



301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
Fax (616) 897-4085

CITY OF LOWELL
CITY COUNCIL AGENDA
MARCH 7, 2022

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL

2. CONSENT AGENDA

- Approval of the Agenda.
- Approve and place on file the minutes of the February 22, 2022 Zoning Board of Appeals and Regular City Council meetings.
- Authorize payment of invoices in the amount of \$497,127.28.

3. CITIZEN DISCUSSION FOR ITEMS NOT ON THE AGENDA

IF YOU WISH TO ADDRESS AN AGENDA ITEM, PUBLIC COMMENT FOR EACH ITEM WILL OCCUR AFTER THE INITIAL INFORMATION IS SHARED ON THE MATTER AND INITIAL DELIBERATIONS BY THE PUBLIC BODY. PUBLIC COMMENT WILL OCCUR BEFORE A VOTE ON THE AGENDA ITEM OCCURS.

4. OLD BUSINESS

- a. Legislative Update – Senator Winnie Brinks
- b. MERS – 2020/2021 Actuarial Presentation
- c. MERS – Extending Deadline for Unfunded Pension Liability

5. NEW BUSINESS

- a. LCTV Recommendation
- b. Rezoning of 115 Riverside – Ordinance 22-01
- c. Sewer Cleaning

6. BOARD/COMMISSION REPORTS

7. MANAGER'S REPORT

8. APPOINTMENTS

9. COUNCIL COMMENTS

10. CLOSED SESSION – Discuss Labor Negotiations

11. ADJOURNMENT

NOTE: Any person who wishes to speak on an item included on the printed meeting agenda may do so. Speakers will be recognized by the Chair, at which time they will be allowed five (5) minutes maximum to address the Council. A speaker representing a subdivision association or group will be allowed ten (10) minutes to address the Council.



301 East Main Street
Lowell, Michigan 49331
Phone (616) 897-8457
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www.ci.lowell.mi.us

MEMORANDUM

TO: Lowell City Council
FROM: Michael Burns, City Manager
RE: Council Agenda for Monday, March 7, 2022

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL
2. CONSENT AGENDA

- Approval of the Agenda.
- Approve and place on file the minutes of the February 22, 2022 Zoning Board of Appeals and Regular City Council meetings.
- Authorize payment of invoices in the amount of \$497,127.28.

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4. OLD BUSINESS

- a. Legislative Update – Senator Winnie Brinks.
- b. MERS – 2020/21 Actuarial Presentation. Memo is provided by City Manager Michael Burns.
- c. MERS – Extending Deadline for Unfunded Pension Liability. Memo is provided by City Manager Michael Burns.

Recommended Motion: That the Lowell City Council approve the Amortization Extension agreement with MERS as presented.

5. NEW BUSINESS

- a. LCTV Recommendation. Memo is provided by City Clerk Susan Ullery.

Recommended Motion: LCTV Chair Dennis Kent will present the recommendations.

- b. Rezoning of 115 Riverside – Ordinance 22-01. Memo is provided by City Manager Michael Burns.

Recommended Motion: That the Lowell City Council approve Ordinance 22-01, rezoning 115 Riverside Drive as presented.

- c. Sewer Cleaning. Memo is provided by Public Works Director Daniel Czarnecki.

Recommended Motion: That the Lowell City Council approve the Sanitary Sewer Cleaning quote from Plummer's Environmental Services, Inc., Byron Center, as proposed in their quote dated January 6, 2022, for the amount of \$124,155.00, to be spread over a three-year period.

6. BOARD/COMMISSION REPORTS

7. MANAGER'S REPORT

8. APPOINTMENTS

9. COUNCIL COMMENTS

10. CLOSED SESSION – Discuss Labor Negotiations

11. ADJOURNMENT

**PROCEEDINGS
OF
ZONING BOARD OF APPEALS MEETING
OF THE
CITY OF LOWELL
TUESDAY, FEBRUARY 22, 2022, 7:00 P.M.**

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.

The Meeting was called to order at 7:00 p.m. by Mayor DeVore and City Clerk Sue Ullery called roll.

Present: Councilmembers acting as Zoning Board of Appeals Members: Cliff Yankovich, Leah Groves, Marty Chambers, Mike DeVore, and Chair Jim Salzwedel.

Absent: None.

Also Present: City Manager Michael Burns, City Clerk Susan Ullery, DPW Director Dan Cznarecki, Police Chief Chris Hurst, City Attorney Jessica Wood, Lowell Light & Power Charlie West, Andy Moore and Leah with Williams & Works Waste Water Treatment Plant Superintendent Brian VanderMuelen.

2. APPROVAL OF AGENDA.

IT WAS MOVED BY DEVORE and seconded by CHAMBERS to approve the agenda as written.

YES: Zoning Boardmembers Groves, DeVore, Chambers, Yankovich and Chair Salzwedel.

NO: None.

ABSENT: None.

MOTION CARRIED.

3. CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.

There were no comments.

4. NEW BUSINESS.

a. Public Hearing – 746 W. Main Street Sign Variance Application.

Williams & Works Planner, Andy Moore reviewed the variance application explaining Mr. Charlie Jeffrey, representing Betten Baker applied for a variance on his property to swap the business signs located at 746 W. Main Street and 749 W. Main Street. Both signs do not meet the standards of the Zoning Ordinance, and because the entire sign is being moved, each is required to comply with zoning ordinance requirements. The applicant is proposing to switch the existing signs where they are currently, intending to keep the existing sign area size and height intact. The applicant is requesting a variance from Section 20.08 D of the Ordinance. The applicants freestanding sign at 749 W. Main Street on the north side of the road (that would be moved to 746 W Main Street) is approximately 69' square feet in sign area and is 28 feet in height, which is more than the 48 square feet permitted for the maximum sign area and taller than 20 feet allowed in height. The applicants sign at 746 W. Main Street, on the south side of the road, is 37' 4" square feet in sign area and is 21 feet in height, which is within the 48 square feet allowed in the maximum sign area, but taller than the 20 feet allowed for height.

Chair Salzwedel opened the Public Hearing.

Anne Frase with Sign Works spoke regarding the variance request of swapping the Betten Baker signs across the street.

General Manager Charlie Jeffrey with Betten Baker also spoke regarding the variance request of swapping the Betten Baker signs across the street.

Moore then reviewed the six variance review standards.

In Moore's opinion, he feels that Standards 1, 3 and 5 are not met and 6 is partially met and explained why.

Each Zoning Boardmember reviewed and discussed their opinions and agreed that all standards had been met because of the exceptional fact that they are on both sides of the road and just swapping the existing signs.

IT WAS MOVED BY DEVORE and seconded by GROVES that the City of Lowell Zoning Board of Appeals approve the Sign Variance application for 746 W. Main Street and 749 W. Main Street.

NO: None.

ABSENT: None.

MOTION CARRIED.

5. **BOARD/COMMISSION REPORTS.**

There were no reports.

6. **COUNCIL COMMENTS**

There were none.

7. **ADJOURNMENT.**

IT WAS MOVED BY CHAMBERS and seconded by DEVORE to adjourn at 7:40 p.m.

YES: 5.

NO: NONE.

ABSENT: None.

MOTION CARRIED.

DATE:

APPROVED:

Mike DeVore, Mayor

Sue Ullery, Lowell City Clerk

**PROCEEDINGS
OF
CITY COUNCIL
OF THE
CITY OF LOWELL
TUESDAY, FEBRUARY 22, 2022, 7:45 P.M.**

1. **CALL TO ORDER; PLEDGE OF ALLEGIANCE; ROLL CALL.**

The Meeting was called to order at 7:45 p.m. by Mayor DeVore and Clerk Susan Ullery called roll.

Present: Councilmembers Marty Chambers, Councilmember Jim Salzwedel, Councilmember Cliff Yankovich, Leah Groves and Mayor Mike DeVore.

Absent: None.

Also Present: City Manager Michael Burns, Chief of Police Chris Hurst, Clerk Susan Ullery, DPW Director Dan Czarnecki, and Lowell Light & Powers Charlie West, Andy Moore with William & Works, and City Attorney Jessica Wood.

2. **APPROVAL OF THE CONSENT AGENDA.**

- Approval of the Agenda as written.
- Approve and place on file the regular minutes of the February 07, 2022 City Council meeting.
- Authorize payment of invoices in the amount of \$106,389.12.

IT WAS MOVED BY SALZWEDEL and seconded by GROVES to approve the consent agenda as written.

YES: Councilmember Chambers, Councilmember Yankovich, Mayor DeVore, Leah Groves and Councilmember Salzwedel.

NO: None.

ABSENT: None.

MOTION CARRIED.

3. **CITIZEN COMMENTS FOR ITEMS NOT ON THE AGENDA.**

There were no comments.

4. **OLD BUSINESS**

a. **Fairgrounds Study Update.**

City Manager Michael Burns gave an update stating this will be the last year for the fair being at the grounds so we need to get moving on our future plans. Burns then turned it over to Maleah Rakestraw and Andy Moore with Williams and Works. Moore said they have been planning this since 2018, and stated that this is a preliminary review. Rakestraw then reviewed the preliminary plan with a PowerPoint.

Councilmembers discussed at length. Salzwedel asked what time frame are we looking at for the plan to be completed?

City Manager Michael Burns stated 20-30 years and at some point direct this to the park board.

Tyler Kent who resides at 1700 Faith talked about preserving the property for growth of the City.

b. King Memorial Pool.

John Sterly spoke representing “The Community Center and Pool Committee” with 12 active members who meet twice a month and have been working on creating something special for the community. They have decided on a community center at the King Memorial Building and to re-do the King Memorial Pool (which closed in 1992 for repairs and piping) for a community pool. They did a need and feasibility study through Williams & Works, raised \$10,000 through the community and have many blessings from different entities in the community. Building is quite solid still with bathrooms and a kitchen. Next step is to do soil borings to find out the status before moving ahead. We have contacted a company out of Grand Rapids, SME (Soil Materials Evaluation) to conduct a soil boring test to see if the ground is okay to proceed with the project. It will cost \$4000. There is also promised money from sources for a pool for the Lowell Community and Sterly stated he has documented proof of these.

City Manager Michael Burns stated his biggest concern is sustainability as this will probably be a non-profit organization running this in the small town community of Lowell. Also liability, is a concern, who will be responsible. These are the questions we need answered before Council can move forward.

Councilmembers suggested they come up with paying for the borings, see how that comes back and then we can go from there.

c. Line Shack Development Agreement-Resolution 05-22.

City Manager Michael Burns turned over to Attorney Jessica Wood to explain the basic elements of the Lineshack Development Agreement presented as Resolution 05-22.

IT WAS MOVED BY CHAMBERS and seconded by DEVORE to approve the RESOLUTION 05-22 as presented.

YES: Mayor DeVore, Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, and Councilmember Groves.

NO: None.

ABSENT: None.

MOTION CARRIED.

d. Main Street Bridge Boxes.

DPW Director Dan Czarnecki read his memo stating the Lowell Showboat Garden Club received a donation in the name of Donna Jean Ford to help with their efforts for beautifying downtown Lowell. The Garden Club would like to use these funds to place planter boxes on the bridge rail over the Flat River on Main St. MDOT has already been contacted and has provided approval as well as the Historic District Committee.

IT WAS MOVED BY YANKOVICH and seconded by GROVES that the Lowell City Council approve the quote from Lynch Metal Fabrication, dated October 29, 2021, to purchase 11 bridge planter boxes and 22 bridge brackets, for a cost of \$8,426.

YES: Councilmember Salzwedel, Councilmember Yankovich, Councilmember Chambers, Councilmember Groves, and Mayor DeVore.

NO: None.

ABSENT: None.

MOTION CARRIED.

5. **NEW BUSINESS**

a. **Planning Commission Annual Report.**

Bruce Barker, Chair of the Lowell City Planning Commission shared the Planning Commission Annual Report and invited Council to attend the upcoming Planning Commission meeting that will be held with the surrounding Townships in the Spring.

b. **LowellArts- Street Closure Request.**

Lorraine Smalligan with LowellArts asked for approval for a street closure beginning at 6:00 pm on Tuesday, May 17, 2022 through 6:00 pm on Wednesday, May 18, 2022 on Riverside, to house “the Creative Cube” a 40-foot art studio on wheels owned by “Artists Creating Together” group out of Grand Rapids that LowellArts has partnered with for this art event.

IT WAS MOVED BY DEVORE and seconded by SALZWEDEL to approve the street closure on Riverside starting at 6:00 pm on Tuesday, May 17, 2022 through 6:00 pm on Wednesday, May 18, 2022.

YES: Councilmember Yankovich, Councilmember Chambers, Councilmember Groves, Mayor DeVore and Councilmember Salzwedel.

NO: None.

ABSENT: None.

MOTION CARRIED.

c. **Social District – Resolutions 06-22, 07-22 and 08-22.**

City Manager Michael Burns read his memo stating the City has received requests from the three new restaurant’s coming into the City to be added to the Social District. They all fall within the boundaries south of the showboat social district. Ripple Restaurant Group at 123 W. Main, BSJ Group which is Junction at 301 W. Main, and Rio Plano Taquira at 101 W. Main. In order for the entities to receive social district endorsements on their liquor licenses, they must fall within the district boundaries and be approved via council resolution.

IT WAS MOVED BY DEVORE and seconded by CHAMBERS to approve Resolutions 06-22, 07-22 and 08-22 as presented.

YES: Councilmember Chambers, Councilmember Groves, Mayor DeVore, Councilmember Salzwedel and Councilmember Yankovich.

NO: None.

ABSENT: None.

MOTION CARRIED.

6. **BOARD/COMMISSION REPORTS.**

Councilmember Salzwedel stated the LCTV met and Dennis Kent will be presenting recommendations to City Council for their approval at the March 7, 2022 meeting. A lot is happening over at Lowell Light & Power, they have an online portal now, board is working on a strategic plan. Very seldom are we without power at LL&P, the percentage is 99.99% which is excellent! Ron van Overbeek is celebrating

his 24th year with LL&P, so congratulations to Ron! The LL&P Board is changing their meetings to Tuesday evenings starting March 15, 2022.

Councilmember Chambers stated at the last Planning Commission meeting, discussion was on the proposed adult use marihuana zoning amendment. Andy Moore with Williams & Works is going to make sure all properties in the area are contemplated and next month, there will be a public hearing for the amendment.

Councilmember Groves stated Parks & Rec met last week and will start working on their 5-year plan. There was an inquiry about cooperation with the City allowing our boat launch at the Grand River to be part of the future Lower Grand River State Water Trail. Skate park update, they are looking to do a forum on March 24, 2022 and they have applied for three grants that they are waiting to hear back on.

DPW Director Dan Czarnecki elaborated on the boat launch inquiry and explained that several counties are trying to ultimately make it a national water trail, which will happen, it will just take time and will have several hoops to get through.

Mayor Devore said the Fire Authority met, approved the budget, new fire engine is still on schedule to be delivered on time in the summer. Added Dave Whitstrom, a local resident as the city's new representative to the Fire Authority Board.

7. **BUDGET REPORT.**

There was nothing new.

8. **MANAGER'S REPORT.**

City Manager Michael Burns reported on the following:

- River City Cannabis had odor issues again over the weekend. Odor came back. They were cited today, again a \$500 citation. Burns is now working with the City Attorney on starting the next process in the steps if they can't get this in order.
- Staff is starting the budget process; Biggest thing is property taxes. We've seen approximately \$141,000 increase for the general fund for this year.
- Thinking of doing the Budget hearing on a weeknight instead of a Saturday. Possibly Monday April 25, 2022.
- We have been monitoring the river for flooding, but we don't think there are going to be any issues.
-

9. **APPOINTMENTS.**

There are no new appointments.

10. **COUNCIL COMMENTS.**

Councilmember Yankovich helped with the great lineup for summer concerts, it going to be great.

Councilmember Salzwedel said we need to monitor pot holes and thanked Dan Czarnecki and his crew for working so hard at keeping up with them. Council will not have a booth at the expo this year.

Councilmember Chambers stated it is our police chiefs' birthday, presented a cake with candles. Everyone sang Happy Birthday to Chief of Police Chris Hurst.

Mayor Devore stated we will hold the closed session for the next meeting.

