept 794.000 - Community Promotions Program					
TOTAL ESTIMATED REVENUES		3,008,520	183,858	3,192,378	
APPROPRIATIONS					
Dept 000.000 - General					
101-000.000-983.100	ERC Lighting Conversion Program Expense	13,524	150	13,674	
Dept 228.000 - Information Technology					
101-228.000-801.000	Contractual Services	20,000	2,000	22,000	
Dept 253.000 - Treasurer					
101-253.000-705.000	Medical Insurance - ER	9,786	5,000	14,786	Jacque full time & benefit eligible

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
101-253.000-801.000	Contractual Services	18,645	17,000	35,645	40% of supplement finance services & Plante Moran charges Treasurer training
101-253.000-960.000	Education and Training	300	2,000	2,300	
Dept 265.000 - Facilities - City Hall					
101-265.000-726.000	Supplies	600	1,500	2,100	
101-265.000-941.000	Equipment Rental	200	2,500	2,700	
Dept 301.266 - Legal Council PSFY					
101-301.266-801.000	Contractual Services	24,000	1,000	25,000	
Dept 334.000 - Metro Police Authority					
101-334.000-998.334	Metro Police Authority Appropriation	1,210,137	(50,000)	1,160,137	Refund
Dept 336.000 - Fire Department					
101-336.000-998.736	Fire Board Appropriation	132,599	7,800	140,399	
Dept 371.000 - Building/Zoning/Planning					
101-371.000-801.000	Contractual Services	21,000	12,000	33,000	Glaeser Daves Catch Basin repair
Dept 448.000 - Lighting					
101-448.000-920.000	Utilities	103,000	40,000	143,000	Non energy street lighting Green Leaf
Dept 567.000 - Facilities - Cemetery					
101-567.000-941.000	Equipment Rental	25	1,000	1,025	
Dept 694.000 - Community Development Block Grant					
101-694.000-801.000	Contractual Services	37,721	(37,721)	0	Moved to Fy 2024-2025
Dept 780.000 - Parks & Recreation					
101-780.000-960.003	Equipment-Cosmo in the Creek	0	24,000	24,000	Received donation-see revenue
Dept 786.000 - Non-Motorized Trailway					
101-786.000-801.500-786.000	MDOT Project Pmts	0	79,203	79,203	County ARPA revenue to offset increase
Dept 790.000 - Facilities-Senior Center/Libr					
101-790.000-941.000	Equipment Rental	1,500	2,000	3,500	
Dept 794.000 - Community Promotions Program					
101-794.000-941.000	Equipment Rental	8,879	5,500	14,379	
TOTAL APPROPRIATIONS		3,424,784	114,932	3,539,716	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
	NET OF REVENUES/APPROPRIATIONS - FUND 101	(416,264)		(347,338)	
	BEGINNING FUND BALANCE	1,763,784		1,763,784	
	ENDING FUND BALANCE	1,347,520		1,416,446	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 202 - Major Street Fund</b>					
TOTAL ESTIMATED REVENUES		1,745,124		1,745,124	
APPROPRIATIONS					
Dept 429.000 - Occupational Safety					
202-429.000-702.000	Wages	56	200	256	
202-429.000-941.000	Equipment Rental	26	500	526	
Dept 452.100 - Safe Routes to School Grant					
202-452.100-801.000-452.100	Contractual Services	33			
202-452.100-801.450-452.100	Construction Engineering	53,635	14,000	67,635	
202-452.100-801.500-452.100	MDOT Project Pmts	170,000	25,000	195,000	
Dept 454.000 - Major Streets Projects					
202-454.000-801.450-454.101	Construction Engineering	1,309,836	140,000	1,449,836	Miller Road expenses
Dept 463.000 - Routine Maint - Streets					
202-463.000-930.000	Repairs and Maintenance	47,413	7,500	54,913	Crack sealing
202-463.000-941.000	Repairs and Maintenance (non motorized)		8,300	8,300	Fairchild Fence
Dept 473.000 - Routine Maint - Bridges					
202-473.000-801.000	Contractual Services	32,398	(15,000)	17,398	
Dept 474.000 - Traffic Services					
202-474.000-702.000	Wages	1,071	4,000	5,071	
202-474.000-726.000	Supplies	3,747	8,500	12,247	Replacement signs
Dept 478.000 - Snow & Ice Removal					
202-478.000-702.000	Wages	14,256	(3,500)	10,756	
202-478.000-704.100	FICA - Employer's Share	884	(500)	384	
202-478.000-726.000	Supplies	22,700	(12,000)	10,700	
202-478.000-941.000	Equipment Rental	18,000	(4,000)	14,000	
TOTAL APPROPRIATIONS		1,839,958	173,000	2,012,958	
NET OF REVENUES/APPROPRIATIONS - FUND 202		(94,834)		(267,834)	
BEGINNING FUND BALANCE		492,963		492,963	
ENDING FUND BALANCE		398,129		225,129	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 203 - Local Street Fund</b>					
ESTIMATED REVENUES					
Dept 000.000 - General					
Dept 931.000 - Transfers IN					
203-931.000-699.204	Transfer IN from Municipal Street Fund	3,593,000	(3,593,000)	0	
TOTAL ESTIMATED REVENUES		3,800,700	(3,593,000)	207,700	
APPROPRIATIONS					
Dept 228.000 - Information Technology					
203-228.000-801.000	Contractual Services	609	500	1,109	
Dept 449.501 - Right of Way - Storms					
203-449.501-801.000	Contractual Services	0	1,500	1,500	
203-449.501-930.000	Repairs and Maintenance	8,230	5,000	13,230	
Dept 451.000- Construction					
203-451.000-801.000	Contractual Services	0	141,000	141,000	Grove Street construction
Dept 455.000 - Local Street Projects					
203-455.000-801.400-455.100	Design Engineering	11,000	(11,000)	0	Project tracked in fund 204- Municipal streets
203-455.000-801.400-455.101	Design Engineering	7,000	(7,000)	0	
203-455.000-801.450-455.100	Construction Engineering	2,325,000	(2,325,000)	0	
203-455.000-801.450-455.101	Construction Engineering	1,250,000	(1,250,000)	0	
Dept 463.000 - Routine Maint - Streets					
203-463.000-941.000	Equipment Rental	18,000	5,000	23,000	
Dept 478.000 - Snow & Ice Removal					
203-478.000-702.000	Wages	11,645	(3,000)	8,645	
203-478.000-726.000	Supplies	15,000	(6,500)	8,500	
203-478.000-941.000	Equipment Rental	11,000	(2,200)	8,800	
TOTAL APPROPRIATIONS		3,928,384	(3,451,700)	476,684	
NET OF REVENUES/APPROPRIATIONS - FUND 203		(127,684)		(268,984)	
BEGINNING FUND BALANCE		538,388		538,388	
ENDING FUND BALANCE		410,704		269,404	



GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 204 - MUNICIPAL STREET FUND</b>					
ESTIMATED REVENUES					
Dept 000.000 - General					
204-000.000-573.000	LCSA Share Taxes PA 80	11,000	14,898	25,898	
204-000.000-664.000	Interest Income	65	24,000	24,065	
TOTAL ESTIMATED REVENUES		7,168,366	38,898	7,207,264	
APPROPRIATIONS					
Dept 455.100 - CAPITAL IMPROVEMENT BOND					
204-455.100-801.000-455.200	Contractual Services	0	3,252,007	3,252,007	
204-455.100-801.400-455.200	Design Engineering	0	18,000	18,000	
204-455.100-801.450-455.200	Construction Engineering	0	120,000	120,000	
Totals for dept 455.100 - CAPITAL IMPROVEMENT BOND					
Dept 905.000 - Debt Service					
204-905.000-995.455	GO TAX BOND 2023 INTEREST PAYMENT	0	93,156	93,156	
Totals for dept 905.000 - Debt Service		174,954			
Dept 965.000 - Transfers Out					
204-965.000-998.203	Trf Out to Local Street Fund	3,593,000	(3,593,000)	0	
TOTAL APPROPRIATIONS		3,767,954	(109,837)	3,658,117	
NET OF REVENUES/APPROPRIATIONS - FUND 204		3,400,412		3,549,147	
BEGINNING FUND BALANCE		581,569		581,569	
ENDING FUND BALANCE		3,981,981		4,130,716	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 226 - Garbage Fund</b>					
ESTIMATED REVENUES					
Dept 000.000 - General					
226-000.000-664.000	Interest Income	1,200	4,000	5,200	
TOTAL ESTIMATED REVENUES		471,920	4,000	475,920	
APPROPRIATIONS					
Dept 172.000 - Executive					
226-172.000-801.000	Contractual Services	525	500	1,025	
226-172.000-850.000	Communications	10			
226-172.000-910.200	General Liability Insurance	318	700	1,018	
Dept 215.000 - Administration and Clerk					
226-215.000-745.000	Postage	600	400	1,000	
226-215.000-801.000	Contractual Services	194	750	944	
Dept 253.000 - Treasurer					
226-253.000-705.000	Medical Insurance - ER	1,016	350	1,366	
226-253.000-801.000	Contractual Services	4,662	4,000	8,662	10% of supplement finance
226-253.000-960.000	Education and Training	100	500	600	services & Plante Moran charges Treasurer training
Dept 265.000 - Facilities - City Hall					
226-265.000-941.000	Equipment Rental	100	1,000	1,100	
Dept 530.000 - Wood Chipping					
226-530.000-705.000	Medical Insurance - ER	2,919	2,000	4,919	
226-530.000-941.000	Equipment Rental	20,000	4,500	24,500	
Dept 965.000 - Transfers Out					
226-965.000-998.101	Transfer Out to Gen Fd	0	2,387	2,387	To reimburse for parking lot
Totals for dept 965.000 - Transfers Out					
TOTAL APPROPRIATIONS		456,693	17,087	473,780	
NET OF REVENUES/APPROPRIATIONS - FUND 226		15,227		2,140	
BEGINNING FUND BALANCE		416,362		416,362	
ENDING FUND BALANCE		431,589		418,502	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 590 - Sanitary Sewer Fund</b>					
TOTAL ESTIMATED REVENUES		1,393,078	0	1,393,078	
APPROPRIATIONS					
Dept 172.000 - Executive					
590-172.000-801.000	Contractual Services	1,054	3,500	4,554	
Dept 215.000 - Administration and Clerk					
590-215.000-702.000	Wages	4,821	4,000	8,821	
590-215.000-745.000	Postage	1,400	500	1,900	
Dept 253.000 - Treasurer					
590-253.000-702.000	Wages	40,623	6,000	46,623	
590-253.000-705.000	Medical Insurance - ER	4,819	4,750	9,569	Jacque full time & benefit eligible
590-253.000-801.000	Contractual Services	16,653	6,000	22,653	25% of supplement finance services & Plante Moran charges
590-253.000-960.000	Education and Training	250	1,200	1,450	Treasurer training
Dept 265.000 - Facilities - City Hall					
590-265.000-702.000	Wages	1,148	2,000	3,148	
590-265.000-941.000	Equipment Rental	350	1,000		
Dept 543.400 - Reline Existing Sewers					
590-543.400-930.000-543.410	Repairs and Maintenance	268,088	44,200	312,288	
Dept 965.000 - Transfers Out					
590-965.000-998.101	Trf Out to General Fd	0	4,775	4,775	Reimburse parking lot
TOTAL APPROPRIATIONS		1,691,352	77,925	1,769,277	
NET OF REVENUES/APPROPRIATIONS - FUND 590		(298,274)		(376,200)	
BEGINNING FUND BALANCE		7,615,746		7,615,746	
ENDING FUND BALANCE		7,317,472		7,239,547	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 591 - Water Supply Fund</b>					
ESTIMATED REVENUES					
Dept 000.000 - General					
591-000.000-664.000	Interest Income	9,000	30,000	39,000	
TOTAL ESTIMATED REVENUES		2,309,750	30,000	2,339,750	
APPROPRIATIONS					
Dept 172.000 - Executive					
591-172.000-801.000	Contractual Services	923	4,000	4,923	
Dept 215.000 - Administration and Clerk					
591-215.000-745.000	Postage	1,400	500	1,900	
591-215.000-801.000	Contractual Services	1,729	500	2,229	
Dept 265.000 - Facilities - City Hall					
591-265.000-702.000	Wages	1,064	2,000	3,064	
591-265.000-850.000	Communications	1,300	1,000	2,300	
591-265.000-941.000	Equipment Rental	350	500	850	
Dept 905.000 - Debt Service					
591-905.000-992.200	LTGO USDA Interest Payments	52,256	8,712	60,968	
591-905.000-997.USD	USDA Trf to Escrow for Bond Reserve	10,000	2,000	12,000	
Dept 965.000 - Transfers Out					
591-965.000-998.101	Trf Out to General Fd	0	4,774	4,774	Reimburse parking lot
TOTAL APPROPRIATIONS		7,047,497	23,986	7,071,483	
NET OF REVENUES/APPROPRIATIONS - FUND 591		(4,737,747)		(4,731,733)	
BEGINNING FUND BALANCE		8,465,826		8,465,826	
ENDING FUND BALANCE		3,728,079		3,734,093	

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	END YEAR BUDGET ADJUSTMENT	END YEAR AMENDED BUDGET	COMMENTS
<b>Fund 661 - Motor Pool Fund</b>					
TOTAL ESTIMATED REVENUES		219,701	0	219,701	
APPROPRIATIONS					
Dept 172.000 - Executive					
661-172.000-910.100	Property Insurance	11,240	200	11,440	
Dept 253.000 - Treasurer					
661-253.000-702.000	Wages	851	1,500	2,351	
661-253.000-705.000	Medical Insurance - ER	163	200	363	
Dept 265.100 - Facilities - City Garage					
661-265.100-702.000	Wages	20,000	(16,000)	4,000	
TOTAL APPROPRIATIONS		406,357	(14,100)	392,257	
NET OF REVENUES/APPROPRIATIONS - FUND 661		(186,656)		(172,556)	
BEGINNING FUND BALANCE		546,707		546,707	
ENDING FUND BALANCE		360,051		374,151	



# CITY OF SWARTZ CREEK MARKETING PLAN UPDATE 2024



## Summary

In accordance with the Redevelopment Ready Communities Best Practices, Marketing Plans need to be updated on a regular basis. This is the update to the Branding and Marketing Strategy from 2019.

Updated by **Samantha Fountain**,  
CEcD

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## Background

In 2019, the City of Swartz Creek proudly received its Redevelopment Ready Communities Certification, becoming one of the first cities in Genesee County to achieve this milestone. This certification underscores our commitment to excellence in urban development and strategic planning.

To uphold this certification and adhere to the program's Best Practices, we update our marketing plans at least every five years. This proactive approach ensures that our strategies remain relevant, effective, and aligned with our evolving goals.

This latest update integrates the recent objectives outlined in the Downtown Development Plan, Master Plan, and the Economic Development Strategy. It also celebrates the significant accomplishments from our previous branding and marketing efforts, showcasing our continuous progress and dedication to community enhancement.

## Completed and Ongoing Strategies



Since the adoption of the previous branding strategy and marketing plan, the City of Swartz Creek has accomplished many of its initial goals and has continued to pursue some of the ongoing objectives where appropriate. The table below references the initial goals set and shows progress to date.

Strategies	Tasks/Actions	Timeline/Notes
Express municipal identity physically throughout the community	<ol style="list-style-type: none"> <li>1) Adhere to parameters in logo.</li> <li>2) Develop a wayfinding system and systematically replace community signage</li> </ol>	<ol style="list-style-type: none"> <li>1) Ongoing</li> <li>2) A wayfinding assessment plan is starting summer of 2024. This will include public input, design, and then fabrication/installation in phases afterwards.</li> </ol>
Intentionally communicate with new civic brand	<ol style="list-style-type: none"> <li>1) Update municipal letterhead, business cards, vehicle graphics, etc. as appropriate.</li> <li>2) Update web site with new logo, tag line and other enhancements.</li> </ol>	<ol style="list-style-type: none"> <li>1) All completed as appropriate. (Vehicle logos are updated when appropriate).</li> <li>2) Complete!</li> </ol>
Enhance Economic development efforts with marketing and branding	<ol style="list-style-type: none"> <li>1) Use marketing and branding messaging to enhance development RFP's.</li> <li>2) Refine and adopt Elevator Speech.</li> <li>3) Connect new city image and marketing materials to advertisements for redevelopment sites.</li> </ol>	<ol style="list-style-type: none"> <li>1) Complete; Ongoing</li> <li>2) Ongoing</li> <li>3) Complete; Ongoing (see appendix with 4484 Morrish Road marketing brochure).</li> </ol>
Encourage Tourism	<ol style="list-style-type: none"> <li>1) Continue to link with Pure Michigan Web Site and develop a stronger presence.</li> </ol>	<ol style="list-style-type: none"> <li>1) Ongoing</li> </ol>

<p>Create and Strengthen Local Partnerships</p>	<ol style="list-style-type: none"> <li>1) Maintain close coordination with Flint &amp; Genesee Convention and Visitors Bureau with regard to coordinated and supportive marketing efforts.</li> <li>2) Grow partnerships with Mundy Township and others to benefit from event and marketing synergies and scale.</li> </ol>	<ol style="list-style-type: none"> <li>1) Complete</li> <li>2) Swartz Creek shares multiple municipal services with Mundy Township, including building department services, department of public works, and economic and community development.</li> <li>3) Recreation best practices and event resources are shared with Mundy Township.</li> </ol>
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## New Ongoing Strategies

Building on the success of these initial goals, Swartz Creek has also set and pursued newer objectives aimed at further enhancing the city's appeal and functionality. These initiatives are focused on increasing recreation, hospitality, and cultural vibrancy to retain residents, attract new businesses, and boost tourism. Key initiatives include:

- **Professional Economic and Community Development Director:** This role has been pivotal in driving economic growth and enhancing community development efforts.
- **Utilizing Social Media for Marketing:** Leveraging social media platforms to effectively market businesses, promote events, and boost tourism, increasing engagement with both residents and visitors.
- **Highlighting Historical Places and People:** Showcasing important places throughout the downtown district that have historical significance through visual storytelling with interpretive signs.
- **Enhancing Public Spaces:** Created and funded the plan for Cosmos in the Creek, and currently working through a similar plan for the Holland Square project.
- **Wayfinding Initiatives:** Introducing the path forward to create a plan through RRC's technical assistance funding and working with Guide Studio to create an assessment and implementation plan that includes public input.

These new objectives and initiatives represent Swartz Creek's ongoing commitment to growth and development, ensuring the city remains a vibrant and attractive place for residents, businesses, and visitors alike.

## Professional Staff

In 2023, Swartz Creek advanced its economic development, community development, and marketing efforts by partnering with Mundy Township for shared services. This collaboration brings the expertise of the only certified economic developer in the county to Swartz Creek, significantly enhancing the city's marketing initiatives alongside traditional economic and community development activities.

Projects led by the economic development director so far include but are not limited to social media marketing, completion of a retail leakage study, installation of historical signs, utilization of the public spaces community places crowdfunding program, bolstering of events, and increasing business attraction efforts.

## Social Media

In February 2023, the Economic and Community Development Director launched the Facebook page "Downtown Swartz Creek Business and Events," providing residents with a central hub for information about local events and happenings. A few months later, an Instagram account was also created to further engage the community.

The social media efforts have yielded impressive results. As of the annual update provided with the annual planning commission update in February of 2024, the Facebook page has reached 42,993 unique accounts, which is more than seven times the number of residents in Swartz Creek. Below, you'll find statistics for Reach, Visits, New Likes and Follows, and Ad Trends.