11. **ADJOURNMENT.**

IT WAS MOVED DEVORE and seconded by GROVES to adjourn at 9:19 p.m.

DATE:

APPROVED:

Mike DeVore, Mayor

Sue Ullery, Lowell City Clerk

**CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN**

RESOLUTION NO. 05-22

**RESOLUTION TO APPROVE FORM OF PURCHASE AND
DEVELOPMENT AGREEMENT RELATIVE TO THE SALE BY THE
CITY AND PURCHASE BY BGR INVESTMENTS LLC OF PROPERTY
IN THE CITY CONTAINING THE LINESHACK BUILDING**

Councilmember CHAMBERS supported by Mayor DEVORE moved the adoption of the following resolution:

WHEREAS, the City owns an approximately 4,042 square foot (.09 acres) parcel of property located at 115 Riverside Dr. SE in the City (the “Property”) containing an approximately 2,000 square foot building (the “Lineshack Building”); and

WHEREAS, in accordance with the requirements of Section 13.3 of the City Charter, the City advertised twice for bids on the sale and development of the Property; and

WHEREAS, the City received a number of responses to the request for proposals and held a public hearing on October 11, 2021 to hear information on the proposals; and

WHEREAS, this City Council desires to approve the sale of the Property to BGR Investments LLC, a Michigan Limited Liability Company (“BGR”); and

WHEREAS, a Purchase and Development Agreement has been prepared and presented to this City Council relative to the sale by the City and purchase by BGR of the Property (the “Agreement”); and

WHEREAS, this City Council desires to approve the Agreement in substantially the form as presented and attached hereto as Exhibit A and to authorize certain officers of the City to execute and deliver the Agreement on behalf of the City.

NOW, THEREFORE, BE IT HEREBY RESOLVED:

1. The Agreement in substantially the form attached hereto as Exhibit A is hereby approved, subject to such changes, additions or deletions as determined necessary and

in the best interests of the City by the City Manager in consultation with the City's counsel.

2. The City Manager is authorized to finalize and negotiate the milestones and time line related to the Project as will be reflected in this Agreement and Exhibit C.
3. The Mayor and the City Clerk are further authorized and directed to execute and deliver the Agreement for and on behalf of the City.
4. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

YES: Mayor DeVore, Councilmembers Salzwedel, Yankovich, Chambers and Groves

NO: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

RESOLUTION DECLARED ADOPTED.

Dated: February 22, 2022


Susan Ullery, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Lowell at a regular meeting held on February 22, 2022, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 22, 2022


Susan Ullery, City Clerk

**CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN**

RESOLUTION NO. 06-22

**A RESOLUTION APPROVING AND RECOMMENDING
MICHIGAN LIQUOR CONTROL COMMISSION
CONSIDERATION AND APPROVAL OF CERTAIN
LICENSEES FOR SOCIAL DISTRICT PERMITS
PURSUANT TO PUBLIC ACT 24 OF 2020**

Mayor DEVORE supported by Councilmember CHAMBERS moved the adoption of the following resolution:

WHEREAS, the Michigan Liquor Control Code was recently amended by 2020 PA 124 (the Act) to allow the governing body of a local governmental unit to designate social districts and commons areas which may be used by qualified licensees that obtain a social district permit from the Michigan Liquor Control Commission (MLCC) to utilize expanded areas for the consumption of alcohol; and

WHEREAS, the City Council designated a social district that contains a commons area, and shall define and clearly mark the commons area with signs, establish local management and maintenance plans including, but not limited to, hours of operation for submittal to the MLCC, and maintain the commons areas in a manner that protects the health and safety of the community; and

WHEREAS, the City Council found that designating a social district and commons area pursuant to the Act is in the best interests of the citizens of the City of Lowell; and

WHEREAS, the City Council must approve licensee applications for social district permits prior to such applications being sent to the MLCC for consideration and issuance; and

WHEREAS, Ripple Restaurant Group, LLC, d/b/a Ripple (the "Licensee"), located at 123 W. Main Street, Lowell, Michigan, 49331, is contiguous to the designated commons area and is otherwise eligible for consideration for a social district permit.

NOW, THEREFORE, RESOLVED THAT:

1. The City Council hereby finds that any application for social district permits from the Licensee is recommended by this body for approval by the MLCC.
2. The licensed premises of the aforementioned Licensee is contiguous to the commons area as designated by this City Council pursuant to MCL 436.1551.
3. All resolutions and parts of resolutions in conflict herewith are rescinded.

YEAS: Councilmembers Chambers, Groves, Mayor DeVore, Councilmembers
Salzwedel and Yankovich


NAY: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

RESOLUTION DECLARED ADOPTED

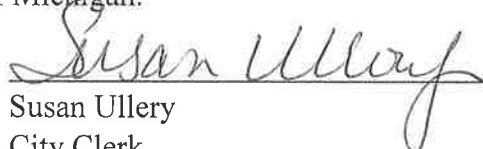
Dated: February 22, 2022


Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned duly qualified and acting Clerk of the City of Lowell (the "City"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City at a regular meeting held on February 22, 2022, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended, and applicable Executive Orders of the Governor of the State of Michigan.

Dated: Feb. 22, 2022


Susan Ullery
City Clerk

**CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN**

RESOLUTION NO. 07-22

**A RESOLUTION APPROVING AND RECOMMENDING
MICHIGAN LIQUOR CONTROL COMMISSION
CONSIDERATION AND APPROVAL OF CERTAIN
LICENSEES FOR SOCIAL DISTRICT PERMITS
PURSUANT TO PUBLIC ACT 24 OF 2020**

Mayor DEVORE supported by Councilmember CHAMBERS, moved the adoption of the following resolution:

WHEREAS, the Michigan Liquor Control Code was recently amended by 2020 PA 124 (the Act) to allow the governing body of a local governmental unit to designate social districts and commons areas which may be used by qualified licensees that obtain a social district permit from the Michigan Liquor Control Commission (MLCC) to utilize expanded areas for the consumption of alcohol; and

WHEREAS, the City Council designated a social district that contains a commons area, and shall define and clearly mark the commons area with signs, establish local management and maintenance plans including, but not limited to, hours of operation for submittal to the MLCC, and maintain the commons areas in a manner that protects the health and safety of the community; and

WHEREAS, the City Council found that designating a social district and commons area pursuant to the Act is in the best interests of the citizens of the City of Lowell; and

WHEREAS, the City Council must approve licensee applications for social district permits prior to such applications being sent to the MLCC for consideration and issuance; and

WHEREAS, Rio Plano Taquiera, LLC, d/b/a Rio Plano Taquiera (the "Licensee"), located at 101 W. Main Street, Lowell, Michigan, 49331, is contiguous to the designated commons area and is otherwise eligible for consideration for a social district permit.

NOW, THEREFORE, RESOLVED THAT:

1. The City Council hereby finds that any application for social district permits from the Licensee is recommended by this body for approval by the MLCC.
2. The licensed premises of the aforementioned Licensee is contiguous to the commons area as designated by this City Council pursuant to MCL 436.1551.
3. All resolutions and parts of resolutions in conflict herewith are rescinded.

YEAS: Councilmembers Chambers, Groves, Mayor DeVore, Councilmembers
Salzwedel and Yankovich

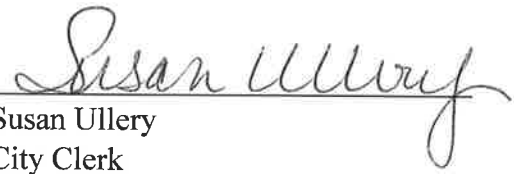
NAY: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

RESOLUTION DECLARED ADOPTED

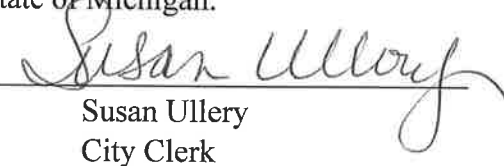
Dated: February 22, 2022


Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned duly qualified and acting Clerk of the City of Lowell (the "City"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City at a regular meeting held on February 22, 2022, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended, and applicable Executive Orders of the Governor of the State of Michigan.

Dated: February 22, 2022


Susan Ullery
City Clerk

**CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN**

RESOLUTION NO. 08-22

**A RESOLUTION APPROVING AND RECOMMENDING
MICHIGAN LIQUOR CONTROL COMMISSION
CONSIDERATION AND APPROVAL OF CERTAIN
LICENSEES FOR SOCIAL DISTRICT PERMITS
PURSUANT TO PUBLIC ACT 24 OF 2020**

Mayor DEVORE supported by Councilmember CHAMBERS moved the adoption of the following resolution:

WHEREAS, the Michigan Liquor Control Code was recently amended by 2020 PA 124 (the Act) to allow the governing body of a local governmental unit to designate social districts and commons areas which may be used by qualified licensees that obtain a social district permit from the Michigan Liquor Control Commission (MLCC) to utilize expanded areas for the consumption of alcohol; and

WHEREAS, the City Council designated a social district that contains a commons area, and shall define and clearly mark the commons area with signs, establish local management and maintenance plans including, but not limited to, hours of operation for submittal to the MLCC, and maintain the commons areas in a manner that protects the health and safety of the community; and

WHEREAS, the City Council found that designating a social district and commons area pursuant to the Act is in the best interests of the citizens of the City of Lowell; and

WHEREAS, the City Council must approve licensee applications for social district permits prior to such applications being sent to the MLCC for consideration and issuance; and

WHEREAS, BSJ Group LLC, d/b/a Junction Bar and Grill (the "Licensee"), located at 301 W. Main Street, Lowell, Michigan, 49331, is contiguous to the designated commons area and is otherwise eligible for consideration for a social district permit.

NOW, THEREFORE, RESOLVED THAT:

1. The City Council hereby finds that any application for social district permits from the Licensee is recommended by this body for approval by the MLCC.
2. The licensed premises of the aforementioned Licensee is contiguous to the commons area as designated by this City Council pursuant to MCL 436.1551.
3. All resolutions and parts of resolutions in conflict herewith are rescinded.

YEAS: Councilmembers Chambers, Groves, Mayor DeVore, Councilmembers

Salzwedel and Yankovich

NAY: Councilmembers None

ABSTAIN: Councilmembers None

ABSENT: Councilmembers None

RESOLUTION DECLARED ADOPTED

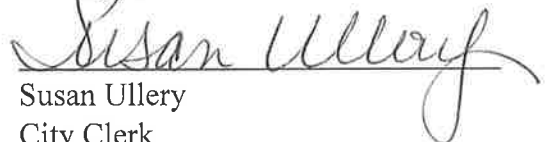
Dated: February 22, 2022


Susan Ullery
City Clerk

CERTIFICATION

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Dated: February 22, 2022


Susan Ullery
City Clerk

User: LORI

EXP CHECK RUN DATES 02/19/2022 - 03/03/2022

DB: Lowell

BOTH JOURNALIZED AND UNJOURNALIZED

BOTH OPEN AND PAID - CHECK TYPE: PAPER CHECK

Vendor Code	Vendor Name	Invoice	Description	Amount
10550	63RD DISTRICT COURT	3/2/2022	BOND - JOSHUA PORTER	500.00
TOTAL FOR: 63RD DISTRICT COURT				500.00
01513	ADDORIO TECHNOLOGIES, LLC	9116	TREND MICRO ANTIVIRUS	1,242.00
		9152	SHOWBOAT VI COMPUTER WORK	382.50
		9160	COMPUTER SUPPORT	1,117.22
TOTAL FOR: ADDORIO TECHNOLOGIES, LLC				2,741.72
00007	ADT SECURITY SYSTEMS, INC.	2/13/2022	WTP SECURITY	133.53
TOTAL FOR: ADT SECURITY SYSTEMS, INC.				133.53
10816	AMAZON CAPITAL SERVICES	11YX-Q3R6-V9PP	WTP SUPPLIES	608.16
		17RT-QCGK-YL13	WATER DISTRIBUTION	142.27
		17VW-46QW-DN1H	EQUIP FUND SUPPLIES	121.26
		1J7M-1JF6-14TP	DPW TOOLS - HAMMER	13.19
		1JLM-47TP-4TXG	WTP - WATER HEATER FLUSHING KIT	133.96
		1VMD-VQYD-FY9Y	DPW TOOLS	184.55
		1YVT-KR9Y-DW3V	WATER DEPT	168.55
TOTAL FOR: AMAZON CAPITAL SERVICES				1,371.94
10731	APPLIED IMAGING	1901539	CITY HALL COPY MACHINE	410.87
TOTAL FOR: APPLIED IMAGING				410.87
10541	APWA, MICHIGAN CHAPTER - MPSI	2/18/2022	MPSI 3RD YR - BRECKEN	725.00
TOTAL FOR: APWA, MICHIGAN CHAPTER - MPSI				725.00
10818	AT&T MOBILITY	2/6/2022	FIRSTNET PHONE BILL FEB 2022	885.88
TOTAL FOR: AT&T MOBILITY				885.88
00045	BARTLETT, SANDY	2/22/2022	MILEAGE & METER READS FEB 2022	765.84
TOTAL FOR: BARTLETT, SANDY				765.84
00050	BERNARDS ACE HARDWARE	FEB 2022	ACCOUNT STATEMENT	567.48
TOTAL FOR: BERNARDS ACE HARDWARE				567.48
10483	BOURGETTE, BOB	RO20161	AIRPORT MOWERS R & M	560.89
TOTAL FOR: BOURGETTE, BOB				560.89
10493	COMCAST CABLE	3/6 - 4/5/2022	DPW CABLE	49.14
TOTAL FOR: COMCAST CABLE				49.14
10509	CONSUMERS ENERGY	FEB 2022	ACCOUNT STATEMENTS	1,108.41
TOTAL FOR: CONSUMERS ENERGY				1,108.41
01156	CURTIS CLEANERS	73C385	POLICE DRY CLEANING	127.47
TOTAL FOR: CURTIS CLEANERS				127.47

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Vendor Code	Vendor Name	Invoice	Description	Amount
00148	DICKINSON WRIGHT PLLC			
	1657262		WARE ROAD LANDFILL	296.00
	1657263		W/S AUTHORITY WITH LOWEL TWP	1,739.00
	1657264		HIGH ST VACATION	370.00
	1657265		GENERAL MUNICIPAL	2,960.00
	1657266		LINE SHACK	1,091.50
TOTAL FOR: DICKINSON WRIGHT PLLC				6,456.50
02035	DIGITAL OFFICE MACHINES, INC.			
	19945		DPW COPY MACHINE	35.04
	19964		POLICE COPY MACHINE	45.12
TOTAL FOR: DIGITAL OFFICE MACHINES, INC.				80.16
02538	EARTHWORM DOZING & EXCAVATING INC.			
	4513		ELIZABETH ST SEWER MAIN R & M	4,000.00
TOTAL FOR: EARTHWORM DOZING & EXCAVATING INC.				4,000.00
10297	EJ USA, INC.			
	11022000531		WATER DEPT R & M SUPPLIES	2,037.91
TOTAL FOR: EJ USA, INC.				2,037.91
10673	FERGUSON WATERWORKS			
	0147799		METER READER REPAIRS	1,350.00
TOTAL FOR: FERGUSON WATERWORKS				1,350.00
10369	FLAT RIVER ELECTRIC LLC			
	I4375		WALL PACK AT WATER SHED	1,936.18
	I4737		SHEPARD DR - PHOTO EYE	285.00
TOTAL FOR: FLAT RIVER ELECTRIC LLC				2,221.18
10947	GARTLEY, HEIDI			
	2/24/2022		ASSESSING WORK	160.00
TOTAL FOR: GARTLEY, HEIDI				160.00
02478	GIVE EM A BRAKE SAFETY			
	105393		BARRICADES RENTAL WATER MAIN BREAKS	1,197.24
TOTAL FOR: GIVE EM A BRAKE SAFETY				1,197.24
00225	GRAND RAPIDS COMMUNITY COLLEGE			
	2/1 - 2/15/2022		TAX DISBURSEMENT	819.85
	2/16 - 2/28/2022		TAX DISBURSEMENT	171.44
TOTAL FOR: GRAND RAPIDS COMMUNITY COLLEGE				991.29
01508	GTW			
	FEB 2022		CYLINDER RENTAL	44.65
TOTAL FOR: GTW				44.65
01856	H&H MANAGEMENT			
	2/25/2022		ESCROW REFUND	432.75
TOTAL FOR: H&H MANAGEMENT				432.75
00710	HAROLD ZEIGLER FORD, INC.			
	229916		LPD 2015 EXPLORER #838	409.85
	231384		LPD 2017 EXPLORER #839	53.86
TOTAL FOR: HAROLD ZEIGLER FORD, INC.				463.71
00248	HOOPER PRINTING, LLC			
	63978		ENVELOPES & W/S BILL PAPER	852.79
TOTAL FOR: HOOPER PRINTING, LLC				852.79