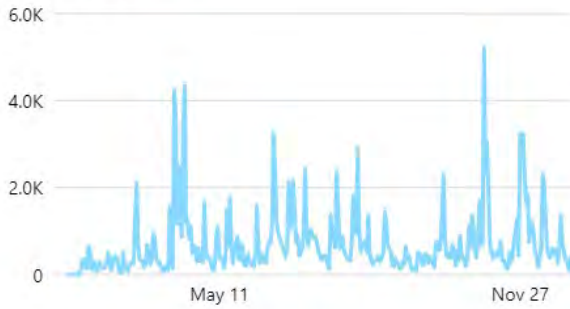
Additionally, Autumn Jesme, a DDA Member and owner of the Shirt Traveler, generously manages the website [downtownswartzcreek.com](http://downtownswartzcreek.com), which includes a comprehensive calendar of local events and others throughout Genesee County.

Audience Reach (2023 Annual PC Report)

Reach

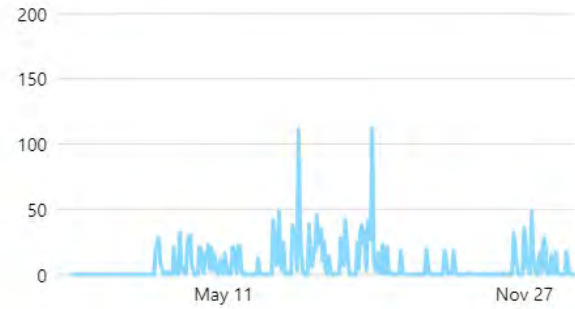
Facebook reach ⓘ

42,993 ↑ 100%



Instagram reach ⓘ

396 ↑ 100%

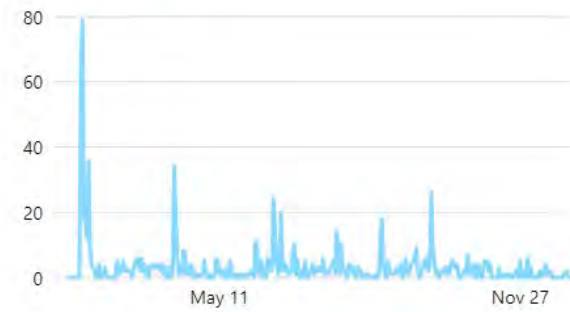


Likes and Follows (2023 Annual PC Report)

New likes and follows

Facebook Page new likes ⓘ

1,063 ↑ 100%



New Instagram followers ⓘ

71

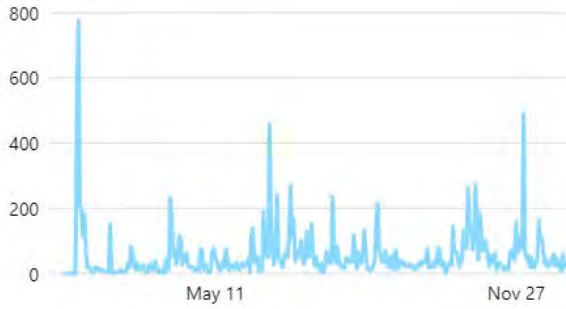


Visits (2023 Annual PC Report)

Visits

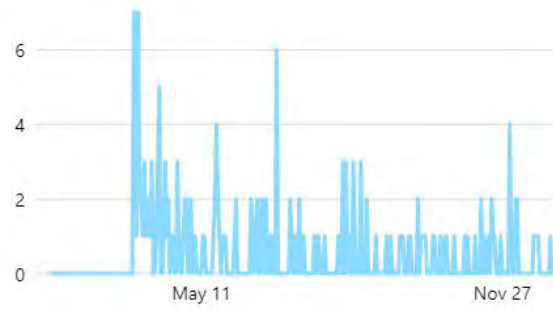
Facebook visits ⓘ

18,233 ↑ 100%



Instagram profile visits ⓘ

183 ↑ 100%



Ad Trends (2023 Annual PC Report)

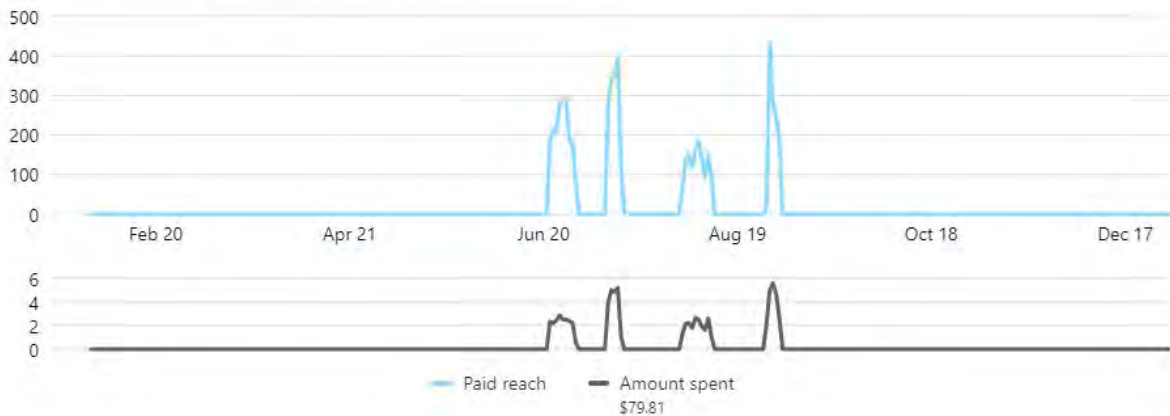
Ad trends

Paid reach ⓘ

2,628 ↑ 100%

Paid impressions ⓘ

8,541 ↑ 100%



## Retail Leakage Study

A professional study to show retail leakage occurring in the Downtown District was done in 2023, utilizing data from 2022. Some key takeaways from the study are:

- Swartz Creek is leaking a lot of money in food and beverage services,
- Those customers would prefer to be in Swartz Creek, instead of neighboring areas like Flint Township because the leakage is only within 5 minutes of downtown,
- There is a lot of unmet demands in the 5-minute vicinity of downtown Swartz Creek, but an oversupply within 10-15 minutes, insinuating that neighboring areas are oversaturated with restaurants and retail and/or consumers would rather not spend their money there.

This study provides data showing that restaurants, eating and drinking venues, and a variety of retail can do well in Swartz Creek. This type of data can give investors or new businesses the final push about where to locate their business.

The complete leakage study is located in the appendix.

## Historical Signs

The City of Swartz Creek was awarded a grant from the Michigan Arts and Culture Council in 2023 to help preserve and tell the story of Swartz Creek's heritage through interpretive signs. The first phase of this project features four signs located throughout the downtown district, featuring stories about the founding of Swartz Creek by Adam Miller, Swartz Creek's First Hotel, the original Methodist Church, and St. Mary's Church of Angels, and the impact those events and organizations had on shaping the city.

The City of Swartz Creek, Swartz Creek Downtown Development Authority, Swartz Creek Area Historical Society, and a local volunteer all helped make the first phase of this project a great success. Future phases of this initiative will spread throughout the rest of the city. (See pictures of the installed signs below).





*St. Mary Queen of Angels Church*



*Swartz Creek's First Hotel*





*Methodist Church*



*Miller Settlement*

# Cosmos in the Creek

Another effort to market Swartz Creek as a unique place with outstanding recreational assets is the Cosmos in the Creek project. This is a one-mile-long scale model of the solar system, starting with the Sun at Elms Park, and stretching all the way to Otterburn Disc golf Park with Neptune. Once complete, this model will reach all the way to Nelson, New Zealand with Proxima Centauri, the next closest star!

This project also includes a few trailhead signs, along with directional posts to guide visitors along the right path. Cosmos in the Creek was recently funded by utilizing the Public Spaces Community Places program through the MEDC. The city was able to crowdfund \$25,000 through donations from the city, businesses, community partners, and local residents. The Michigan Economic Development Corporation gave us a matching grant as part of the program, bringing the total amount funded to \$50,000. This project should be complete and installed by the end of summer 2024. (Below is a picture of one of the sign renderings.)



Cosmos in the Creek Rendering



## Events

### *Family Movie Nights*

Covid-19 changed participation in community events. Although there was very minimal participation in 2020-22, the city saw a renewed effort in 2023 for this family-friendly event series. The Downtown Development Authority in partnership with the Swartz Creek Area Firefighter's Association, hosted 6 Family Movie Nights (FMN) at the Pajtas Amphitheater in 2023. Participation ranged from 75 – 175 guests. Weather, movie, and activities before the movie all seemed to play into the participation rate. Social Media Ads were utilized for most movie nights, in addition to multiple posts, and reels with music.



*Family Movie Night 2023 1*

### *Jeepers Creekers Events*

Jeepers Creekers, Inc., a local nonprofit, is a leader in hosting community events. This group of volunteers hosts monthly Makers Markets in the summer that are heavily attended. They also host Halloween themed events on an annual basis including, a Trunk or Treat, Cottage Market, and Costume Fun-Run.



Makers Market 1



Trunk or Treat 1



## *Christmas Parade*

The GFWC Swartz Creek Women's Club and Swartz Creek Area Firefighter's Association collaborate every year to host the Annual Firefighter's Association Christmas Parade the first Saturday of every December. This parade is gaining popularity with locals and visitors alike.



*Christmas Parade 2023 1*



*Christmas Parade 2023 2*

## Wayfinding Assessment and Implementation Plan

As part of the ongoing wayfinding initiative from the original branding and marketing strategy, the city has just started the process of a wayfinding assessment and implementation plan with a consultant, Guide Studio. The assessment will help us determine where the best places are to put wayfinding signs to maximize the city's branding, marketing, and recreational opportunities. This plan includes public input and a steering committee of professionals and residents to ensure the city follows the best direction.

## RRC Sites

As a benefit of being a Redevelopment Ready Community, the city has had access to services that help market specific sites the city would like to see redeveloped. During 2023, city staff worked with professionals from MEDC, and private consulting firms to work on two different projects. One is confidential, as it is privately owned and not for sale.

The other project is the Methodist Church property located at 4484 Morrish Road. The end product resulted in a marketing brochure that has been spread widely with brewers and distillers throughout the area, in hopes of finding someone that would like to redevelop the property into a brewery, restaurant, or event hall. The brochure can be found in the appendix.

The city continues to collaborate with MEDC staff on opportunities to bring new business to Swartz Creek, whether at this property or others.

# Appendix



## Swartz Creek, MI

Positive values reflect demand is greater than supply; negative values reflect supply is greater than demand.

Category	Retail Demand			Retail Supply			Unmet Demand		
	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes
<b>Building Material &amp; Garden Equipment &amp; Supply Dealers</b>	\$ 9,928,507	\$ 36,102,139	\$ 162,660,059	\$ 6,775,916	\$ 24,728,638	\$ 201,792,060	\$ 3,152,591	\$ 11,373,501	\$ (39,132,001)
Building Material & Supply Dealers	\$ 8,470,326	\$ 31,006,920	\$ 139,824,991	\$ 6,689,644	\$ 21,439,853	\$ 188,018,872	\$ 1,780,682	\$ 9,567,067	\$ (48,193,881)
Hardware Stores	\$ 718,938	\$ 2,642,724	\$ 11,827,423	\$ 134,849	\$ 2,335,144	\$ 7,007,432	\$ 584,089	\$ 307,580	\$ 4,819,991
Home Centers	\$ 4,670,483	\$ 16,984,889	\$ 77,215,603	\$ 4,994,082	\$ 6,637,564	\$ 141,057,560	\$ (323,599)	\$ 10,347,325	\$ (63,841,957)
Other Building Materials Dealers	\$ 2,775,986	\$ 10,288,841	\$ 45,548,544	\$ 1,544,752	\$ 10,731,831	\$ 36,285,588	\$ 1,231,234	\$ (442,990)	\$ 9,262,956
Paint and Wallpaper Stores	\$ 304,919	\$ 1,090,467	\$ 5,233,421	\$ 15,961	\$ 1,735,315	\$ 3,668,292	\$ 288,958	\$ (644,848)	\$ 1,565,129
Lawn and Garden Equipment and Supplies Stores	\$ 1,458,181	\$ 5,095,219	\$ 22,835,067	\$ 86,271	\$ 3,288,785	\$ 13,773,188	\$ 1,371,910	\$ 1,806,434	\$ 9,061,879
Nursery and Garden centers	\$ 1,169,521	\$ 4,088,777	\$ 18,342,200	\$ 48,722	\$ 2,381,085	\$ 5,438,758	\$ 1,120,799	\$ 1,707,692	\$ 12,903,442
Outdoor Power Equipment Stores	\$ 288,660	\$ 1,006,442	\$ 4,492,867	\$ 37,549	\$ 907,700	\$ 8,334,430	\$ 251,111	\$ 98,742	\$ (3,841,563)
<b>Clothing &amp; Clothing Accessories Stores</b>	\$ 6,033,854	\$ 22,021,857	\$ 102,766,329	\$ 377,852	\$ 56,425,952	\$ 94,399,821	\$ 5,656,002	\$ (34,404,095)	\$ 8,366,508
Clothing Stores	\$ 4,036,347	\$ 14,645,344	\$ 69,541,218	\$ 292,556	\$ 30,626,815	\$ 46,137,206	\$ 3,743,791	\$ (15,981,471)	\$ 23,404,012
Childrens' and Infants' Clothing Stores	\$ 164,055	\$ 591,823	\$ 3,007,833	\$ -	\$ 1,457,517	\$ 2,783,244	\$ 164,055	\$ (865,694)	\$ 224,589
Clothing Accessories Stores	\$ 194,528	\$ 713,555	\$ 3,283,966	\$ 7,406	\$ 111,539	\$ 277,575	\$ 187,122	\$ 602,016	\$ 3,006,391
Family Clothing Stores	\$ 2,350,975	\$ 8,543,511	\$ 40,504,747	\$ 98,901	\$ 20,880,568	\$ 29,344,806	\$ 2,252,074	\$ (12,337,057)	\$ 11,159,941
Men's Clothing Stores	\$ 152,879	\$ 552,870	\$ 2,655,467	\$ 73,345	\$ 1,239,016	\$ 1,839,656	\$ 79,534	\$ (686,146)	\$ 815,811
Other Clothing Stores	\$ 380,105	\$ 1,372,410	\$ 6,535,773	\$ 52,855	\$ 3,041,071	\$ 4,975,563	\$ 327,250	\$ (1,668,661)	\$ 1,560,210
Women's Clothing Stores	\$ 793,805	\$ 2,871,174	\$ 13,553,432	\$ 60,050	\$ 3,897,105	\$ 6,916,363	\$ 733,755	\$ (1,025,931)	\$ 6,637,069
Jewelry, Luggage & Leather Goods Stores	\$ 1,227,984	\$ 4,513,538	\$ 20,008,588	\$ 85,296	\$ 17,964,404	\$ 35,862,914	\$ 1,142,688	\$ (13,450,866)	\$ (15,854,326)
Jewelry Stores	\$ 1,123,913	\$ 4,131,636	\$ 18,233,905	\$ 85,271	\$ 17,604,353	\$ 34,732,349	\$ 1,038,642	\$ (13,472,717)	\$ (16,498,444)

## Swartz Creek, MI

Positive values reflect demand is greater than supply; negative values reflect supply is greater than demand.

Category	Retail Demand			Retail Supply			Unmet Demand		
	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes
Luggage & Leather Goods Stores	\$ 104,072	\$ 381,901	\$ 1,774,682	\$ 25	\$ 360,051	\$ 1,130,566	\$ 104,047	\$ 21,850	\$ 644,116
Shoe Stores	\$ 769,523	\$ 2,862,975	\$ 13,216,524	\$ -	\$ 7,834,733	\$ 12,399,701	\$ 769,523	\$ (4,971,758)	\$ 816,823
<b>Electronics and Appliance Stores</b>	\$ 2,023,828	\$ 7,259,689	\$ 34,976,952	\$ 478,007	\$ 13,517,166	\$ 25,708,857	\$ 1,545,821	\$ (6,257,477)	\$ 9,268,095
<b>Food &amp; Beverage Stores</b>	\$ 18,196,654	\$ 64,326,379	\$ 303,098,394	\$ 34,429,010	\$ 75,210,568	\$ 250,181,950	\$ (16,232,356)	\$ (10,884,189)	\$ 52,916,444
Beer, Wine, & Liquor Stores	\$ 1,465,667	\$ 5,254,227	\$ 24,037,706	\$ -	\$ 1,093,775	\$ 25,839,887	\$ 1,465,667	\$ 4,160,452	\$ (1,802,181)
Grocery Stores	\$ 16,193,733	\$ 57,172,841	\$ 270,093,380	\$ 34,389,169	\$ 73,714,455	\$ 220,276,078	\$ (18,195,436)	\$ (16,541,614)	\$ 49,817,302
Convenience Stores	\$ 748,427	\$ 2,627,089	\$ 12,707,647	\$ 506,493	\$ 1,929,469	\$ 7,245,192	\$ 241,934	\$ 697,620	\$ 5,462,455
Supermarkets and Other Grocery (except Convenience) Stores	\$ 15,445,306	\$ 54,545,751	\$ 257,385,733	\$ 33,882,676	\$ 71,784,987	\$ 213,030,887	\$ (18,437,370)	\$ (17,239,236)	\$ 44,354,846
Specialty Food Stores	\$ 537,255	\$ 1,899,312	\$ 8,967,308	\$ 39,841	\$ 402,337	\$ 4,065,985	\$ 497,414	\$ 1,496,975	\$ 4,901,323
<b>Food Services and Drinking Places</b>	\$ 15,646,236	\$ 56,660,249	\$ 266,865,220	\$ 12,100,176	\$ 82,503,605	\$ 286,623,026	\$ 3,546,060	\$ (25,843,356)	\$ (19,757,806)
Drinking Place - Alcoholic Beverages	\$ 598,286	\$ 2,178,655	\$ 9,855,416	\$ 185,694	\$ 1,968,484	\$ 11,463,406	\$ 412,592	\$ 210,171	\$ (1,607,990)
Food Services	\$ 835,604	\$ 3,095,108	\$ 14,817,295	\$ 681,774	\$ 1,451,734	\$ 8,825,187	\$ 153,830	\$ 1,643,374	\$ 5,992,108
Restaurants and Other Eating Places	\$ 14,212,346	\$ 51,386,486	\$ 242,192,509	\$ 11,232,709	\$ 79,083,387	\$ 266,334,434	\$ 2,979,637	\$ (27,696,901)	\$ (24,141,925)
<b>Furniture &amp; Home Furnishings Stores</b>	\$ 2,659,574	\$ 9,863,039	\$ 44,879,890	\$ 367,857	\$ 20,301,486	\$ 34,225,155	\$ 2,291,717	\$ (10,438,447)	\$ 10,654,735
Furniture Stores	\$ 1,333,603	\$ 5,003,852	\$ 22,940,961	\$ 270,043	\$ 17,419,693	\$ 26,410,113	\$ 1,063,560	\$ (12,415,841)	\$ (3,469,152)
Home Furnishing Stores	\$ 1,325,972	\$ 4,859,187	\$ 21,938,929	\$ 97,814	\$ 2,881,793	\$ 7,815,042	\$ 1,228,158	\$ 1,977,394	\$ 14,123,887
Floor Covering Stores	\$ 488,868	\$ 1,765,707	\$ 8,210,101	\$ 85,805	\$ 1,142,492	\$ 3,998,161	\$ 403,063	\$ 623,215	\$ 4,211,940
Other Home Furnishings Stores	\$ 837,104	\$ 3,093,479	\$ 13,728,828	\$ 12,009	\$ 1,739,301	\$ 3,816,881	\$ 825,095	\$ 1,354,178	\$ 9,911,947
<b>Gasoline stations</b>	\$ 11,834,297	\$ 41,834,293	\$ 210,226,944	\$ 12,403,303	\$ 39,721,320	\$ 212,233,523	\$ (569,006)	\$ 2,112,973	\$ (2,006,579)