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Vendor Code	Vendor Name	Description	Amount
Invoice			
02463	HYDROCORP		
0065890-IN		CROSS CONNECTION FEB 2022	1,806.25
TOTAL FOR: HYDROCORP			1,806.25
01970	KCI		
307639		ASSESSMENT NOTICES	338.24
TOTAL FOR: KCI			338.24
00291	KENT COUNTY ROAD COMMISSION		
413118		SIGNAL ELECTRIC	48.40
TOTAL FOR: KENT COUNTY ROAD COMMISSION			48.40
00300	KENT COUNTY TREASURER		
2/1 - 2/15/2022		TAX DISBURSEMENT	50,788.25
2/16 - 2/28/2022		TAX DISBURSEMENT	5,397.19
3/2/2022		TRAILER FEES	292.50
TOTAL FOR: KENT COUNTY TREASURER			56,477.94
00303	KENT DISTRICT LIBRARY		
2/1 - 2/15/22		TAX DISBURSEMENT	20,442.16
2/16 - 2/28/2022		TAX DISBURSEMENT	2,777.51
TOTAL FOR: KENT DISTRICT LIBRARY			23,219.67
00302	KENT INTERMEDIATE SCHOOL DIST.		
2/1 - 2/15/2022		TAX DISBURSEMENT	1,386.19
2/16 - 2/28/2022		TAX DISBURSEMENT	546.41
TOTAL FOR: KENT INTERMEDIATE SCHOOL DIST.			1,932.60
02209	KERKSTRA PORTABLE, INC.		
192907		CEMETERY PORTABLE RESTROOM	150.00
192908		DDA PORTABLE RESTROOM	500.00
195183		CEMETERY PORTABLE RESTROOM	150.00
195352		PORTABLE RESTROOM/HAND SANITIZER STATION	500.00
TOTAL FOR: KERKSTRA PORTABLE, INC.			1,300.00
10231	KING MILLING COMPANY		
136130		TAXES ON PARKING LOT	645.21
TOTAL FOR: KING MILLING COMPANY			645.21
02161	LAKESIDE EQUIPMENT CORP		
902603		WWTP CAPITAL OUTLAY	25,056.00
TOTAL FOR: LAKESIDE EQUIPMENT CORP			25,056.00
01374	LOWELL AREA HISTORICAL MUSEUM		
2/1 - 2/15/22		TAX DISBURSEMENT	165.24
2/16 - 2/28/2022		TAX DISBURSEMENT	22.58
TOTAL FOR: LOWELL AREA HISTORICAL MUSEUM			187.82
00562	LOWELL AREA SCHOOLS		
2/1 - 2/15/22		TAX DISBURSEMENT	256,492.23
2/16 - 2/28/2022		TAX DISBURSEMENT	20,591.01
3/3/2022		WINTER 2021 IFT	12,773.54
TOTAL FOR: LOWELL AREA SCHOOLS			289,856.78
00341	LOWELL LIGHT & POWER		
2/1 - 2/15/22		DELINQ ELECT - KIMBLE 317 N CENTER APT B	18.83
2/28/2022		ELECTRIC STATEMENTS	19,175.91
3576		DICKINSON WRIGHT & PHONE CHARGES	1,274.90
TOTAL FOR: LOWELL LIGHT & POWER			20,469.64

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Vendor Code	Vendor Name	Invoice	Description	Amount
MISC	MICHIGAN SOFTWARE OF W MICHIGAN	2/28/2022	ESCROW REFUND	328.00
TOTAL FOR: MICHIGAN SOFTWARE OF W MICHIGAN				328.00
00426	MODEL COVERALL SERVICE, INC.	FEB 2022	LIBRARY RUGS	260.72
TOTAL FOR: MODEL COVERALL SERVICE, INC.				260.72
00468	NYE UNIFORM COMPANY CO	802969A	POLICE UNIFORM	318.00
TOTAL FOR: NYE UNIFORM COMPANY CO				318.00
10103	PITNEY BOWES GLOBAL FIN. SRVS LLC	1020151909	POSTAGE METER	19.54
		3315254116	POSTAGE METER LEASE	170.73
TOTAL FOR: PITNEY BOWES GLOBAL FIN. SRVS LLC				190.27
02247	PITNEY BOWES INC.	1020151909	INK PAD REPLACEMENT	19.54
TOTAL FOR: PITNEY BOWES INC.				19.54
00506	POSTMASTER	2/28/2022	WATER BILL POSTAGE	479.40
TOTAL FOR: POSTMASTER				479.40
02248	RIVERSIDE INTEGRATED SYSTEMS INC.	162434	CITY HALL MONITORING	540.00
TOTAL FOR: RIVERSIDE INTEGRATED SYSTEMS INC.				540.00
10042	SAWYER ENGINE & COMPRESSOR INC.	58772	WTP AIR COMPRESSOR R & M	355.24
TOTAL FOR: SAWYER ENGINE & COMPRESSOR INC.				355.24
02575	SELF SERVE LUMBER	3/1/2022	ACCOUNT STATEMENT FEB 2022	255.30
TOTAL FOR: SELF SERVE LUMBER				255.30
10849	SMART BUSINESS SOURCE	IN-6798	DATE STAMP - ASSESSING	78.60
		OE-46647-1	BINDER COVERS	109.75
		OE-48022-1	OFFICE SUPPLIES	36.07
TOTAL FOR: SMART BUSINESS SOURCE				224.42
01668	STATE OF MICHIGAN	2/22/2022	WATER TRMT F-4 CERT - ENBODY, DAVID	70.00
TOTAL FOR: STATE OF MICHIGAN				70.00
10583	SUEZ WATER ENVIRONMENTAL SVC INC	20220026	WWTP SURCHARGES JAN 2022	1,950.24
		202245243	WWTP SERVICES FEB 2022	40,511.25
TOTAL FOR: SUEZ WATER ENVIRONMENTAL SVC INC				42,461.49
02579	WMCJTC	4728	LEGAL UPDATE COURSE	50.00
TOTAL FOR: WMCJTC				50.00
TOTAL - ALL VENDORS				497,127.28

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 000					
101-000-040.000	ACCOUNTS RECEIVABLE	63RD DISTRICT COURT	BOND - JOSHUA PORTER	500.00	76861
101-000-085.000	DUE FROM LIGHT & POWER	LOWELL LIGHT & POWER	DELINQ ELECT - KIMBLE 317	18.83	76855
101-000-222.000	DUE TO COUNTY-TRAILER FEE	KENT COUNTY TREASURER	TRAILER FEES	58.50	76882
101-000-225.000	DUE TO SET -TRAILER FEES	KENT COUNTY TREASURER	TRAILER FEES	234.00	76882
Total For Dept 000				811.33	
Dept 101 COUNCIL					
101-101-955.000	MISCELLANEOUS EXPENSE	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	36.24	76839
Total For Dept 101 COUNCI				36.24	
Dept 172 MANAGER					
101-172-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	45.20	76839
Total For Dept 172 MANAGE				45.20	
Dept 209 ASSESSOR					
101-209-707.000	SALARIES-TEMPORARY	GARTLEY, HEIDI	ASSESSING WORK	160.00	76872
101-209-740.000	OPERATING SUPPLIES	SMART BUSINESS SOURCE	DATE STAMP - ASSESSING	78.60	76856
101-209-900.000	PRINTING	KCI	ASSESSMENT NOTICES	338.24	76879
Total For Dept 209 ASSESS				576.84	
Dept 210 ATTORNEY					
101-210-801.000	PROFESSIONAL SERVICES	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	536.50	76854
101-210-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	HIGH ST VACATION	370.00	76868
101-210-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	LINE SHACK	1,091.50	76868
101-210-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	GENERAL MUNICIPAL	2,960.00	76868
101-210-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	WARE ROAD LANDFILL	296.00	76868
Total For Dept 210 ATTORN				5,254.00	
Dept 215 CLERK					
101-215-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	45.20	76839
Total For Dept 215 CLERK				45.20	
Dept 265 CITY HALL					
101-265-727.000	OFFICE SUPPLIES	SMART BUSINESS SOURCE	BINDER COVERS	36.59	76898
101-265-727.000	OFFICE SUPPLIES	SMART BUSINESS SOURCE	OFFICE SUPPLIES	36.07	76898
101-265-730.000	POSTAGE	PITNEY BOWES INC.	INK PAD REPLACEMENT	19.54	76894
101-265-730.000	POSTAGE	PITNEY BOWES GLOBAL FIN.	POSTAGE METER LEASE	170.73	76893
101-265-730.000	POSTAGE	PITNEY BOWES GLOBAL FIN.	POSTAGE METER	19.54	76893
101-265-802.000	CONTRACTUAL	RIVERSIDE INTEGRATED SYST	CITY HALL MONITORING	540.00	76895
101-265-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	262.22	76854
101-265-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	2,379.35	76889
101-265-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	47.75	76864
Total For Dept 265 CITY H				3,511.79	
Dept 276 CEMETERY					
101-276-740.000	OPERATING SUPPLIES	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	18.38	76864
101-276-802.000	CONTRACTUAL	KERKSTRA PORTABLE, INC.	CEMETERY PORTABLE RESTROO	150.00	76885
101-276-802.000	CONTRACTUAL	KERKSTRA PORTABLE, INC.	CEMETERY PORTABLE RESTROO	150.00	76885
101-276-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	207.25	76889
Total For Dept 276 CEMETE				525.63	
Dept 301 POLICE DEPARTMENT					
101-301-740.000	OPERATING SUPPLIES	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	10.98	76864
101-301-744.000	UNIFORMS	CURTIS CLEANERS	POLICE DRY CLEANING	127.47	76867
101-301-744.000	UNIFORMS	NYE UNIFORM COMPANY CO	POLICE UNIFORM	318.00	76892
101-301-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	431.34	76839
101-301-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	111.25	76854
101-301-957.000	TRAINING	WMCJTC	LEGAL UPDATE COURSE	50.00	76859
Total For Dept 301 POLICE				1,049.04	
Dept 400 PLANNING & ZONING					
101-400-801.000	PROFESSIONAL SERVICES	MICHIGAN SOFTWATER OF W M	ESCROW REFUND	328.00	76890

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GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 101 GENERAL FUND					
Dept 400 PLANNING & ZONING					
101-400-801.000	PROFESSIONAL SERVICES	H&H MANAGEMENT	ESCROW REFUND	432.75	76876
Total For Dept 400 PLANNI				760.75	
Dept 441 DEPARTMENT OF PUBLIC WORKS					
101-441-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	WATER DEPT	28.09	76836
101-441-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	DPW TOOLS	30.76	76863
101-441-740.000	OPERATING SUPPLIES	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	90.84	76864
101-441-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	88.47	76839
101-441-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	47.97	76854
101-441-850.000	COMMUNICATIONS	COMCAST CABLE	DPW CABLE	49.14	76866
101-441-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	672.96	76889
101-441-926.000	STREET LIGHTING	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	1,030.35	76889
101-441-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	17.93	76864
Total For Dept 441 DEPART				2,056.51	
Dept 747 CHAMBER/RIVERWALK					
101-747-920.000	CHAMBER UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	362.91	76889
Total For Dept 747 CHAMBE				362.91	
Dept 751 PARKS					
101-751-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	WATER DEPT	28.09	76836
101-751-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	DPW TOOLS	30.76	76863
101-751-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	38.24	76839
101-751-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	510.15	76889
Total For Dept 751 PARKS				607.24	
Dept 790 LIBRARY					
101-790-802.000	CONTRACTUAL	MODEL COVERALL SERVICE, I	LIBRARY RUGS	260.72	76891
101-790-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	112.96	76854
101-790-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	1,252.82	76889
101-790-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	17.13	76864
Total For Dept 790 LIBRAR				1,643.63	
Dept 804 MUSEUM					
101-804-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	240.69	76889
101-804-955.000	PROPERTY TAX DISTRIBUTION	LOWELL AREA HISTORICAL MU	TAX DISBURSEMENT	165.24	76852
101-804-955.000	PROPERTY TAX DISTRIBUTION	LOWELL AREA HISTORICAL MU	TAX DISBURSEMENT	22.58	76887
Total For Dept 804 MUSEUM				428.51	
Total For Fund 101 GENERA				17,714.82	
Fund 202 MAJOR STREET FUND					
Dept 474 TRAFFIC					
202-474-802.000	CONTRACTUAL	KENT COUNTY ROAD COMMISSI	SIGNAL ELECTRIC	48.40	76880
Total For Dept 474 TRAFFI				48.40	
Dept 478 WINTER MAINTENANCE					
202-478-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	WATER DEPT	28.09	76836
202-478-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	DPW TOOLS	30.76	76863
Total For Dept 478 WINTER				58.85	
Total For Fund 202 MAJOR				107.25	
Fund 203 LOCAL STREET FUND					
Dept 478 WINTER MAINTENANCE					
203-478-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	WATER DEPT	28.09	76836
203-478-740.000	OPERATING SUPPLIES	AMAZON CAPITAL SERVICES	DPW TOOLS	30.76	76863
Total For Dept 478 WINTER				58.85	
Total For Fund 203 LOCAL				58.85	
Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY					
Dept 463 MAINTENANCE					
248-463-740.000	OPERATING SUPPLIES	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	74.97	76864
248-463-880.000	COMMUNITY PROMOTION	KERKSTRA PORTABLE, INC.	DDA PORTABLE RESTROOM	500.00	76885

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Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY					
Dept 463 MAINTENANCE					
248-463-880.000	COMMUNITY PROMOTION	KERKSTRA PORTABLE, INC.	PORTABLE RESTROOM/HAND SA	500.00	76885
248-463-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	566.05	76889
248-463-955.000	MISCELLANEOUS EXPENSE	KING MILLING COMPANY	TAXES ON PARKING LOT	645.21	76851
Total For Dept 463 MAINT				2,286.23	
Total For Fund 248 DOWNTOWN				2,286.23	
Fund 260 DESIGNATED CONTRIBUTIONS					
Dept 751 PARKS					
260-751-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	329.42	76889
260-751-955.000	CAPITAL OUTLAY	ADDORIO TECHNOLOGIES, LLC	SHOWBOAT VI COMPUTER WORK	382.50	76862
Total For Dept 751 PARKS				711.92	
Dept 758 DOG PARK					
260-758-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	57.54	76889
Total For Dept 758 DOG PA				57.54	
Total For Fund 260 DESIGN				769.46	
Fund 581 AIRPORT FUND					
Dept 000					
581-000-920.000	PUBLIC UTILITIES	CONSUMERS ENERGY	ACCOUNT STATEMENTS	317.95	76841
581-000-920.000	PUBLIC UTILITIES	CONSUMERS ENERGY	ACCOUNT STATEMENTS	30.09	76841
581-000-920.000	PUBLIC UTILITIES	CONSUMERS ENERGY	ACCOUNT STATEMENTS	172.06	76841
581-000-920.000	PUBLIC UTILITIES	CONSUMERS ENERGY	ACCOUNT STATEMENTS	588.31	76841
581-000-930.000	REPAIR & MAINTENANCE	BOURGETTE, BOB	AIRPORT MOWERS R & M	560.89	76865
581-000-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	39.98	76864
Total For Dept 000				1,709.28	
Total For Fund 581 AIRPOR				1,709.28	
Fund 590 WASTEWATER FUND					
Dept 000					
590-000-043.000	DUE FROM EARTH TECH	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	102.87	76854
590-000-043.000	DUE FROM EARTH TECH	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	5,206.27	76889
Total For Dept 000				5,309.14	
Dept 550 TREATMENT					
590-550-802.000	CONTRACTUAL	SUEZ WATER ENVIRONMENTAL	WWTP SURCHARGES JAN 2022	1,950.24	76858
590-550-802.000	CONTRACTUAL	SUEZ WATER ENVIRONMENTAL	WWTP SERVICES FEB 2022	40,511.25	76858
590-550-970.000	CAPITAL OUTLAY	LAKESIDE EQUIPMENT CORP	WWTP CAPITAL OUTLAY	25,056.00	76886
Total For Dept 550 TREATM				67,517.49	
Dept 551 COLLECTION					
590-551-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	81.48	76839
590-551-864.000	CONFERENCES & CONVENTIONS	APWA, MICHIGAN CHAPTER -	MPSI 3RD YR - BRECKEN	362.50	76838
590-551-930.000	REPAIR & MAINTENANCE	FLAT RIVER ELECTRIC LLC	WALL PACK AT WATER SHED	968.09	76844
590-551-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	WATER DEPT	28.10	76836
590-551-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	DPW TOOLS	30.75	76863
590-551-930.000	REPAIR & MAINTENANCE	EARTHWORM DOZING & EXCAVA	ELIZABETH ST SEWER MAIN R	4,000.00	76870
590-551-930.000	REPAIR & MAINTENANCE	FERGUSON WATERWORKS	METER READER REPAIRS	675.00	76871
Total For Dept 551 COLLEC				6,145.92	
Dept 552 CUSTOMER ACCOUNTS					
590-552-703.000	SALARIES-METER READS	BARTLETT, SANDY	MILEAGE & METER READS FEB	353.37	76840
590-552-727.000	OFFICE SUPPLIES	HOOVER PRINTING, LLC	ENVELOPES & W/S BILL PAPE	426.39	76847
590-552-730.000	POSTAGE	POSTMASTER	WATER BILL POSTAGE	239.70	76860
590-552-740.000	OPERATING SUPPLIES	SMART BUSINESS SOURCE	BINDER COVERS	36.58	76898
590-552-860.000	TRAVEL EXPENSES	BARTLETT, SANDY	MILEAGE & METER READS FEB	29.55	76840
Total For Dept 552 CUSTOM				1,085.59	
Dept 553 ADMINISTRATION					
590-553-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	W/S AUTHORITY WITH LOWEL	869.50	76868
Total For Dept 553 ADMINI				869.50	