## Swartz Creek, MI

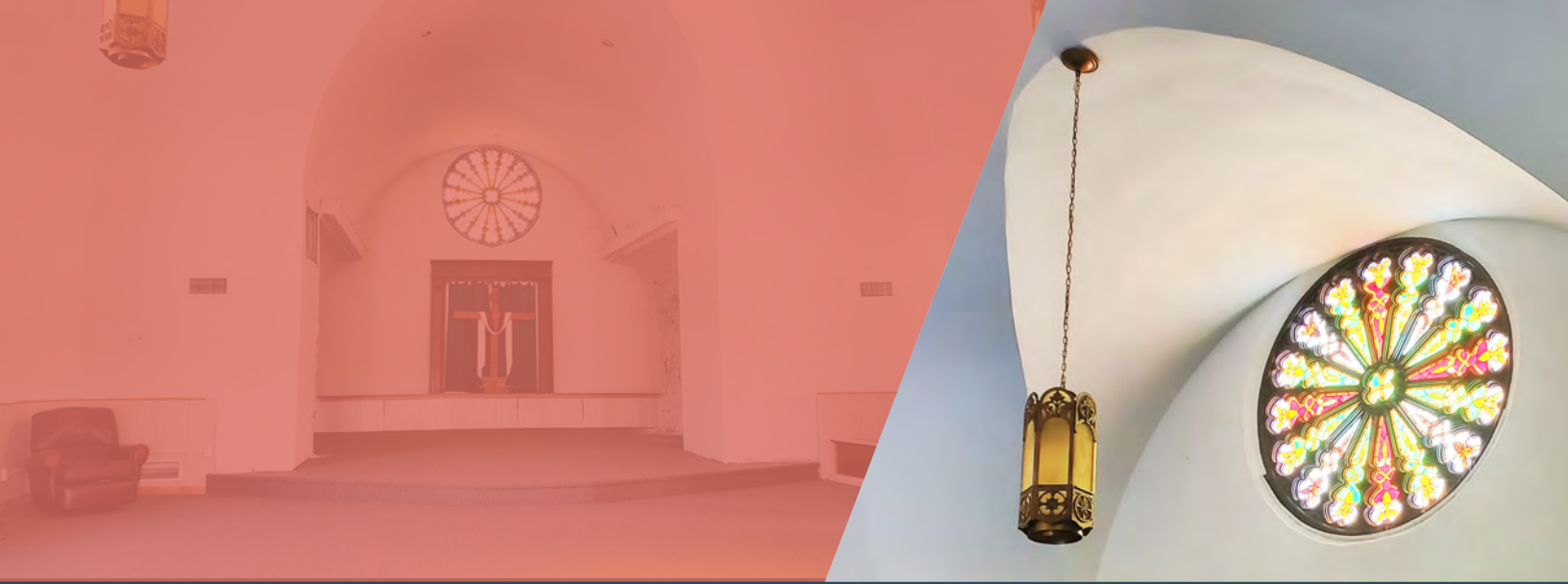
Positive values reflect demand is greater than supply; negative values reflect supply is greater than demand.

Category	Retail Demand			Retail Supply			Unmet Demand		
	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes
<b>General Merchandise Stores</b>	\$ 17,538,104	\$ 62,605,788	\$ 294,719,468	\$ 1,000,618	\$ 53,146,560	\$ 619,816,509	\$ 16,537,486	\$ 9,459,228	\$ (325,097,041)
<b>General Merchandise, Apparel and Accessories, Furniture and Other Sales</b>	\$ 31,517,176	\$ 113,592,538	\$ 533,343,838	\$ 4,247,044	\$ 175,653,940	\$ 843,756,978	\$ 27,270,132	\$ (62,061,402)	\$ (310,413,140)
<b>Health &amp; Personal Care Stores</b>	\$ 9,308,070	\$ 32,488,786	\$ 148,290,661	\$ 9,481,709	\$ 46,435,900	\$ 216,250,833	\$ (173,639)	\$ (13,947,114)	\$ (67,960,172)
Cosmetics, Beauty Supplies and Perfume Stores	\$ 646,669	\$ 2,249,477	\$ 10,212,717	\$ 332,484	\$ 4,280,330	\$ 7,936,220	\$ 314,185	\$ (2,030,853)	\$ 2,276,497
Optical Goods Stores	\$ 293,177	\$ 1,048,640	\$ 4,732,506	\$ 276,872	\$ 4,412,696	\$ 7,952,239	\$ 16,305	\$ (3,364,056)	\$ (3,219,733)
Other Health and Personal Care Stores	\$ 504,526	\$ 1,759,531	\$ 7,991,447	\$ 621,972	\$ 7,976,436	\$ 24,500,576	\$ (117,446)	\$ (6,216,905)	\$ (16,509,129)
Pharmacies and Drug Stores	\$ 7,863,699	\$ 27,431,139	\$ 125,353,991	\$ 8,250,381	\$ 29,766,438	\$ 175,861,799	\$ (386,682)	\$ (2,335,299)	\$ (50,507,808)
<b>Miscellaneous Store Retailers</b>	\$ 4,225,819	\$ 14,826,181	\$ 68,520,895	\$ 3,552,531	\$ 50,974,432	\$ 123,414,878	\$ 673,288	\$ (36,148,251)	\$ (54,893,983)
Florists	\$ 163,279	\$ 571,181	\$ 2,541,217	\$ 115,766	\$ 983,789	\$ 4,202,580	\$ 47,513	\$ (412,608)	\$ (1,661,363)
Office Supplies, Stationery, & Gift Stores	\$ 594,679	\$ 2,118,681	\$ 9,694,790	\$ 22,436	\$ 2,387,809	\$ 6,726,598	\$ 572,243	\$ (269,128)	\$ 2,968,192
Gift, Novelty, and Souvenir Stores	\$ 375,241	\$ 1,345,467	\$ 6,101,820	\$ 22,436	\$ 705,436	\$ 2,887,922	\$ 352,805	\$ 640,031	\$ 3,213,898
Office Supplies and Stationery Stores	\$ 219,438	\$ 773,213	\$ 3,592,971	\$ -	\$ 1,682,373	\$ 3,838,676	\$ 219,438	\$ (909,160)	\$ (245,705)
Other Miscellaneous Store Retailers	\$ 3,059,881	\$ 10,687,079	\$ 49,690,586	\$ 3,242,264	\$ 45,678,405	\$ 104,553,321	\$ (182,383)	\$ (34,991,326)	\$ (54,862,735)
Used Merchandise Stores	\$ 407,981	\$ 1,449,240	\$ 6,594,301	\$ 172,065	\$ 1,924,430	\$ 7,932,379	\$ 235,916	\$ (475,190)	\$ (1,338,078)
<b>Motor Vehicle &amp; Parts Dealers</b>	\$ 35,270,602	\$ 128,727,389	\$ 605,116,891	\$ 3,070,265	\$ 101,395,316	\$ 460,456,436	\$ 32,200,337	\$ 27,332,073	\$ 144,660,455
Automotive Dealers	\$ 29,418,741	\$ 107,042,792	\$ 506,207,279	\$ 1,388,003	\$ 90,834,481	\$ 403,266,934	\$ 28,030,738	\$ 16,208,311	\$ 102,940,345
Automotive Parts, Accessories, & Tire Stores	\$ 2,487,410	\$ 9,005,650	\$ 42,706,981	\$ 426,787	\$ 4,359,062	\$ 19,913,069	\$ 2,060,623	\$ 4,646,588	\$ 22,793,912
Other Motor Vehicle Dealers	\$ 3,364,451	\$ 12,678,947	\$ 56,202,631	\$ 1,255,475	\$ 6,201,773	\$ 37,276,433	\$ 2,108,976	\$ 6,477,174	\$ 18,926,198
<b>Nonstore retailers</b>	\$ 22,584,191	\$ 80,788,344	\$ 373,527,546	\$ 2,102,064	\$ 194,324,938	\$ 815,368,310	\$ 20,482,127	\$ (113,536,594)	\$ (441,840,764)

## Swartz Creek, MI

Positive values reflect demand is greater than supply; negative values reflect supply is greater than demand.

Category	Retail Demand			Retail Supply			Unmet Demand		
	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes	5 Minutes	10 Minutes	15 Minutes
<b>Sporting Goods, Hobby, Book, &amp; Music Stores</b>	\$ 2,667,135	\$ 9,723,484	\$ 46,306,409	\$ 2,000,275	\$ 29,874,967	\$ 62,880,039	\$ 666,860	\$ (20,151,483)	\$ (16,573,630)
Book Stores and News Dealers	\$ 290,581	\$ 1,042,417	\$ 4,774,515	\$ 33,825	\$ 4,719,644	\$ 12,924,664	\$ 256,756	\$ (3,677,227)	\$ (8,150,149)
Book Stores	\$ 178,289	\$ 636,904	\$ 2,917,134	\$ 33,825	\$ 4,657,991	\$ 8,584,079	\$ 144,464	\$ (4,021,087)	\$ (5,666,945)
News Dealers and Newsstands	\$ 112,292	\$ 405,512	\$ 1,857,381	\$ -	\$ 61,653	\$ 4,340,585	\$ 112,292	\$ 343,859	\$ (2,483,204)
Sporting Goods, Hobby, & Musical Instrument Stores	\$ 2,376,554	\$ 8,681,067	\$ 41,531,894	\$ 1,966,449	\$ 25,155,324	\$ 49,955,375	\$ 410,105	\$ (16,474,257)	\$ (8,423,481)
Hobby, Toys and Games Stores	\$ 547,070	\$ 2,024,060	\$ 8,964,011	\$ 430,610	\$ 12,305,081	\$ 20,245,731	\$ 116,460	\$ (10,281,021)	\$ (11,281,720)
Musical Instrument and Supplies Stores	\$ 54,530	\$ 204,919	\$ 981,162	\$ 39,986	\$ 448,176	\$ 717,619	\$ 14,544	\$ (243,257)	\$ 263,543
Sew/Needlework/Piece Goods Stores	\$ 108,211	\$ 389,933	\$ 1,863,697	\$ 17,880	\$ 1,880,775	\$ 2,571,999	\$ 90,331	\$ (1,490,842)	\$ (708,302)
Sporting Goods Stores	\$ 1,666,743	\$ 6,062,155	\$ 29,723,024	\$ 1,477,974	\$ 10,521,292	\$ 26,420,025	\$ 188,769	\$ (4,459,137)	\$ 3,302,999
<b>Total</b>	\$ 189,434,050	\$ 680,820,154	\$ 3,195,299,495	\$ 88,139,583	\$ 788,560,848	\$ 3,403,351,398	\$ 101,294,467	\$ (107,740,694)	\$ (208,051,903)
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MARKETING PACKAGE FOR



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4484 MORRISH ROAD  
SWARTZ CREEK, MICHIGAN

PPN: 58-35-576-053





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engineers | surveyors | planners

**THOMAS ROBERTS ARCHITECT**  
Architecture  
Planning  
Historic Preservation



## 4484 MORRISH ROAD Swartz Creek, Michigan

**Celebrations and cheer echo through the halls of the former Methodist Church in Swartz Creek.**

Located in the heart of downtown and a short walk from city amenities, an attractive and stately community icon is awaiting redevelopment. 4484 Morrish Road is home to a historic church. Adjacent to the church is a former daycare/office building and parking lot, also available for sale either with the church or as a separate project. Together, both sites represent 1.56 acres of land and 13,616 square feet of commercial space.

Economic studies point to many in-demand options that would garner a strong market position. The site is less than a mile from the I-69 freeway interchanges at Morrish Road and Miller Road and also near I-75.

Local market data demonstrates an unmet need for many uses. Be it a brewery, restaurant, banquet hall, or event space, the unique interior with colorful and intricate stained-glass accents will become a new city icon and backdrop for memories to come. City leadership anticipates being a partner in the rehabilitation and redevelopment, and the community provides robust support for entrepreneurs and new businesses.

The property is eligible for several financial incentives including Redevelopment Ready support from the Michigan Economic Development Corporation through the Community Revitalization Program, local façade grants, expedited approvals, collaboration with the City for parking development on adjacent lands, TIF reimbursement, and MDOT logo sign reimbursement.

Architectural studies have proven the brick edifice is structurally sound and repurposing the nave and aisles into seating could accommodate more than 200 guests. Outdoor seating and yard games in the front of the church will welcome passersby, while rear deck seating provides a secluded oasis for gathering. The lower level is ideal for private events, chef dinners, dressing rooms for wedding parties, and other social occasions.

The City is supportive and welcomes new development. Future community planning envisions new uses for and surrounding this former church. Swartz Creek has welcomed condos and townhouse development the past year, as well as several revitalization projects in the downtown. Adjacent land to the north of the site, owned by the City, can accommodate a parking lot should the need arise, as City leaders are prepared to facilitate and support the project.



## A LITTLE BACKGROUND

**Zoning** | Central Business District

**Acres/Acreage/Frontage** | 1.56 acres, 250' on Morrish Road

**Utilities** | Municipal water and sewer

**Parking** | Existing lot meets ordinance requirements; additional expansion to the north is possible

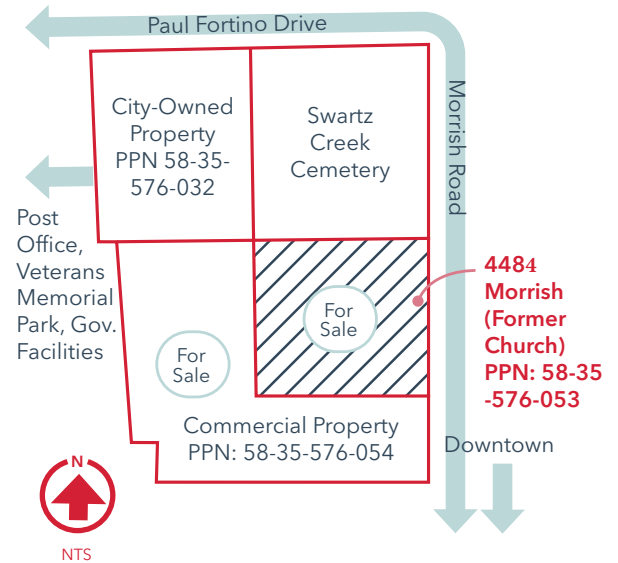
**Traffic Counts** | Morrish (8,000 ADT), Miller (14,000 ADT)

**Proximity** | Located within downtown, near parks, public facilities, and walkable neighborhoods

**Flexibility** | Outdoor activity space (front and rear), multiple interior space configurations, ADA accessibility could easily be accommodated

**Iconic** | Historic building, original wood work and light fixtures, stained glass rosettes

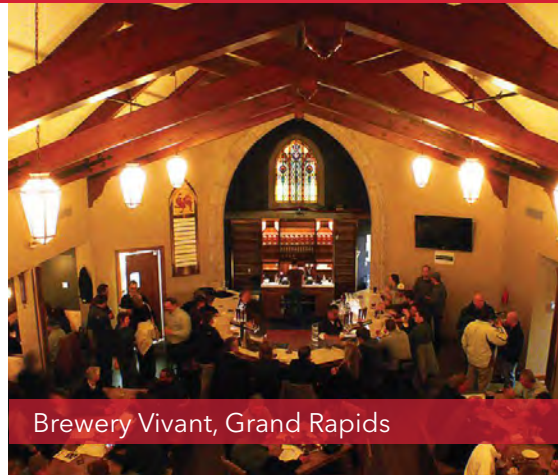
### Site Location Key



This site is ripe for investment and brimming with potential

## CHURCH TO BREWERY ADAPTIVE REUSE

East to west and north to south, throughout Michigan several former churches have been rehabilitated into restaurants, food halls, breweries and other social gathering spaces. There are many successful redevelopment models to replicate in Swartz Creek.



Brewery Vivant, Grand Rapids



Beer Church Brewery, New Buffalo



Salt Springs Brewery, Saline



Salt Springs Brewery, Saline





LARGE GATHERING SPACES, VAULTED CEILINGS, STAINED GLASS WINDOWS, AND OTHER HISTORIC FEATURES PROVIDE CHARACTER AND OPPORTUNITY TO ENVISION THE FORMER CHURCH AS SOMETHING NEW.

## BUILDING ASSESSMENT & OPPORTUNITIES

- Open floor plan and overall structure size lends itself to assembly use, with opportunity for gathering spaces on two levels.
- Structurally sound, with excellent exterior brickwork and unique millwork.
- Cosmetic site improvements needed include: paving, lighting, walkways, and landscaping.
- Tuckpointing is recommended to seal the foundation and all building walls, as well as vegetation removal and positive grading away from the building.
- Roof is weathertight, and reinforcing/repairing along coping, gutters, downspouts is recommended to ensure long-term structural integrity.
- Windows and doors are in fair condition; however, higher-performing doors would ensure improved insulation and could better align with the building’s architectural style.
- Barrier free, unisex, and ADA-compliant improvements to the restrooms, entry, and lower level are needed to accommodate accessibility.
- Existing plumbing infrastructure provides basis for the necessary system, and upgrades are needed for modern conveniences.
- The building placement and site orientation are ideal for outdoor gathering, garden spaces, nooks, and unique elements to draw patrons and provide entertainment options as well as possible banquets, weddings, or other communal uses.







CONCEPTUAL RENDERING OF THE PREFERRED DEVELOPMENT SCENARIO

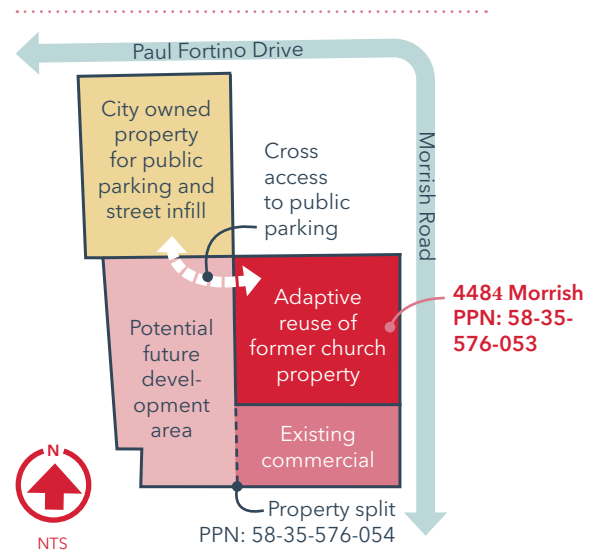
## PREFERRED DEVELOPMENT SCENARIO

The City of Swartz Creek would like to see the former church be renovated into an active and engaging development. Flexibility and growth are key to creating an adaptive place. The site enables a phased approach: Begin with the church building, strengthen market position, and expand to the adjacent office building for larger private events, banquets, festival marketplace, etc.