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EXP CHECK RUN DATES 02/19/2022 - 03/03/2022

DB: Lowell

BOTH JOURNALIZED AND UNJOURNALIZED

BOTH OPEN AND PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 590 WASTEWATER FUND					
		Total For Fund 590 WASTE		80,927.64	
Fund 591 WATER FUND					
Dept 570 TREATMENT					
591-570-740.000	OPERATING SUPPLIES	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	27.45	76864
591-570-802.000	CONTRACTUAL	ADT SECURITY SYSTEMS, INC	WTP SECURITY	133.53	76835
591-570-802.000	CONTRACTUAL	SAWYER ENGINE & COMPRESSO	WTP AIR COMPRESSOR R & M	355.24	76896
591-570-850.000	COMMUNICATIONS	LOWELL LIGHT & POWER	DICKINSON WRIGHT & PHONE	101.13	76854
591-570-864.000	CONFERENCES & CONVENTIONS	STATE OF MICHIGAN	WATER TRMT F-4 CERT - ENB	70.00	76857
591-570-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	5,145.72	76889
591-570-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	WTP - WATER HEATER FLUSHI	133.96	76836
591-570-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	WTP SUPPLIES	608.16	76836
		Total For Dept 570 TREATM		6,575.19	
Dept 571 DISTRIBUTION					
591-571-801.000	CROSS CONNECTIONS	HYDROCORP	CROSS CONNECTION FEB 2022	1,806.25	76878
591-571-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	81.47	76839
591-571-850.000	COMMUNICATIONS	AT&T MOBILITY	FIRSTNET PHONE BILL FEB 2	38.24	76839
591-571-864.000	CONFERENCES & CONVENTIONS	APWA, MICHIGAN CHAPTER -	MPSI 3RD YR - BRECKEN	362.50	76838
591-571-920.000	PUBLIC UTILITIES	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS	1,214.43	76889
591-571-930.000	REPAIR & MAINTENANCE	EJ USA, INC.	WATER DEPT R & M SUPPLIES	2,037.91	76843
591-571-930.000	REPAIR & MAINTENANCE	FLAT RIVER ELECTRIC LLC	SHEPARD DR - PHOTO EYE	285.00	76844
591-571-930.000	REPAIR & MAINTENANCE	FLAT RIVER ELECTRIC LLC	WALL PACK AT WATER SHED	968.09	76844
591-571-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	WATER DEPT	28.09	76836
591-571-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	WATER DISTRIBUTION	142.27	76836
591-571-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	DPW TOOLS	30.76	76863
591-571-930.000	REPAIR & MAINTENANCE	FERGUSON WATERWORKS	METER READER REPAIRS	675.00	76871
591-571-930.000	REPAIR & MAINTENANCE	GIVE EM A BRAKE SAFETY	BARRICADES RENTAL WATER M	1,197.24	76873
591-571-930.000	REPAIR & MAINTENANCE	SELF SERVE LUMBER	ACCOUNT STATEMENT FEB 202	255.30	76897
591-571-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	131.28	76864
		Total For Dept 571 DISTRI		9,253.83	
Dept 572 CUSTOMER ACCOUNTS					
591-572-703.000	SALARIES-METER READS	BARTLETT, SANDY	MILEAGE & METER READS FEB	353.38	76840
591-572-727.000	OFFICE SUPPLIES	HOOPER PRINTING, LLC	ENVELOPES & W/S BILL PAPE	426.40	76847
591-572-730.000	POSTAGE	POSTMASTER	WATER BILL POSTAGE	239.70	76860
591-572-740.000	OPERATING SUPPLIES	SMART BUSINESS SOURCE	BINDER COVERS	36.58	76898
591-572-860.000	TRAVEL EXPENSES	BARTLETT, SANDY	MILEAGE & METER READS FEB	29.54	76840
		Total For Dept 572 CUSTOM		1,085.60	
Dept 573 ADMINISTRATION					
591-573-801.000	PROFESSIONAL SERVICES	DICKINSON WRIGHT PLLC	W/S AUTHORITY WITH LOWEL	869.50	76868
		Total For Dept 573 ADMINI		869.50	
		Total For Fund 591 WATER		17,784.12	
Fund 636 DATA PROCESSING FUND					
Dept 000					
636-000-801.000	PROFESSIONAL SERVICES	APPLIED IMAGING	CITY HALL COPY MACHINE	410.87	76837
636-000-801.000	PROFESSIONAL SERVICES	DIGITAL OFFICE MACHINES,	DPW COPY MACHINE	35.04	76842
636-000-801.000	PROFESSIONAL SERVICES	ADDORIO TECHNOLOGIES, LLC	COMPUTER SUPPORT	1,117.22	76862
636-000-802.000	CONTRACTUAL	ADDORIO TECHNOLOGIES, LLC	TREND MICRO ANTIVIRUS	1,242.00	76834
636-000-802.000	CONTRACTUAL	DIGITAL OFFICE MACHINES,	POLICE COPY MACHINE	45.12	76869
		Total For Dept 000		2,850.25	
		Total For Fund 636 DATA P		2,850.25	
Fund 661 EQUIPMENT FUND					
Dept 895 FLEET MAINT. & REPLACEMENT					
661-895-930.000	REPAIR & MAINTENANCE	HAROLD ZEIGLER FORD, INC.	LPD 2017 EXPLORER #839	53.86	76846
661-895-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	EQUIP FUND SUPPLIES	121.26	76836
661-895-930.000	REPAIR & MAINTENANCE	AMAZON CAPITAL SERVICES	DPW TOOLS - HAMMER	13.19	76863
661-895-930.000	REPAIR & MAINTENANCE	GTW	CYLINDER RENTAL	44.65	76875

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EXP CHECK RUN DATES 02/19/2022 - 03/03/2022

DB: Lowell

BOTH JOURNALIZED AND UNJOURNALIZED

BOTH OPEN AND PAID

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
Fund 661 EQUIPMENT FUND					
Dept 895 FLEET MAINT. & REPLACEMENT					
661-895-930.000	REPAIR & MAINTENANCE	HAROLD ZEIGLER FORD, INC.	LPD 2015 EXPLORER #838	409.85	76877
661-895-930.000	REPAIR & MAINTENANCE	BERNARDS ACE HARDWARE	ACCOUNT STATEMENT	90.79	76864
Total For Dept 895 FLEET				733.60	
Total For Fund 661 EQUIPM				733.60	
Fund 703 CURRENT TAX COLLECTION FUND					
Dept 000					
703-000-222.000	DUE TO COUNTY-CURRENT TAX	KENT COUNTY TREASURER	TAX DISBURSEMENT	49,280.33	76848
703-000-222.000	DUE TO COUNTY-CURRENT TAX	KENT COUNTY TREASURER	TAX DISBURSEMENT	4,802.79	76881
703-000-223.000	DUE TO LIBRARY	KENT DISTRICT LIBRARY	TAX DISBURSEMENT	2,777.51	76883
703-000-223.000	DUE TO LIBRARY	KENT DISTRICT LIBRARY	TAX DISBURSEMENT	20,442.16	76883
703-000-225.000	DUE TO SCHOOLS	LOWELL AREA SCHOOLS	TAX DISBURSEMENT	256,492.23	76853
703-000-225.000	DUE TO SCHOOLS	LOWELL AREA SCHOOLS	TAX DISBURSEMENT	20,591.01	76888
703-000-228.009	DUE TO STATE-S.E.T.	KENT COUNTY TREASURER	TAX DISBURSEMENT	1,507.92	76848
703-000-228.009	DUE TO STATE-S.E.T.	KENT COUNTY TREASURER	TAX DISBURSEMENT	594.40	76881
703-000-234.000	DUE TO INTERMED SCH DISTR	KENT INTERMEDIATE SCHOOL	TAX DISBURSEMENT	1,386.19	76850
703-000-234.000	DUE TO INTERMED SCH DISTR	KENT INTERMEDIATE SCHOOL	TAX DISBURSEMENT	546.41	76884
703-000-235.000	DUE TO COMMUNITY COLLEGE	GRAND RAPIDS COMMUNITY CO	TAX DISBURSEMENT	819.85	76845
703-000-235.000	DUE TO COMMUNITY COLLEGE	GRAND RAPIDS COMMUNITY CO	TAX DISBURSEMENT	171.44	76874
703-000-274.001	UNDISTRIBUTED PA 198 TAXE	LOWELL AREA SCHOOLS	WINTER 2021 IFT	12,773.54	76888
Total For Dept 000				372,185.78	
Total For Fund 703 CURREN				372,185.78	

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User: LORI

DB: Lowell

INVOICE GL DISTRIBUTION REPORT FOR CITY OF LOWELL

EXP CHECK RUN DATES 02/19/2022 - 03/03/2022

BOTH JOURNALIZED AND UNJOURNALIZED

BOTH OPEN AND PAID

Page: 6/6

GL Number	Invoice Line Desc	Vendor	Invoice Description	Amount	Check #
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Fund Totals:

Fund 101	GENERAL FUND	17,714.82
Fund 202	MAJOR STREET FUN	107.25
Fund 203	LOCAL STREET FUN	58.85
Fund 248	DOWNTOWN DEVELOP	2,286.23
Fund 260	DESIGNATED CONTR	769.46
Fund 581	AIRPORT FUND	1,709.28
Fund 590	WASTEWATER FUND	80,927.64
Fund 591	WATER FUND	17,784.12
Fund 636	DATA PROCESSING	2,850.25
Fund 661	EQUIPMENT FUND	733.60
Fund 703	CURRENT TAX COLL	372,185.78

497,127.28

February 20, 2022

Lowell City Council
301 East Main Street
Lowell, MI 49331

Dear Mayor and Council Members,

I would like to express thanks to the City and the DPW crew that worked in frigid weather a several weeks ago to repair the water main break at Bowes Road and Center Streets. I am sure when they got my call at 10:30AM on Sunday, January 30 they were not excited to hear they had a second break to deal with. They were quick to take safety measures and work on fixing both the "East side break" and the one on Bowes Road. Thank you to a great crew.

The main reason for this letter is to make you aware of possible violation of the agreement that formed the Lowell Area Recreation Authority. Let me state first that I support the trail system and think it is a great addition to our community as long as it is constructed with the ongoing maintenance funded before anything is built. I was serving as a Council Member when the LARA board was formed. One very sticky issue was that **no tax dollars** would be used to fund the trail system and that it would be a grant and private funded entity with the exception of the \$2000 from each member community for administration costs. I do not remember seeing any changes to the agreement in the local paper (at least to the extent that the same paper covered the "No Tax Dollars" portion when the Board was formed. The local paper shows in the February 16 edition, that funding for the next phase has \$135,000.000, or about 1 mil, allocated from the City. The City has already committed to the State of Michigan that it will be ultimately responsible for maintaining the trail system in the City, to State Standards, from now to eternity, by accepting State Highway funds. Our neighbors to the west (Cascade and Ada Townships) passed millage requests for the funding of the trails. This past year they have had to rebuild several sections and a couple of bridges and they are not under the State Standards mandate. As I have stated previously, the use of tax dollars is a violation of the agreement forming the LARA organization when LARA was formed. The concern then was that funds that should be allocated for the things the City needs would be diverted to the building and maintenance of the trails. We continue to reduce the Police Department staff and yet we can commit money that will potentially burden the residents down the road.

As an example of building something that does not have maintenance costs calculated in, look at Creekside Kingdom. I volunteered in the 1980s to help build the structure which was organized by the local Jaycees chapter (now disbanded). Initially it was recommended that the structure be inspected, sanded and resealed annually. If you visit the park and look at the structure you will notice that it has not been sanded or sealed in several years. I understand the Parks Department does not have the funds in the budget to pay to have this done. What happens is that it gets neglected and will get to the point it is unsafe and need to be torn down, which would be a loss to the community.

The \$135,000 should be allocated to assets we have that are in need of maintenance and/or repair before taking on any new assets to maintain.

Please look into the original formation documents of LARA and the funding restrictions that were put in place at the time of formation. I often stated while serving on Council that the purpose of Government is to provide infrastructure (streets, and utilities) and public safety (Police and Fire protection). We need to stop adding expenses to the annual budget and maintain the services and assets that we have.

Sincerely,

James Pfaller
810 Bowes Road
Lowell, MI 49331



LOWELL CITY ADMINISTRATION
INTER OFFICE MEMORANDUM

DATE: March 4, 2022
TO: Mayor Mike DeVore and Lowell City Council
FROM: Michael T. Burns, City Manager *MTB*
RE: MERS Actuarial and UAL Extension

Michael Overley, our MERS Regional Manager will be providing an update to the previous fiscal year's pension actuarial for the City of Lowell. I have attached the full report. However, he will provide a more simplified report at the meeting.

In addition to the actuarial report, he will present the actuarial reports for the proposed extension to our unfunded pension liability. He will also present a more simplified report at the meeting.

Additionally, I have attached projections over an 18- and 23-year time period for some different scenarios in funding this liability between all of our funds within the city.

Furthermore, I attached an agreement to extend the amortization period from 18 to 23 years. While, this would technically lower our payments over time, I am looking at continuing to make the same payments we do now and modify this if the scenario changes. My concern is being able to fund the liability and ensuring adequate cash flow to maintain city services. In the event we have fluctuation to the rate of return, stock market declines and reduction in general fund revenues, making the payments we are currently will help us in the long run if we have to make changes to managing this situation.

The agreement if approved would still require approval from the Michigan Municipal Employee Pension System board. However, we have met all of the requirements for consideration of this request and we have been making additional payments on the liability as we have moved forward.

I recommend the Lowell City Council approve the Amortization Extension agreement with MERS as presented.



Municipal Employees' Retirement System of Michigan

Annual Actuarial Valuation Report
December 31, 2020 - Lowell, City of (4104)





Spring, 2021

Lowell, 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 Lowell, City of (4104) as of December 31, 2020. 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. Lowell, 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, 2020,
- Establish contribution requirements for the fiscal year beginning July 1, 2022,
- 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, 2020. 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, MERS Retirement Board sets certain assumptions for funding and GASB purposes. These assumptions are checked regularly through a comprehensive study, called an Experience Study. Studies were completed in 2018 and 2020, and are the basis of the economic and demographic assumptions and methods currently in place. Updated economic assumptions were adopted by the MERS Retirement Board at the February 28, 2019 board meeting and were effective with the December 31, 2019 annual actuarial valuation. **At the February 27, 2020 board meeting, the MERS Retirement Board adopted demographic assumptions effective with the December 31, 2020 annual actuarial valuation, which will impact contributions beginning in 2022.**

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:

<http://www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2020AnnualActuarialValuation-Appendix.pdf>

The actuarial assumptions used for this valuation, including the assumed rate of investment return, are reasonable for purposes of the measurement.

This report reflects the impact of COVID-19 experience through December 31, 2020. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short-term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

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 Lowell, 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.

David T. Kausch, Rebecca L. Stouffer, and Mark Buis 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.

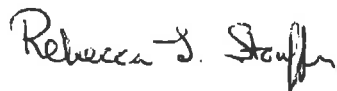
This report was prepared at the request of the MERS Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). GRS is not responsible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



David T. Kausch, FSA, FCA, EA, MAAA



Rebecca L. Stouffer, ASA, FCA, MAAA



Mark Buis, FSA, FCA, EA, 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 funding 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.

	12/31/2020	12/31/2019
Funded Ratio*	62%	60%

* 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 for the December 31, 2020 valuation, the MERS Retirement Board has adopted updated demographic assumptions. Changes to these assumptions are effective for contributions beginning in 2022. Effective with the 2019 valuation, the MERS Retirement Board adopted updated economic assumptions. The combined impact of these assumption changes may be phased in. This valuation reflects the second year of phase-in for the economic assumption update and the first year of phase-in for the demographic assumption update. The remaining combined phase-in period is four years for all assumption changes.

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:	12/31/2020	12/31/2020	12/31/2019	12/31/2019	12/31/2020	12/31/2020	12/31/2019	12/31/2019
Fiscal Year Beginning:	July 1, 2022	July 1, 2022	July 1, 2021	July 1, 2021	July 1, 2022	July 1, 2022	July 1, 2021	July 1, 2021
Division								
01 - Light and Power	-	-	-	-	\$ 17,775	\$ 19,797	\$ 17,226	\$ 18,288
10 - General	-	-	29.20%	30.95%	28,097	30,815	33,028	35,005
HA - All Full-time after 9/1/12	-	-	7.14%	7.06%	2,330	2,414	4,458	4,410
Total Municipality -								
Estimated Monthly Contribution					\$ 48,202	\$ 53,026	\$ 54,712	\$ 57,703
Total Municipality -								
Estimated Annual Contribution					\$ 578,424	\$ 636,312	\$ 656,544	\$ 692,436

Employee contribution rates:

Valuation Date:	Employee Contribution Rate	
	12/31/2020	12/31/2019
Division		
01 - Light and Power	6.00%	6.00%
10 - General	5.00%	7.00%
HA - All Full-time after 9/1/12	0.00%	0.00%

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

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



Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the fiscal year beginning in 2022 for the entire employer would be \$77,531, instead of \$53,026.

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 **7.35%** 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 Change in 2020

A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020 actuarial valuation, first impacting 2022 contributions. A complete description of the assumptions may be found in the Appendix to the 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. 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 2020 was 8.17%, while the actual market rate of return was 12.70%.** 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, 2020, the actuarial value of assets is 97% of market value due to asset smoothing. This means that the rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns exceed the 7.35% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

If the December 31, 2020 valuation results were based on market value instead of actuarial value:

- The funded percent of your entire municipality would be 64% (instead of 62%); and
- Your total employer contribution requirement for the fiscal year starting July 1, 2022 would be \$609,540 (instead of \$636,312).

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 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 future 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, 2020 valuation, and are for the municipality in total, not by division. These results do not reflect a phase-in of the impact of the new actuarial assumptions.

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.



12/31/2020 Valuation Results	Lower Future Annual Returns	Lower Future Annual Returns	Valuation Assumptions
Investment Return Assumption	5.35%	6.35%	7.35%
Accrued Liability	\$ 21,414,176	\$ 19,053,542	\$ 17,091,759
Valuation Assets ¹	\$ 10,618,022	\$ 10,618,022	\$ 10,618,022
Unfunded Accrued Liability	\$ 10,796,154	\$ 8,435,520	\$ 6,473,737
Funded Ratio	50%	56%	62%
Monthly Normal Cost	\$ 17,661	\$ 12,777	\$ 9,081
Monthly Amortization Payment	\$ 63,834	\$ 53,687	\$ 43,945
Total Employer Contribution²	\$ 81,495	\$ 66,464	\$ 53,026

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

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

Projection Scenarios

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

The 7.35% scenario provides an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.35% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 6.35% and 5.35% projection scenarios provide an indication of the potential required employer contribution if these assumptions were met over the long-term.

Your municipality includes one or more Surplus divisions. The assets in a Surplus division may be used to reduce future employer contributions or to accelerate the date by which the municipality becomes 100% funded. The timing and use of these Surplus assets is discretionary.

The Funded Percentage graph shows projections of funded status under the 7.35% investment return assumption, both including the Surplus assets (contributed as of the valuation date), and without the Surplus assets. The graph including the Surplus assets assumes these Surplus assets grow with interest and are not used to lower future employer contributions. We modeled the projections including the Surplus assets in this fashion because the use of these assets is discretionary by the employer and we do not know when and how the employer will use them. Once the employer uses these Surplus assets, any future employer contributions are expected to be lower than those shown in the projections.

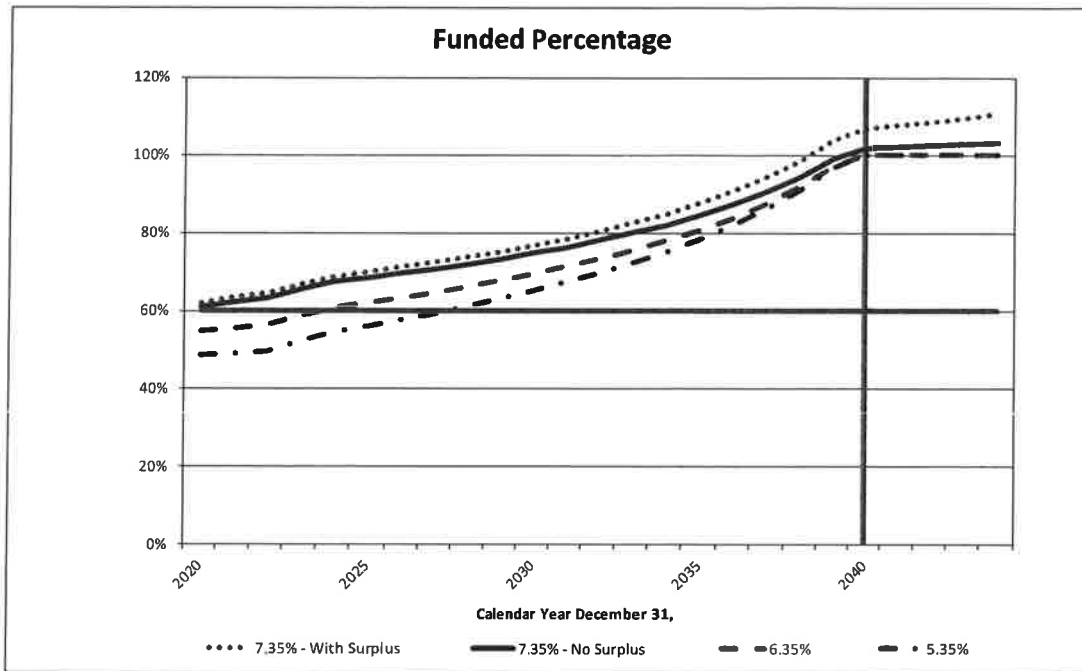


Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets ²	Funded Percentage	Estimated Annual Employer Contribution
7.35%¹ - NO PHASE-IN					
2020	2022	\$ 17,091,759	\$ 10,424,956	61%	\$ 636,312
2021	2023	\$ 17,400,000	\$ 10,800,000	62%	\$ 646,000
2022	2024	\$ 17,700,000	\$ 11,200,000	63%	\$ 656,000
2023	2025	\$ 18,000,000	\$ 11,800,000	66%	\$ 648,000
2024	2026	\$ 18,300,000	\$ 12,300,000	67%	\$ 645,000
2025	2027	\$ 18,500,000	\$ 12,700,000	69%	\$ 657,000
6.35%¹ - NO PHASE-IN					
2020	2022	\$ 19,053,542	\$ 10,424,956	55%	\$ 797,568
2021	2023	\$ 19,400,000	\$ 10,700,000	55%	\$ 804,000
2022	2024	\$ 19,700,000	\$ 11,100,000	56%	\$ 816,000
2023	2025	\$ 20,000,000	\$ 11,700,000	59%	\$ 810,000
2024	2026	\$ 20,300,000	\$ 12,300,000	61%	\$ 811,000
2025	2027	\$ 20,500,000	\$ 12,700,000	62%	\$ 825,000
5.35%¹ - NO PHASE-IN					
2020	2022	\$ 21,414,176	\$ 10,424,956	49%	\$ 977,940
2021	2023	\$ 21,700,000	\$ 10,600,000	49%	\$ 990,000
2022	2024	\$ 22,100,000	\$ 11,000,000	50%	\$ 1,010,000
2023	2025	\$ 22,400,000	\$ 11,700,000	52%	\$ 1,000,000
2024	2026	\$ 22,600,000	\$ 12,300,000	54%	\$ 1,000,000
2025	2027	\$ 22,800,000	\$ 12,800,000	56%	\$ 1,020,000

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

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



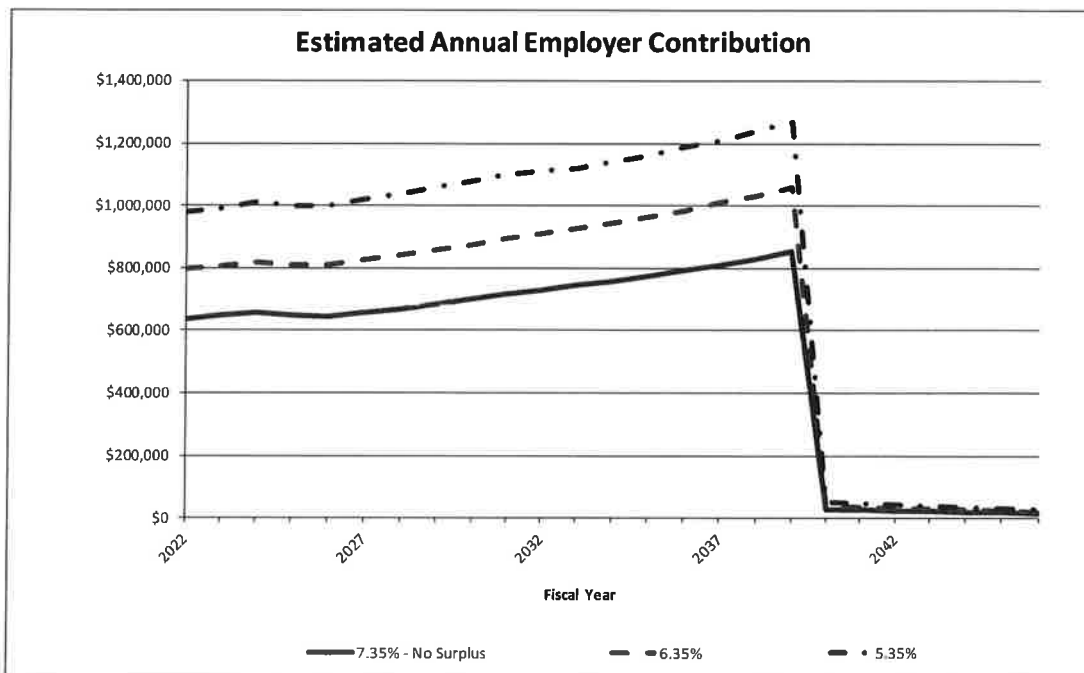


Notes:

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

Assumes assets from Surplus divisions will not be used to lower employer contributions during the projection period.

The green indicator lines have been added at 60% funded and 20 years following the valuation date for PA 202 purposes.



Notes:

All projected contributions are shown with no phase-in.

Projected employer contributions do not reflect the use of any assets from the Surplus divisions.

Table 1: Employer Contribution Details for the Fiscal Year Beginning July 1, 2022

Division	Total Normal Cost	Employee Contribut. Rate	Employer Contributions ¹			Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In ⁵	Blended ER Rate With Phase-In ⁵	Employee Contribut. Conversion Factor ²
			Employer Normal Cost ⁶	Payment of the Unfunded Accrued Liability ⁴	Computed Employer Contribut. No Phase-In				
Percentage of Payroll									
01 - Light and Power	12.80%	6.00%	-	-	-	-			
10 - General	10.09%	5.00%	-	-	-	-			
HA - All Full-time after 9/1/12	7.12%	0.00%	-	-	-	-			
Estimated Monthly Contribution³									
01 - Light and Power			\$ 1,849	\$ 17,948	\$ 19,797	\$ 17,775			
10 - General			4,197	26,618	30,815	28,097			
HA - All Full-time after 9/1/12			3,035	(621)	2,414	2,330			
Total Municipality			\$ 9,081	\$ 43,945	\$ 53,026	\$ 48,202			
Estimated Annual Contribution³			\$ 108,972	\$ 527,340	\$ 636,312	\$ 578,424			

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

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

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

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

⁵ 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).

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

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



Table 2: Benefit Provisions

01 - Light and Power: Closed to new hires

	2020 Valuation	2019 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	6.00%	6.00%
DC Plan for New Hires:	3/1/2020	
Act 88:	No	No

10 - General: Closed to new hires

	2020 Valuation	2019 Valuation
Benefit Multiplier:	Bridged Benefit: 2.50% Multiplier (80% max)-Termination FAC; 2.00% Multiplier (no max)	2.50% Multiplier (80% max)
Bridged Benefit Date:	12/31/2020	
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25	50/25
	55/15	55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	5.00%	7.00%
DC Plan for New Hires:	7/1/2020	
Act 88:	No	No

HA - All Full-time after 9/1/12: Closed to new hires

	2020 Valuation	2019 Valuation
Benefit Multiplier:	1.50% Multiplier (no max)	1.50% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	6 years	6 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	0.00%	0.00%
DC Plan for New Hires:	3/1/2020	
Act 88:	No	No



Table 3: Participant Summary

Division	2020 Valuation		2019 Valuation		2020 Valuation		
	Number	Annual Payroll ¹	Number	Annual Payroll ¹	Average Age	Average Benefit Service ²	Average Eligibility Service ²
01 - Light and Power							
Active Employees	4	\$ 345,012	6	\$ 478,698	54.8	16.1	16.1
Vested Former Employees	6	135,073	5	100,041	47.6	11.9	11.9
Retirees and Beneficiaries	15	396,003	15	388,911	71.2		
Pending Refunds	2		2				
10 - General							
Active Employees	15	\$ 1,114,683	19	\$ 1,260,531	48.5	15.2	17.2
Vested Former Employees	4	111,684	3	62,677	49.9	15.9	19.7
Retirees and Beneficiaries	25	610,806	23	568,529	66.1		
Pending Refunds	6		6				
HA - All Full-time after 9/1/12							
Active Employees	6	\$ 548,922	8	\$ 640,772	38.6	4.2	4.2
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	0	0	0	0	0.0		
Pending Refunds	0		0				
Total Municipality							
Active Employees	25	\$ 2,008,617	33	\$ 2,380,001	47.1	12.7	13.9
Vested Former Employees	10	246,757	8	162,718	48.5	13.5	15.0
Retirees and Beneficiaries	40	1,006,809	38	957,440	68.0		
Pending Refunds	<u>8</u>		<u>8</u>				
Total Participants	83		87				

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

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

Table 4: Reported Assets (Market Value)

Division	2020 Valuation		2019 Valuation	
	Employer and Retiree ¹	Employee ²	Employer and Retiree ¹	Employee ²
01 - Light and Power	\$ 2,740,207	\$ 559,092	\$ 2,519,303	\$ 586,738
10 - General	6,072,193	1,048,067	5,378,009	1,100,896
HA - All Full-time after 9/1/12	301,767	0	222,897	0
S1 - Surplus Assoc. to div 10	198,555	0	41,295	0
Municipality Total³	\$ 9,312,722	\$ 1,607,159	\$ 8,161,503	\$ 1,687,634
Combined Assets³	\$10,919,881		\$9,849,137	

¹ Reserve for Employer Contributions and Benefit Payments.