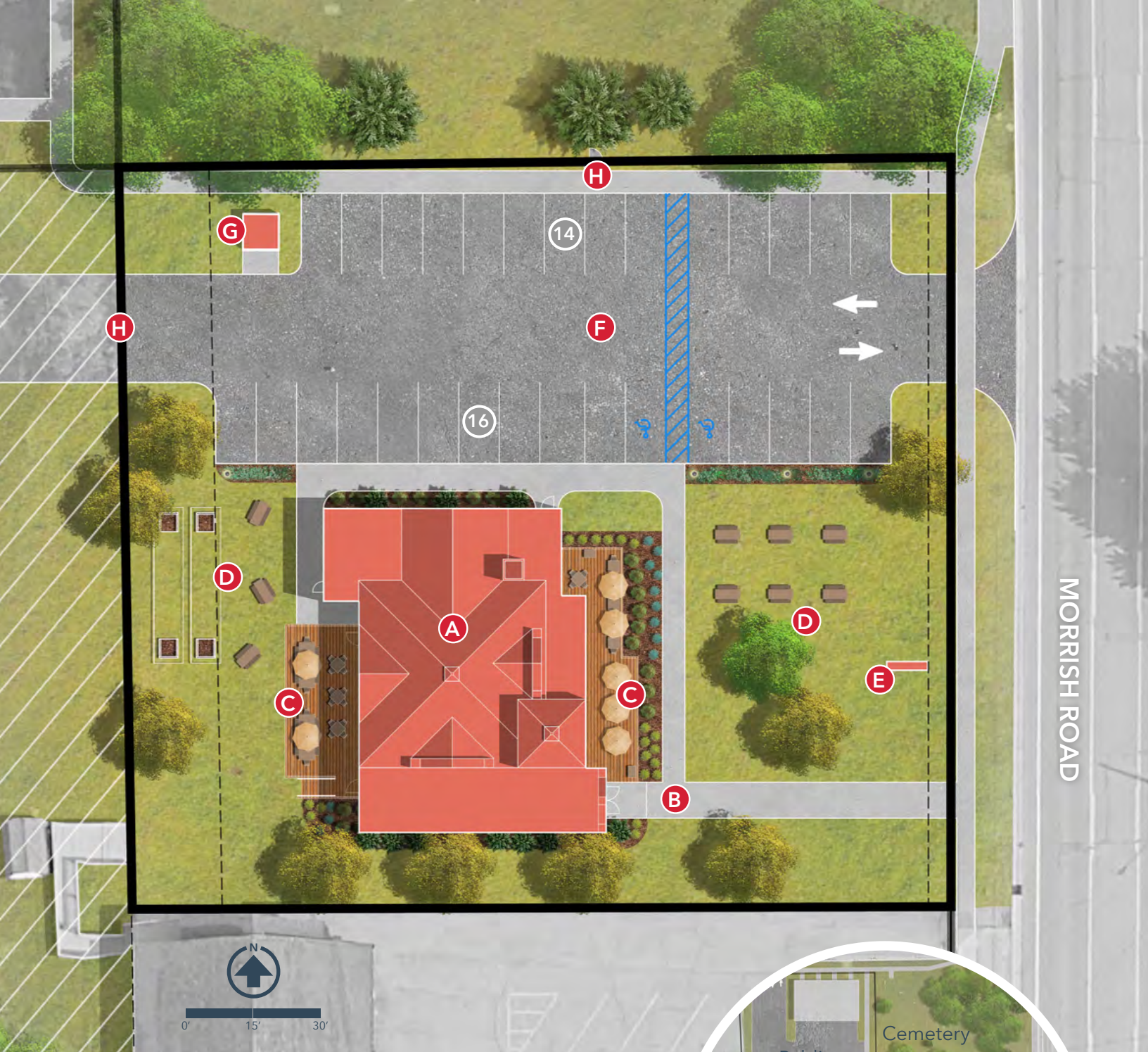
Imagine wedding ceremonies in the former church, with reception and celebration next door and outside. The church itself can accommodate approximately 200 guests, and architectural studies prove the ability to provide barrier-free access, outdoor dining, brewery equipment spacing, commercial kitchen, and storage space as well as ample restrooms.

Off-street surface parking may be accommodated on-site and also adjacent to the north in partnership with the City of Swartz Creek. Intuitive and direct sidewalk connections link up with downtown, City Hall, the cemetery, Veterans Park, and nearby neighborhoods.

### Available Properties & Potential Uses

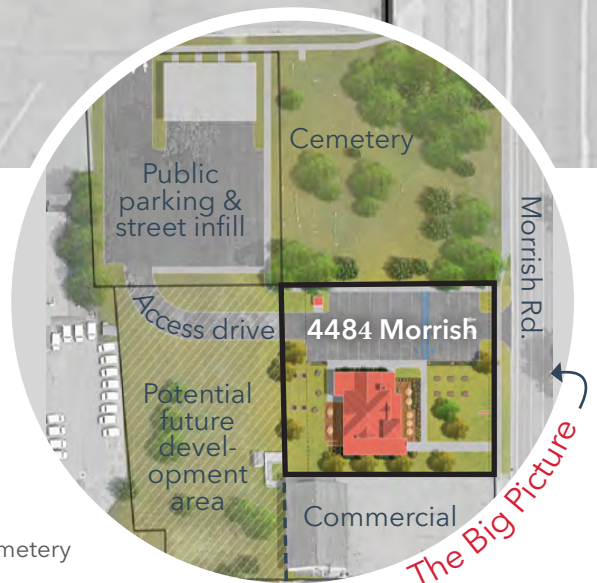






### 4484 Morrish Conceptual Site Plan Legend

- |  |   |
|--|---|
| <b>A</b> Adaptive reuse of former church | <b>E</b> Existing ground sign   |
| <b>B</b> New entry sidewalks and ramps   | <b>F</b> Reconstructed parking lot                                    |
| <b>C</b> Outdoor dining deck             | <b>G</b> Refuse enclosure   |
| <b>D</b> Lawn for programming & events   | <b>H</b> Connections to existing cemetery and proposed public parking |

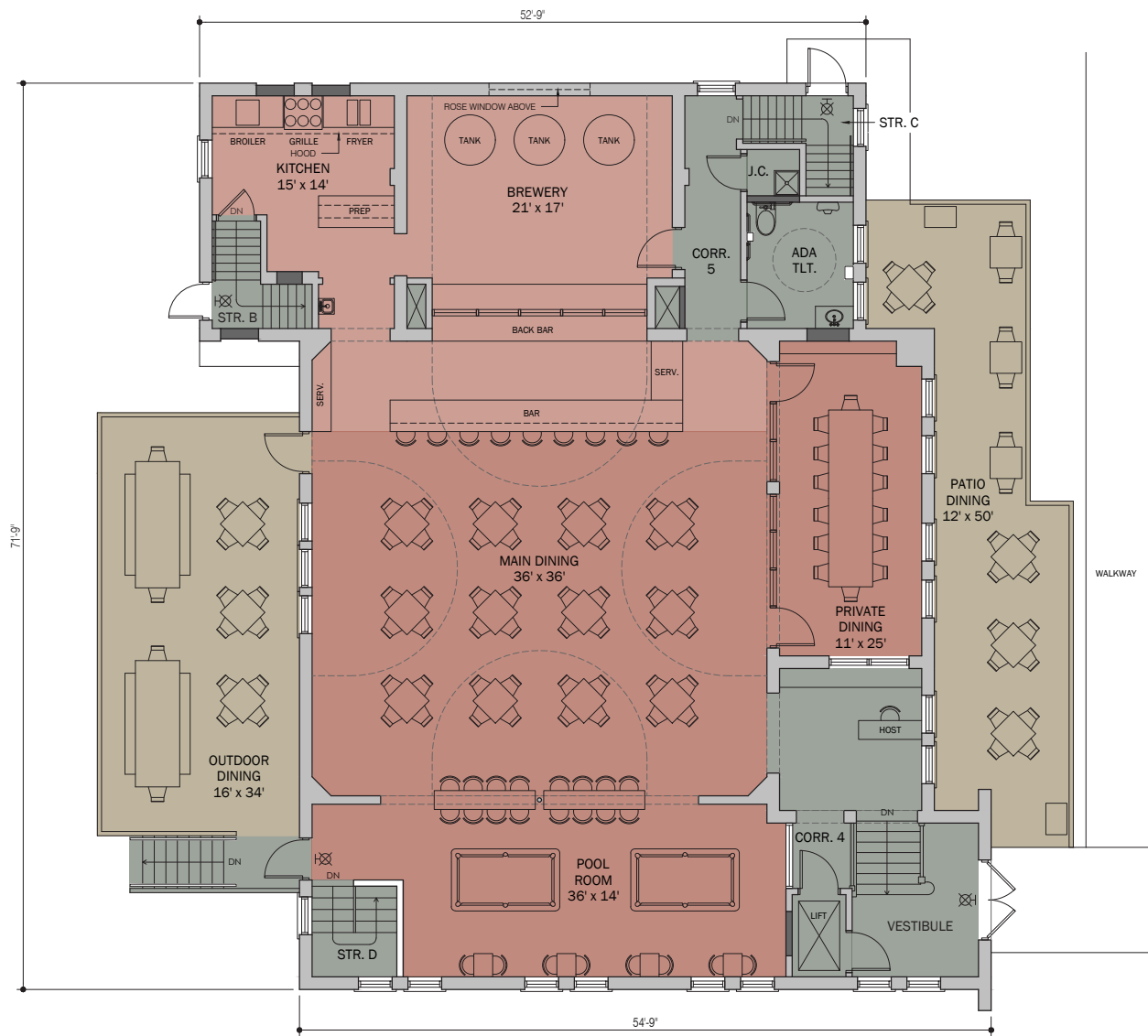


# CONCEPTUAL BUILDING LAYOUT

The existing historic church building is generally in good condition and well suited to the proposed commercial use of a restaurant and/or banquet hall. The large, open, column-free volume of the nave lends itself to an assembly use, with the benefit of the adjacent support spaces for private dining rooms, game rooms, bar, and food preparation spaces. The basement can be used for open multi-purpose space, meeting or dressing rooms, accessible restrooms, storage, kitchen support spaces, and mechanical rooms.