² Reserve for Employee Contributions.

³ Totals may not add due to rounding.

The December 31, 2020 valuation assets (actuarial value of assets) are equal to 0.972357 times the reported market value of assets (compared to 1.013179 as of December 31, 2019). Refer to the Appendix for a description of the valuation asset derivation and a detailed calculation of valuation assets.

Assets in the Surplus division(s) are employer assets that have been reserved separately and may be used within the plan at the employer's discretion at some point in the future. These assets are not used in calculating the employer contribution for the fiscal year beginning July 1, 2022.

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						
2010	\$ 294,408		\$ 103,745	\$ 453,471	\$ (508,380)	\$ 0	\$ 0	\$ 8,500,217
2011	283,662	\$ 31,967	104,863	426,787	(644,736)	(1,854)	0	8,700,906
2012	275,110	42,325	100,889	375,514	(714,006)	0	0	8,780,738
2013	278,386	57,554	99,139	511,343	(681,339)	(7,159)	0	9,038,662
2014	338,409	22,496	95,994	512,655	(697,215)	(6,473)	0	9,304,528
2015	367,602	22,844	99,696	452,253	(789,326)	(10,527)	0	9,447,070
2016	317,948	21,134	86,729	454,040	(906,870)	0	0	9,420,051
2017	384,734	93,977	88,435	551,102	(898,605)	0	0	9,639,694
2018	460,103	22,822	105,011	355,671	(916,716)	0	134,349	9,800,934
2019	497,910	34,597	118,205	457,923	(920,274)	(10,357)	0	9,978,938
2020	529,660	159,092	121,227	790,563	(961,458)	0	0	10,618,022

Notes:

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

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

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

The Valuation 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, 2020**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - Light and Power	\$ 1,383,390	\$ 696,095	\$ 3,790,918	\$ 12,711	\$ 5,883,114	\$ 3,208,096	54.5%	\$ 2,675,018
10 - General	3,887,911	650,232	6,373,713	58,854	10,970,710	6,923,435	63.1%	4,047,275
HA - All Full-time after 9/1/12	237,935	0	0	0	237,935	293,425	123.3%	(55,490)
S1 - Surplus Assoc. to div 10	0	0	0	0	0	193,066		(193,066)
Total	\$ 5,509,236	\$ 1,346,327	\$ 10,164,631	\$ 71,565	\$ 17,091,759	\$ 10,618,022	62.1%	\$ 6,473,737

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

The December 31, 2020 valuation assets (actuarial value of assets) are equal to 0.972357 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
2006	\$ 9,308,404	\$ 6,949,856	75%	\$ 2,358,548
2007	9,801,845	7,565,361	77%	2,236,484
2008	10,252,239	7,909,077	77%	2,343,162
2009	10,838,164	8,156,973	75%	2,681,191
2010	11,075,266	8,500,217	77%	2,575,049
2011	11,715,642	8,700,906	74%	3,014,736
2012	12,115,462	8,780,738	73%	3,334,724
2013	12,168,201	9,038,662	74%	3,129,539
2014	12,769,929	9,304,528	73%	3,465,401
2015	14,261,455	9,447,070	66%	4,814,385
2016	14,589,063	9,420,051	65%	5,169,012
2017	15,043,574	9,639,694	64%	5,403,880
2018	15,648,483	9,800,934	63%	5,847,549
2019	16,713,650	9,978,938	60%	6,734,712
2020	17,091,759	10,618,022	62%	6,473,737

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012, 2015, 2019 and 2020 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 - Light and Power

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 3,653,601	\$ 2,885,117	79%	\$ 768,484
2011	3,953,868	2,986,699	76%	967,169
2012	4,220,751	3,055,266	72%	1,165,485
2013	4,353,392	3,180,370	73%	1,173,022
2014	4,486,384	3,288,236	73%	1,198,148
2015	4,845,914	3,355,758	69%	1,490,156
2016	5,089,606	3,290,510	65%	1,799,096
2017	5,205,881	3,312,731	64%	1,893,150
2018	5,260,248	3,210,080	61%	2,050,168
2019	5,591,766	3,146,975	56%	2,444,791
2020	5,883,114	3,208,096	55%	2,675,018

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

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2010	14	\$ 771,283	11.53%	6.00%
2011	13	771,631	13.17%	6.00%
2012	11	718,021	16.27%	6.00%
2013	11	738,242	16.00%	6.00%
2014	9	656,005	17.58%	6.00%
2015	9	702,054	20.24%	6.00%
2016	7	505,875	29.13%	6.00%
2017	6	457,217	33.08%	6.00%
2018	6	447,789	\$ 14,859	6.00%
2019	6	478,698	\$ 18,288	6.00%
2020	4	345,012	\$ 19,797	6.00%

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 for the 12/31/2015 through 12/31/2020 valuations do not reflect the phase-in of the change in contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above.

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 - General

Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 7,340,604	\$ 5,605,930	76%	\$ 1,734,674
2011	7,682,050	5,706,425	74%	1,975,625
2012	7,822,942	5,716,512	73%	2,106,430
2013	7,736,533	5,843,153	76%	1,893,380
2014	8,196,324	5,994,313	73%	2,202,011
2015	9,300,988	6,052,015	65%	3,248,973
2016	9,350,495	6,060,330	65%	3,290,165
2017	9,633,149	6,208,335	64%	3,424,814
2018	10,253,367	6,413,392	63%	3,839,975
2019	10,896,832	6,564,290	60%	4,332,542
2020	10,970,710	6,923,435	63%	4,047,275

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

Table 9-10: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2010	23	\$ 1,165,785	14.46%	4.86%
2011	23	1,153,103	16.07%	4.86%
2012	22	1,141,674	17.82%	4.87%
2013	20	1,064,820	17.35%	4.87%
2014	21	1,081,070	18.97%	4.87%
2015	20	1,129,214	25.29%	5.00%
2016	20	1,158,554	25.04%	5.00%
2017	20	1,205,342	25.96%	5.00%
2018	19	1,253,007	26.67%	7.00%
2019	19	1,260,531	30.95%	7.00%
2020	15	1,114,683	\$ 30,815	5.00%

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

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

Note: The contributions shown in Table 9 for the 12/31/2015 through 12/31/2020 valuations do not reflect the phase-in of the change in contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above.

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 HA - All Full-time after 9/1/12

Table 8-HA: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 0	\$ 0	0%	\$ 0
2011	0	0	0%	0
2012	(754)	1,778	0%	(2,532)
2013	6,820	7,417	109%	(597)
2014	17,166	15,643	91%	1,523
2015	42,211	37,059	88%	5,152
2016	78,119	71,155	91%	6,964
2017	135,246	113,276	84%	21,970
2018	134,868	163,741	121%	(28,873)
2019	225,052	225,834	100%	(782)
2020	237,935	293,425	123%	(55,490)

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

Table 9-HA: Computed Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Computed Employer Contribution ¹	Employee Contribution Rate ²
	Number	Annual Payroll		
2010	0	\$ 0	\$ 0	0.00%
2011	0	0	\$ 0	0.00%
2012	1	93,250	9.01%	0.00%
2013	1	72,972	9.25%	0.00%
2014	3	155,912	7.65%	0.00%
2015	4	217,389	7.81%	0.00%
2016	6	386,124	8.03%	0.00%
2017	8	502,379	8.05%	0.00%
2018	8	576,280	6.62%	0.00%
2019	8	640,772	7.06%	0.00%
2020	6	548,922	\$ 2,414	0.00%

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 for the 12/31/2015 through 12/31/2020 valuations do not reflect the phase-in of the change in contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above.

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

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

Division S1 - Surplus Assoc. to div 10

Table 8-S1: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2010	\$ 0	\$ 0		\$ 0
2011	0	0		0
2012	0	0		0
2013	0	0		0
2014	0	0		0
2015	0	0		0
2016	0	0		0
2017	0	0		0
2018	0	13,721		(13,721)
2019	0	41,839		(41,839)
2020	0	193,066		(193,066)

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

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

Table 10: Division-Based Layered Amortization Schedule

Division 01 - Light and Power

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2022		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Initial	12/31/2015	\$ 1,490,156	23	\$ 1,573,361	18	\$ 125,784
(Gain)/Loss	12/31/2016	278,307	22	313,439	18	25,056
(Gain)/Loss	12/31/2017	38,840	21	43,457	18	3,480
(Gain)/Loss	12/31/2018	86,497	20	96,333	18	7,704
Merger	12/31/2018			46,613	18	3,732
(Gain)/Loss	12/31/2019	209,403	19	231,411	18	18,504
Assumption	12/31/2019	164,168	19	167,961	18	13,428
Experience	12/31/2020	198,987	18	221,324	18	17,688
Total				\$ 2,693,899		\$ 215,376

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

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

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

The unfunded accrued liability (UAL) as of December 31, 2020 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2020 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 - General

Table 10-10: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2022		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Initial	12/31/2015	\$ 3,248,973	23	\$ 3,474,288	18	\$ 277,752
(Gain)/Loss	12/31/2016	(74,070)	22	(83,411)	18	(6,672)
(Gain)/Loss	12/31/2017	71,574	21	80,074	18	6,396
(Gain)/Loss	12/31/2018	393,291	20	437,993	18	35,016
Amendment	12/31/2018	(9,049)	20	(10,082)	18	(804)
(Gain)/Loss	12/31/2019	128,191	19	141,670	18	11,328
Assumption	12/31/2019	313,196	19	322,434	18	25,776
Experience	12/31/2020	(330,418)	18	(367,508)	18	(29,376)
Total				\$ 3,995,458		\$ 319,416

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

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

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

The unfunded accrued liability (UAL) as of December 31, 2020 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2020 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 HA - All Full-time after 9/1/12

Table 10-HA: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance ¹	Original Amortization Period ²	Amounts for Fiscal Year Beginning 7/1/2022		
				Outstanding UAL Balance ³	Remaining Amortization Period ²	Annual Amortization Payment
Experience	12/31/2020	(54,110)	10	(60,184)	10	(7,452)
Total				\$ (60,184)		\$ (7,452)

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

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

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

The unfunded accrued liability (UAL) as of December 31, 2020 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2020 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:	12/31/2020
Measurement Date of the Total Pension Liability (TPL):	12/31/2020
At 12/31/2020, the following employees were covered by the benefit terms:	
Inactive employees or beneficiaries currently receiving benefits:	40
Inactive employees entitled to but not yet receiving benefits (including refunds):	18
Active employees:	<u>25</u>
	83
Total Pension Liability as of 12/31/2019 measurement date:	\$ 16,296,389
Total Pension Liability as of 12/31/2020 measurement date:	\$ 16,573,875
Service Cost for the year ending on the 12/31/2020 measurement date:	\$ 213,566
Change in the Total Pension Liability due to:	
- Benefit changes ¹ :	\$ (170,309)
- Differences between expected and actual experience ² :	\$ (473,346)
- Changes in assumptions ² :	\$ 458,927
Average expected remaining service lives of all employees (active and inactive):	3

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

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

Covered employee payroll (Needed for Required Supplementary Information):	\$ 2,008,617
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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>(6.60%)</u>	Current Discount Rate <u>(7.60%)</u>	1% Increase <u>(8.60%)</u>
Change in Net Pension Liability as of 12/31/2020:	\$ 1,842,476	\$ 0	\$ (1,537,403)

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 - Light and Power

3/1/2020	Non-Accelerated Amortization
3/1/2020	DC Adoption Date 03-01-2020
1/1/2018	Flexible E 2.5% COLA Adopted (1/1/2018)
1/1/2017	Flexible E 0.2% COLA Adopted (1/1/2017)
12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2016	Flexible E 1% COLA Adopted (1/1/2016)
1/1/2015	Flexible E 1.69% COLA Adopted (01/01/2015)
1/1/2014	Flexible E 1.7% COLA Adopted (01/01/2014)
1/1/2013	Flexible E 1.5% COLA Adopted (01/01/2013)
1/1/2012	E 2% COLA Adopted (01/01/2012)
1/1/2011	E 2% COLA Adopted (01/01/2011)
1/1/2009	E 2% COLA Adopted (01/01/2009)
1/1/2008	E 2% COLA Adopted (01/01/2008)
1/1/2007	E 2% COLA Adopted (01/01/2007)
2/1/2006	E 2% COLA Adopted (02/01/2006)
1/1/2005	E 2% COLA Adopted (01/01/2005)
1/1/2004	E 2% COLA Adopted (01/01/2004)
1/1/2003	E 2% COLA Adopted (01/01/2003)
1/1/2002	E 2% COLA Adopted (01/01/2002)
1/1/2001	E 2% COLA Adopted (01/01/2001)
1/1/2000	E 2% COLA Adopted (01/01/2000)
1/1/1999	Day of work defined as 100 Hours a Month for All employees.
1/1/1999	Flexible E 2% COLA Adopted (01/01/1999)
1/1/1998	E 2% COLA Adopted (01/01/1998)
1/1/1997	E 2% COLA Adopted (01/01/1997)
3/18/1996	Day of work defined as 8 Hours a Day for All employees.
1/1/1996	E 2% COLA Adopted (01/01/1996)
1/1/1995	E 2% COLA Adopted (01/01/1995)
9/1/1994	Member Contribution Rate 6.00%
1/1/1994	E 2% COLA Adopted (01/01/1994)
1/1/1993	E 2% COLA Adopted (01/01/1993)
7/1/1992	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/1992	Benefit B-4 (80% max)
1/1/1992	E 2% COLA Adopted (01/01/1992)
11/1/1991	Benefit F55 (With 25 Years of Service)
1/1/1991	E 2% COLA Adopted (01/01/1991)
1/1/1990	E 2% COLA Adopted (01/01/1990)
9/1/1989	Benefit C-2/Base C-1 (Old)
5/1/1978	Benefit C-1 (Old)
4/21/1975	Exclude Temporary Employees
3/1/1968	Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1968	10 Year Vesting



01 - Light and Power

3/1/1968 Benefit C (Old)
3/1/1968 Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
3/1/1968 Fiscal Month - July
Defined Benefit Normal Retirement Age - 60
Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

10 - General

1/1/2021 Service Credit Purchase Estimates - No
1/1/2021 Benefit B-2
1/1/2021 Participant Contribution Rate 5%
12/31/2020 Current FAC
7/1/2020 Non-Accelerated Amortization
7/1/2020 DC Adoption Date 07-01-2020
7/1/2018 Participant Contribution Rate 7%
12/1/2016 Service Credit Purchase Estimates - Yes
1/1/2016 Participant Contribution Rate 5%
1/1/2009 E 2% COLA Adopted (01/01/2009)
1/1/2008 E 2% COLA Adopted (01/01/2008)
1/1/2007 E 2% COLA Adopted (01/01/2007)
1/1/2006 E 2% COLA Adopted (01/01/2006)
1/1/2005 E 2% COLA Adopted (01/01/2005)
1/1/2004 E 2% COLA Adopted (01/01/2004)
1/1/2003 E 2% COLA Adopted (01/01/2003)
1/1/2002 E 2% COLA Adopted (01/01/2002)
1/1/2001 E 2% COLA Adopted (01/01/2001)
1/1/2000 E 2% COLA Adopted (01/01/2000)
1/1/1999 Day of work defined as 100 Hours a Month for All employees.
1/1/1999 Flexible E 2% COLA Adopted (01/01/1999)
1/1/1998 E 2% COLA Adopted (01/01/1998)
1/1/1997 E 2% COLA Adopted (01/01/1997)
3/18/1996 Day of work defined as 8 Hours a Day for All employees.
1/1/1996 E 2% COLA Adopted (01/01/1996)
1/1/1995 E 2% COLA Adopted (01/01/1995)
1/1/1994 E 2% COLA Adopted (01/01/1994)
1/1/1993 E 2% COLA Adopted (01/01/1993)
7/1/1992 Benefit FAC-3 (3 Year Final Average Compensation)
7/1/1992 Benefit B-4 (80% max)
1/1/1992 E 2% COLA Adopted (01/01/1992)
1/1/1991 E 2% COLA Adopted (01/01/1991)
1/1/1990 E 2% COLA Adopted (01/01/1990)
7/1/1987 Benefit F55 (With 25 Years of Service)
7/1/1986 Benefit C-2/Base C-1 (Old)
5/1/1978 Benefit C-1 (Old)
4/21/1975 Exclude Temporary Employees
3/1/1968 Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1968 10 Year Vesting
3/1/1968 Benefit C (Old)
3/1/1968 Member Contribution Rate 3.00% Under \$4,200.00 - Then 5.00%
3/1/1968 Fiscal Month - July



10 - General

Defined Benefit Normal Retirement Age - 60
Early Reduced (.5%) at Age 50 with 25 Years or Age 55 with 15 Years

HA - All Full-time after 9/1/12

3/1/2020	Non-Accelerated Amortization
3/1/2020	DC Adoption Date 03-01-2020
9/1/2012	Day of work defined as 100 Hours a Month for All employees,
9/1/2012	Benefit FAC-3 (3 Year Final Average Compensation)
9/1/2012	6 Year Vesting
9/1/2012	Medicare Taxable Wages
9/1/2012	1.5% Multiplier
9/1/2012	Benefit F55 (With 25 Years of Service)
3/1/1968	Fiscal Month - July
	Defined Benefit Normal Retirement Age - 60
	No Early Reduced Conditions

S1 - Surplus Assoc. to div 10

3/1/1968	Fiscal Month - July
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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
All Divisions	2.00%

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:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
1. Ratio of the market value of assets to total payroll	5.4	4.1	3.9
2. Ratio of actuarial accrued liability to payroll	8.5	7.0	6.9
3. Ratio of actives to retirees and beneficiaries	0.6	0.9	0.9
4. Ratio of market value of assets to benefit payments	11.4	10.6	9.8
5. Ratio of net cash flow to market value of assets (boy)	-1.5%	-3.1%	-2.0%

RATIO OF MARKET VALUE OF ASSETS TO TOTAL PAYROLL

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

RATIO OF ACTUARIAL ACCRUED LIABILITY TO PAYROLL

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

RATIO OF ACTIVES TO RETIREES AND BENEFICIARIES

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

RATIO OF MARKET VALUE OF ASSETS TO BENEFIT PAYMENTS

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

RATIO OF NET CASH FLOW TO MARKET VALUE OF ASSETS

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



State Reporting

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

Form 5572		
Line Reference	Description	Result
10	Membership as of December 31, 2020	
11	Indicate number of active members	25
12	Indicate number of inactive members (excluding pending refunds)	10
13	Indicate number of retirees and beneficiaries	40
14	Investment Performance for Calendar Year Ending December 31, 2020 ¹	
15	Enter actual rate of return - prior 1-year period	13.59%
16	Enter actual rate of return - prior 5-year period	9.35%
17	Enter actual rate of return - prior 10-year period	7.91%
18	Actuarial Assumptions	
19	Actuarial assumed rate of investment return ²	7.35%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Percent
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any ³	18
22	Is each division within the system closed to new employees? ⁴	Yes
23	Uniform Assumptions	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$10,543,777
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions ⁵	\$17,735,776
27	Actuarially Determined Contribution (ADC) using uniform assumptions, Fiscal Year Ending June 30, 2021	\$815,820

- 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) indicate "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 7.00%.



Municipal Employees' Retirement System of Michigan

Amortization Extension
Lowell, City of (4104)





December 20, 2021

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

The purpose of this report is to provide information and analysis to MERS with regards to extending the period over which the Outstanding Unfunded Accrued Liability (UAL) as of July 1, 2022 is amortized, for participants covered by the MERS Defined Benefit plan sponsored by Lowell, City of. The City is requesting that the period for amortizing the UAL be extended. Our analysis was prepared in the context of the MERS Defined Benefit plan only. Any additional analysis regarding the financial condition of the employer is outside the scope of this project and is not our area of expertise.

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

The information in this report is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, and investment advice.

This report was prepared at the request of MERS and the municipality and may be provided only in its entirety by the municipality to other interested parties. Gabriel, Roeder, Smith & Company is not responsible for the consequences of any unauthorized use.

The results of this analysis and the conclusions drawn, are based on the unique participant data, benefit provisions, and funded status of Lowell, City of. Because each MERS municipality is unique in these respects it is inappropriate to apply the conclusions in this report to another municipality.

This report reflects the impact of COVID-19 experience through December 31, 2020. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short-term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

The 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. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:

- Plan Document, v02252021,
- Actuarial Policy, DOC 8062 (2020-06-25), and
- 2020 Appendix to the Annual Actuarial Valuation Report.

Background on Funding Policy

Sponsors of Defined Benefit plans in Michigan are required by law to prefund the pension benefits provided to covered members. Prefunding in the MERS plan is accomplished by requiring an annual contribution made up of two components:

- The Normal Cost, covering the cost of the benefits earned by active members during the year; and
- An amortization payment, covering the annual payment necessary to pay off the UAL over a period of years.

The UAL is the difference, on the valuation date, between the liability attributable to benefits that have already been earned (the Accrued Liability) and the assets in the fund. This difference can be positive (Accrued Liability exceeds the assets), or negative (assets exceed the Accrued Liability).

UAL can develop for a number of reasons, including actual experience being different than assumed, benefit increases that apply to service already earned, and changes in assumptions (this list is not all-inclusive). A detailed discussion of the causes of the UAL as of December 31, 2020 for Lowell, City of, is beyond the scope of this assignment, and has not been prepared. According to the funding policy, an Initial UAL was established as of December 31, 2015 and future sources of UAL are isolated into separate amortization layers.

A funding policy is a mechanism for developing contributions that, when combined with investment earnings, will accumulate enough assets to pay the benefits promised. Funding policy is set by the MERS Retirement Board based in part on recommendation by the actuaries. While the ultimate goal of a funding policy is to develop a contribution pattern sufficient to ensure all promised benefits are paid, specifics of the policy (including the length of the amortization period) were designed to balance the Board's stated goals of contribution adequacy, inter-period equity and transparency, and a desire for contribution stability.



The goal of adequacy is to produce contributions that are expected to be sufficient to pay for benefits under a broad range of possible future outcomes. Inter-period equity encompasses both the idea that the cost of the benefits earned by workers should be paid by the generation of taxpayers that received the services provided by those workers, and the concept that the cost of benefits remains consistent between generations of taxpayers.

It is also important to remember that retirement plans, by their nature, are exposed to certain risks. While risks cannot be eliminated entirely, they can be mitigated through various strategies. Below are a few examples of risk (this is not an all-inclusive list) that retirement plans are exposed to:

- Economic – investment return, wage inflation, etc.
- Demographic – longevity, disability, retirement, etc.
- Plan Sponsor and Employees – contribution volatility, ability to make required contributions, etc.

The assumptions and methods adopted by the MERS Retirement Board based on the last Experience Study, including the funding policy, are designed to set expectations for future experience without adjusting for risk.

Request for Extension of the Amortization Period

Lowell, City of has requested that the period for amortizing the Outstanding Unfunded Accrued Liability as of July 1, 2022 be extended from the current amortization period, beginning with the 2022 fiscal year contribution for each of the divisions listed below:

As of December 31, 2020 Valuation				Outstanding Initial UAL as of Fiscal Year Beginning July 1, 2022
Division(s)	Division Status	Link Status	Amortization Policy (If Closed, Not Linked)	Current Amortization Period (Years)
10	Closed	Not Linked	Not Accelerated	18



The MERS Actuarial Policy allows for a one-time extension for all divisions after actuarial analysis and approval by the employer's governing body and MERS' CEO. The number of years of approved amortization extension may be based on case-by-case analysis of certain plan characteristics. The maximum allowable amortization period under Michigan law is 30 years.

Actuarial standards of practice (ASOPs) provide guidance for actuaries selecting or making recommendations on contribution allocation procedures that are generally not prescriptive. In other words, the ASOPs do not spell out specific amortization periods or other policy elements for actuarial approval. As the actuary to the plan, we look to the MERS Retirement Board for stated goals and objectives to guide us in our analysis.

Our understanding is that the amortization extension policy as described in Section III. Subsection 3. of the MERS Actuarial Policy applies to all remaining UAL and allows for flexibility in the length of reset period. Existing amortization layers are combined into a single layer and amortized over a period of fixed length declining by 1-year each subsequent valuation. Future layers are established in accordance with the schedule in Section III. Subsection 1, as shown below.

Division Status	Link Status	Period	Method
Open	Linked	15	Level Percent
Open	Not Linked	15	Level Percent
Closed	Linked	15	Level Percent
Closed	Not Linked	10	Level Percent

Extending the amortization period does not alter the promised benefits, and so does not change the ultimate cost of providing those benefits. It does lower contribution levels in the short term, by extending the period of time over which the contributions are required to be made. Therefore, extending the amortization period is a deferral of contributions to future years.

Extending the amortization period does not improve the funding goal of adequacy, and runs counter to the goal of intergenerational equity. Lengthening the amortization period means missed opportunities for investment earnings, puts a greater burden on future taxpayers, and reduces the financial security for members covered under the plan. The MERS Actuarial Policy as adopted by the Retirement Board does not provide additional specific guidance on the definitions or relative weighting of the aforementioned policy objectives.



Analysis

We have prepared projections of the Current Funding Policy and the Extension Policy, using the following:

Current Funding Policy (Baseline)

- Benefits
 - The same benefits that were used in preparing the December 31, 2020 annual actuarial valuation report.
- Assets
 - The same assets that were used in preparing the December 31, 2020 annual actuarial valuation report.

Extension Policy

- Benefits
 - The same as those described in the Baseline.
- Assets
 - The same as those described in the Baseline.
- MERS prepared a preliminary review and provided the amortization length for use under the extension policy show below.

Division(s)	Extension Policy UAL Amortization Period (Years)	Policy for Future Changes to the Period
10	23	Decrease by one year until paid off

Revised Fiscal Year Non Phase-In Invoice Rates, effective July 1, 2022, before and after the extension illustrations, are as follows:

**Annual Computed Employer Contribution (No Phase-In)
for the Fiscal Year Beginning July 1, 2022
Results shown at a 7.35% Assumed Investment Return Assumption**

Division	Current Funding Policy	Extension Funding Policy
10 - General	\$ 369,780	\$ 323,604

The projections shown:

- Include results under an assumed annual rate of return on the market value of assets of 7.35%.



- Include results under a sensitivity scenario assuming an annual rate of return on the market value of assets of 6.35%. The additional scenario at 6.35% may be considered a quantitative risk assessment.
- Were prepared under the current and extension funding policies and reflect no phase-in contribution amounts only. It is our understanding that following an amortization extension, any remaining phase-in contribution amounts will be eliminated.

To determine whether an extension is appropriate, the following statistics for each division requesting an extension and for the entire plan, may be analyzed and considered:

- The current and projected funded percentage.
- Retiree funded percentage. This is the portion of retiree liability that is currently covered by plan assets (excluding any active or terminated vested account balances).
- Ratio of actives to retirees.
- Average expected remaining service life time of active members.
- Net cash-flows of the plan and each division as a percent of assets.

The results of our analysis show the following:

- Extending the amortization period will have an effect on the ultimate time until the UAL is fully paid off. Under the current policy, the division is projected to be 100% funded by December 31, 2040. Under the 5-year extension policy, the division is projected to be 100% funded by December 31, 2045.
- The total number of actives and retirees as of December 31, 2020 is 15 and 25 respectively. The ratio of actives to retirees is therefore 0.6. In general, a ratio of actives to retirees below 1.0 is a sign of a mature plan. A ratio below 0.5 is generally considered a supermature plan. More mature plans are generally more sensitive to risks such as investment risks. Reducing employer contributions may increase the risk to the plan until the plan is fully funded.
- The average remaining service lifetime for future actives is 8 years. This length is below current amortization periods and would support maintaining or shortening the amortization periods, not increasing them.
- The net cash flows (total contributions less benefit payments and employee refunds) as a percent of assets for the year ending December 31, 2020 was (2.6)% for the division. Negative net cash flows are an expected outcome of prefunding a pension plan since investment return is expected to pay a portion of the benefits. To the extent that the net cash flows are more negative than the return on the fund (assumed to be 7.35% per year), the division's assets are expected to decline. Reducing employer contributions makes the net cash flows more negative.

The following exhibit shows the analysis of the individual division(s) requesting an extension for consideration:

Division	Market Value		Active to Retiree Ratio	Average Active Expected Remaining Service Life	Prior Year Net Cash Flow (As a % of Assets)
	Market Value Funded %	Retiree Only Funded %			
10	64.9%	111.7%	0.6	8	(2.6)%



Conclusion

Extending the amortization periods increases the likelihood of triggering a three times minimum payment.

Ultimately, whether the plan accumulates enough assets to pay the benefits promised will depend, among other things, upon the plan sponsor's and the members' ability to make the contributions. Please review the projections, analysis, and discussion in this exhibit to determine whether an extension may be granted and the appropriate length. If the proposed extension is permitted, the division is projected to be 100% funded in all divisions by December 31, 2045, 5 years later than currently projected.

We believe we have provided the information necessary to determine whether an amortization extension may be granted. Again, the Actuarial standards of practice provides guidance for actuaries, but do not spell out specific amortization periods or other policy elements for actuarial approval. As the actuary to the plan, we have analyzed the divisions requesting an extension based on the stated goals and objectives of the MERS Retirement Board.

MERS staff and the actuaries will monitor the funding progress of all divisions. While not currently anticipated, MERS may recommend changes to the amortization policy in the future if it is deemed necessary for the financial security of the benefits promised under this plan.

Rebecca L. Stouffer and Mark Buis are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

If you need further information to make an informed decision, please contact MERS at 800.767.6377 for assistance.

Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA

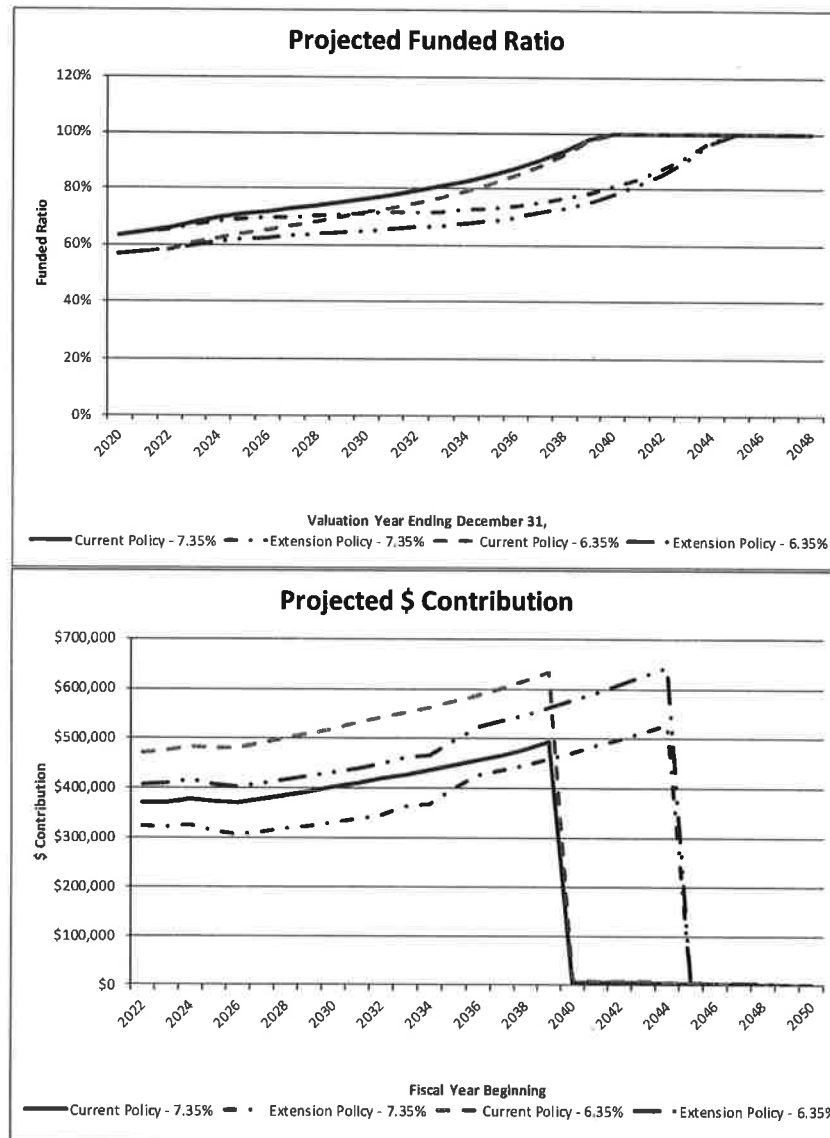


Mark Buis, FSA, EA, FCA, MAAA



Municipal Employees' Retirement System of Michigan

Lowell, City of (4104) – Division 10



Baseline – See description on page 6 of this report.