**Total Building Gross Area:** 7,452 sf **First Floor Gross Area:** 3,726 sf **Basement Gross Area:** 3,726 sf

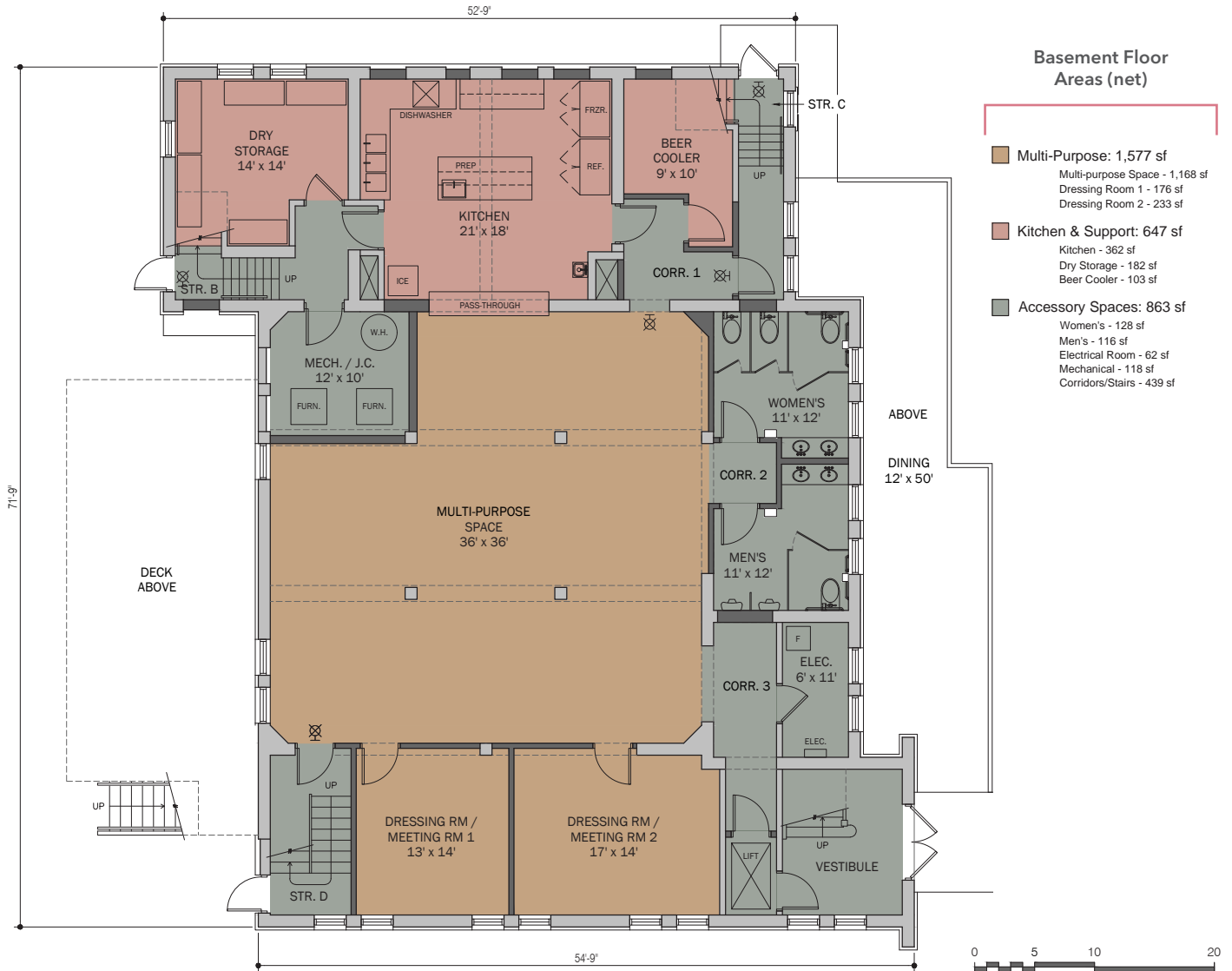
- Guest Areas: 3,345 sf
- Kitchen/Support Areas: 1,490 sf
- Total Outdoor Areas: 1,060 sf



4484 Morrish Conceptual Building Layout - First Floor

First Floor Areas (net)	■ Dining & Bar: 1,768 sf	■ Kitchen & Support: 845 sf	■ Accessory Spaces: 627 sf	■ Outdoor: 1,060 sf
	Main Dining - 1,036 sf Pool Room - 455 sf Private Dining - 277 sf	Kitchen - 209 sf Brewery - 346 sf Bar - 290 sf	Waiting / Host - 127 sf Vestibule - 122 sf Restroom - 85 sf J.C. - 16 sf Corridors/Stairs - 277 sf	Outdoor Dining - 536 sf Patio Dining - 524 sf

## 4484 Morrish Conceptual Building Layout - Basement



## INCENTIVES

The site is designated a Redevelopment Ready opportunity and is eligible for city and state incentives, including Community Revitalization Program grants/loans, TIF reimbursement, façade grants, and MDOT logo sign reimbursement. Preliminary due diligence and architectural work was completed by the community development team as part of the creation of this document.

The City of Swartz Creek is open to supporting this redevelopment through the sale or construction of off-street public parking on their adjacent lot.

## CONTACT / QUESTIONS

Michael Olivo, Lucia Properties  
 Senior Associate  
 Phone: (313) 378-5537  
 michaelolivo@hotmail.com  
 Lic: 6501408149





4484 MORRISH ROAD  
SWARTZ CREEK, MICHIGAN

MARKETING PACKAGE



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TR 1

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

**NOTICE OF HEARING**

**FOR THE ELECTRIC CUSTOMERS OF CONSUMERS ENERGY  
COMPANY**

**CASE NO. U-21585**

- Consumers Energy Company requests Michigan Public Service Commission's approval for authority to increase its rates for the generation and distribution of electricity and for other relief.
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, MI 49201, 517-788-0550 for a free copy of its application. Any person may review the documents at the offices of Consumers Energy Company or on the Commission's website at: [michigan.gov/mpscedockets](http://michigan.gov/mpscedockets).
- A pre-hearing will be held:

**DATE/TIME: Thursday, June 27, 2024 at 1:00 PM**

**BEFORE: Administrative Law Judge Sally L. Wallace**

**LOCATION: Video/Teleconferencing**

**PARTICIPATION:** Any interested person may participate. Persons needing any assistance to participate should contact the Commission's Executive Secretary at (517) 284-8096, or by email at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) in advance of the

\*\*\*\*\*AUTO\*\*ALL FOR AADC  
Clerk, City of SWARTZ CREEK  
8083 Civic Dr  
Swartz Creek MI 48473-1377

Consumers Energy Company's (Consumers Energy) May 31, 2024 on requesting the Commission to: 1) authorize Consumers Energy to retail electric rates so as to provide additional revenue of approximately lion annually above levels established in Case No. U-21389 based on a 12-month test year ending February 28, 2026, plus an additional on for the distribution deferral; 2) authorize Consumers Energy to adjust retail electric rates so as to produce a rate of return on common equity is than 10.25%; 3) approve the proposed Demand Response, Distribution and Investment Recovery Mechanism surcharges; 4) approve tions to the rates, rules, regulations, and programs as proposed by ers Energy; 5) approve Consumers Energy's accounting requests and use tory assets or regulatory liabilities, as needed, including (i) the continued of certain distribution capital spending until actual amounts are included in d (ii) the Service Restoration Cost Sharing Mechanism proposal; and Consumers Energy other and further relief as is just and reasonable.

ments filed in this case shall be submitted electronically through the sion's E-Dockets website at: [michigan.gov/mpscedockets](https://michigan.gov/mpscedockets). nents and instructions for filing can be found in the User Manual on the ts help page. Documents may also be submitted, in Word or PDF format, tachment to an email sent to: [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). If you ssistance prior to e-filing, contact Commission staff at (517) 284-8090 or at: [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov).

,on wishing to intervene and become a party to the case shall electronically titution to intervene with this Commission by June 21, 2024. (Interested may elect to file using the traditional paper format.) The proof of service icate service upon Consumers Energy Company's Legal Department – ry Group, One Energy Plaza, Jackson, MI 49201.

son wishing to appear at the hearing to make a statement of position becoming a party to the case may participate by filing an appearance. To ppearance, the individual must attend the hearing and advise the presiding rnative law judge of his or her wish to make a statement of position. All ion submitted to the Commission in this matter becomes public ion, thus available on the Michigan l'ublic Service Commission's website, ject to disclosure. Please do not include information you wish to remain

s for adjournment must be made pursuant to Michigan Office of rative Hearings and Rules R 792.10422 and R 792.10432. Requests for nformation on adjournment should be directed to (517) 284-8130.

Commission's website at: [michigan.gov/mpscedockets](https://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. 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.

The Utility Consumer Representation Fund has been created for the purpose of aiding in the representation of residential utility customers in various Commission proceedings. Contact the Chairperson, Utility Consumer Participation Board, Department of Licensing and Regulatory Affairs, P.O. Box 30004, Lansing, Michigan 48909, for more information.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 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 Parts 1 & 4 of the Michigan Office of Administrative Hearings and Rules, Mich. Admin Code, R 792.10106 and R 792.10401 through R 792.10448.

**CONSUMERS ENERGY COMPANY HAS REQUESTED THE INCREASES AND OTHER PROPOSALS DESCRIBED IN THIS NOTICE. THE MICHIGAN PUBLIC SERVICE COMMISSION MAY GRANT OR DENY THE REQUESTED INCREASES AND OTHER PROPOSALS, IN WHOLE OR IN PART, AND MAY GRANT LESSER OR GREATER INCREASES THAN THOSE REQUESTED, AND MAY AUTHORIZE A LESSER OR GREATER RATE FOR ANY CLASS OF SERVICE THAN THAT REQUESTED.**

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