Extension Policy – See description on page 6 of this report.



Municipal Employees' Retirement System of Michigan

Lowell, City of (4104) – Division 10

Valuation Year Ending December 31,	Assumed Rate of Investment Return - 7.35%					Assumed Rate of Investment Return - 6.35%				
	Actuarial	Current Policy	Funded	Extension Policy	Funded	Actuarial	Current Policy	Funded	Extension Policy	Funded
	Accrued Liability	Level Percent Valuation Assets		Level Percent Valuation Assets		Accrued Liability	Level Percent Valuation Assets		Level Percent Valuation Assets	
2020	\$11,000,000	\$6,920,000	63%	\$6,920,000	63%	\$12,200,000	\$6,920,000	57%	\$6,920,000	57%
2021	11,200,000	7,210,000	65%	7,210,000	65%	12,500,000	7,140,000	57%	7,140,000	57%
2022	11,400,000	7,490,000	66%	7,470,000	66%	12,700,000	7,400,000	58%	7,370,000	58%
2023	11,600,000	7,860,000	68%	7,790,000	67%	12,900,000	7,800,000	61%	7,700,000	60%
2024	11,800,000	8,200,000	70%	8,070,000	68%	13,000,000	8,170,000	63%	7,990,000	61%
2025	11,900,000	8,430,000	71%	8,230,000	69%	13,200,000	8,430,000	64%	8,170,000	62%
2026	12,100,000	8,660,000	72%	8,380,000	69%	13,300,000	8,680,000	65%	8,320,000	63%
2027	12,200,000	8,840,000	73%	8,470,000	70%	13,400,000	8,900,000	67%	8,430,000	63%
2028	12,200,000	9,020,000	74%	8,560,000	70%	13,400,000	9,120,000	68%	8,540,000	64%
2029	12,300,000	9,210,000	75%	8,640,000	70%	13,500,000	9,340,000	69%	8,630,000	64%
2030	12,300,000	9,390,000	76%	8,710,000	71%	13,500,000	9,570,000	71%	8,730,000	65%

Fiscal Year Beginning July 1,	Total Contribution			
	Current Policy -	Extension Policy -	Current Policy -	Extension Policy -
	7.35%	7.35%	6.35%	6.35%
2022	\$370,000	\$324,000	\$471,000	\$408,000
2023	370,000	320,000	475,000	409,000
2024	377,000	325,000	484,000	416,000
2025	372,000	314,000	481,000	407,000
2026	369,000	307,000	482,000	402,000
2027	377,000	312,000	491,000	409,000
2028	385,000	318,000	500,000	416,000
2029	393,000	324,000	511,000	424,000
2030	402,000	331,000	521,000	431,000
2031	411,000	338,000	532,000	440,000
2032	420,000	345,000	543,000	448,000

Notes:

- 1) The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.
- 2) A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.



Important Comments

1. The actuarial value of assets used to determine both the funded ratio and the required employer contribution is based on a smoothed value of assets. Only a portion of each year's investment market gain or loss is recognized in the current actuarial value of assets; the remaining portions of gains and losses will be reflected in future years' actuarial value of assets. This reduces the asset volatility impact on the determined required employer contribution and funded ratio. The smoothed actuarial rate of return for 2020 was 8.17%.

As of December 31, 2020, the actuarial value of assets is 97% of market value due to asset smoothing. This means that the rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns exceed the 7.35% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

2. Unless otherwise indicated, a funded status measurement is based upon the actuarial accrued liability and the actuarial value of assets. The measurement is:
 - a. Inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.
 - b. Inappropriate for assessing benefit security for the membership.
 - c. Dependent upon the actuarial cost method which, in combination with the amortization policy and asset valuation method, affects the timing and amounts of future contributions. The amounts of future contributions will differ from those assumed due to future actual experience differing from assumed.

A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., the cost of the active membership accruing an additional year of service credit).

3. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
4. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
5. 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 this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.



Important Comments (Concluded)

6. Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

7. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800.767.MERS if you believe that:
- a. The assumptions are unreasonable,
 - b. The plan provisions are missing or incorrectly described,
 - c. Conditions have changed since the calculations were made,
 - d. The information provided in this report is inaccurate or is in any way incomplete, or
 - e. You need further information to make an informed decision.
8. Unless otherwise noted, the following information, assumptions, and funding methods were used in the projections under the various options:
- a. Demographic, financial information, and benefit provisions provided by MERS for the December 31, 2020 valuation.
 - b. The assumptions and methods used in the December 31, 2020 annual valuation.
 - c. All demographic assumptions will be met during the projection period.
 - d. If new hires are included in the valuation, the active population is assumed to remain stable during the projection period.
 - e. Demographic assumptions under the DC plan are unchanged from those of the DB plan, if applicable.
 - f. The Market Value of Assets will earn the assumed investment return each year during the projection period.
 - g. There will be no benefit changes during the projection period.
 - h. The employer contributions through June 30, 2022 are not affected, and are based on previous annual actuarial valuations.



Total Projected Contribution

<u>Fiscal Year</u>	<u>Current 7.35%</u>	<u>Extension 7.35%</u>	<u>Current 6.35%</u>	<u>Extension 6.35%</u>
2022	\$ 370,000.00	\$ 324,000.00	\$ 471,000.00	\$ 408,000.00
2023	\$ 370,000.00	\$ 320,000.00	\$ 475,000.00	\$ 409,000.00
2024	\$ 377,000.00	\$ 325,000.00	\$ 484,000.00	\$ 416,000.00
2025	\$ 372,000.00	\$ 314,000.00	\$ 481,000.00	\$ 407,000.00
2026	\$ 369,000.00	\$ 307,000.00	\$ 482,000.00	\$ 402,000.00
2027	\$ 377,000.00	\$ 312,000.00	\$ 491,000.00	\$ 409,000.00
2028	\$ 385,000.00	\$ 318,000.00	\$ 500,000.00	\$ 416,000.00
2029	\$ 393,000.00	\$ 324,000.00	\$ 511,000.00	\$ 424,000.00
2030	\$ 402,000.00	\$ 331,000.00	\$ 521,000.00	\$ 431,000.00
2031	\$ 411,000.00	\$ 338,000.00	\$ 532,000.00	\$ 440,000.00
2032	\$ 420,000.00	\$ 345,000.00	\$ 543,000.00	\$ 448,000.00
2033	\$ 429,000.00	\$ 359,000.00	\$ 554,000.00	\$ 464,000.00
2034	\$ 438,000.00	\$ 373,000.00	\$ 565,000.00	\$ 480,000.00
2035	\$ 447,000.00	\$ 387,000.00	\$ 576,000.00	\$ 495,000.00
2036	\$ 456,000.00	\$ 401,000.00	\$ 587,000.00	\$ 510,000.00
2037	\$ 465,000.00	\$ 415,000.00	\$ 598,000.00	\$ 525,000.00
2038	\$ 474,000.00	\$ 429,000.00	\$ 609,000.00	\$ 540,000.00
2039	\$ 483,000.00	\$ 443,000.00	\$ 620,000.00	\$ 555,000.00
2040	\$ 492,000.00	\$ 457,000.00	\$ 631,000.00	\$ 570,000.00
2041	\$ -	\$ 471,000.00	\$ -	\$ 585,000.00
2042	\$ -	\$ 485,000.00	\$ -	\$ 600,000.00
2043	\$ -	\$ 499,000.00	\$ -	\$ 615,000.00
2044	\$ -	\$ 513,000.00	\$ -	\$ 630,000.00
2045	\$ -	\$ 527,000.00	\$ -	\$ 645,000.00

7.35 % NO AMORITIZATION CONTRIBUTION PER FUND

<u>Fiscal Year</u>	<u>Total contribution</u>	<u>GF</u>	<u>EQUIP</u>	<u>MAJOR</u>	<u>LOCAL</u>	<u>SEWER</u>	<u>WATER</u>	<u>DDA</u>
2021	\$ 303,225.91	\$ 301,303.61	\$ (24,924.95)	\$ 3,923.29	\$ 8,366.98	\$ 15,743.26	\$ (12,366.38)	\$ 11,180.10
2022	\$ 405,034.39	\$ 257,658.21	\$ 2,705.81	\$ 4,556.43	\$ 9,697.33	\$ 18,633.71	\$ 100,238.90	\$ 10,635.91
2023	\$ 370,000.00	\$ 235,320.00	\$ 2,590.00	\$ 4,070.00	\$ 8,880.00	\$ 17,020.00	\$ 91,390.00	\$ 9,620.00
2024	\$ 377,000.00	\$ 239,772.00	\$ 2,639.00	\$ 4,147.00	\$ 9,048.00	\$ 17,342.00	\$ 93,119.00	\$ 9,802.00
2025	\$ 372,000.00	\$ 236,592.00	\$ 2,604.00	\$ 4,092.00	\$ 8,928.00	\$ 17,112.00	\$ 91,884.00	\$ 9,672.00
2026	\$ 369,000.00	\$ 234,684.00	\$ 2,583.00	\$ 4,059.00	\$ 8,856.00	\$ 16,974.00	\$ 91,143.00	\$ 9,594.00
2027	\$ 377,000.00	\$ 239,772.00	\$ 2,639.00	\$ 4,147.00	\$ 9,048.00	\$ 17,342.00	\$ 93,119.00	\$ 9,802.00
2028	\$ 385,000.00	\$ 244,860.00	\$ 2,695.00	\$ 4,235.00	\$ 9,240.00	\$ 17,710.00	\$ 95,095.00	\$ 10,010.00
2029	\$ 393,000.00	\$ 249,948.00	\$ 2,751.00	\$ 4,323.00	\$ 9,432.00	\$ 18,078.00	\$ 97,071.00	\$ 10,218.00
2030	\$ 402,000.00	\$ 255,672.00	\$ 2,814.00	\$ 4,422.00	\$ 9,648.00	\$ 18,492.00	\$ 99,294.00	\$ 10,452.00
2031	\$ 411,000.00	\$ 261,396.00	\$ 2,877.00	\$ 4,521.00	\$ 9,864.00	\$ 18,906.00	\$ 101,517.00	\$ 10,686.00
2032	\$ 420,000.00	\$ 267,120.00	\$ 2,940.00	\$ 4,620.00	\$ 10,080.00	\$ 19,320.00	\$ 103,740.00	\$ 10,920.00
2033	\$ 429,000.00	\$ 272,844.00	\$ 3,003.00	\$ 4,719.00	\$ 10,296.00	\$ 19,734.00	\$ 105,963.00	\$ 11,154.00
2034	\$ 438,000.00	\$ 278,568.00	\$ 3,066.00	\$ 4,818.00	\$ 10,512.00	\$ 20,148.00	\$ 108,186.00	\$ 11,388.00
2035	\$ 447,000.00	\$ 284,292.00	\$ 3,129.00	\$ 4,917.00	\$ 10,728.00	\$ 20,562.00	\$ 110,409.00	\$ 11,622.00
2036	\$ 456,000.00	\$ 290,016.00	\$ 3,192.00	\$ 5,016.00	\$ 10,944.00	\$ 20,976.00	\$ 112,632.00	\$ 11,856.00
2037	\$ 465,000.00	\$ 295,740.00	\$ 3,255.00	\$ 5,115.00	\$ 11,160.00	\$ 21,390.00	\$ 114,855.00	\$ 12,090.00
2038	\$ 474,000.00	\$ 301,464.00	\$ 3,318.00	\$ 5,214.00	\$ 11,376.00	\$ 21,804.00	\$ 117,078.00	\$ 12,324.00
2039	\$ 483,000.00	\$ 307,188.00	\$ 3,381.00	\$ 5,313.00	\$ 11,592.00	\$ 22,218.00	\$ 119,301.00	\$ 12,558.00
2040	\$ 492,000.00	\$ 312,912.00	\$ 3,444.00	\$ 5,412.00	\$ 11,808.00	\$ 22,632.00	\$ 121,524.00	\$ 12,792.00

7.35% Amoritization Extension Contribution Per Fund

<u>Fiscal Year</u>	<u>Total contribution</u>	<u>GF</u>	<u>EQUIP</u>	<u>MAJOR</u>	<u>LOCAL</u>	<u>SEWER</u>	<u>WATER</u>	<u>DDA</u>
2023	\$ 320,000.00	\$ 203,520.00	\$ 2,240.00	\$ 3,520.00	\$ 7,680.00	\$ 14,720.00	\$ 79,040.00	\$ 8,320.00
2024	\$ 325,000.00	\$ 206,700.00	\$ 2,275.00	\$ 3,575.00	\$ 7,800.00	\$ 14,950.00	\$ 80,275.00	\$ 8,450.00
2025	\$ 314,000.00	\$ 199,704.00	\$ 2,198.00	\$ 3,454.00	\$ 7,536.00	\$ 14,444.00	\$ 77,558.00	\$ 8,164.00
2026	\$ 307,000.00	\$ 195,252.00	\$ 2,149.00	\$ 3,377.00	\$ 7,368.00	\$ 14,122.00	\$ 75,829.00	\$ 7,982.00
2027	\$ 312,000.00	\$ 198,432.00	\$ 2,184.00	\$ 3,432.00	\$ 7,488.00	\$ 14,352.00	\$ 77,064.00	\$ 8,112.00
2028	\$ 318,000.00	\$ 202,248.00	\$ 2,226.00	\$ 3,498.00	\$ 7,632.00	\$ 14,628.00	\$ 78,546.00	\$ 8,268.00
2029	\$ 324,000.00	\$ 206,064.00	\$ 2,268.00	\$ 3,564.00	\$ 7,776.00	\$ 14,904.00	\$ 80,028.00	\$ 8,424.00
2030	\$ 331,000.00	\$ 210,516.00	\$ 2,317.00	\$ 3,641.00	\$ 7,944.00	\$ 15,226.00	\$ 81,757.00	\$ 8,606.00
2031	\$ 338,000.00	\$ 214,968.00	\$ 2,366.00	\$ 3,718.00	\$ 8,112.00	\$ 15,548.00	\$ 83,486.00	\$ 8,788.00
2032	\$ 345,000.00	\$ 219,420.00	\$ 2,415.00	\$ 3,795.00	\$ 8,280.00	\$ 15,870.00	\$ 85,215.00	\$ 8,970.00
2033	\$ 359,000.00	\$ 228,324.00	\$ 2,513.00	\$ 3,949.00	\$ 8,616.00	\$ 16,514.00	\$ 88,673.00	\$ 9,334.00
2034	\$ 373,000.00	\$ 237,228.00	\$ 2,611.00	\$ 4,103.00	\$ 8,952.00	\$ 17,158.00	\$ 92,131.00	\$ 9,698.00
2035	\$ 387,000.00	\$ 246,132.00	\$ 2,709.00	\$ 4,257.00	\$ 9,288.00	\$ 17,802.00	\$ 95,589.00	\$ 10,062.00
2036	\$ 401,000.00	\$ 255,036.00	\$ 2,807.00	\$ 4,411.00	\$ 9,624.00	\$ 18,446.00	\$ 99,047.00	\$ 10,426.00
2037	\$ 415,000.00	\$ 263,940.00	\$ 2,905.00	\$ 4,565.00	\$ 9,960.00	\$ 19,090.00	\$ 102,505.00	\$ 10,790.00
2038	\$ 429,000.00	\$ 272,844.00	\$ 3,003.00	\$ 4,719.00	\$ 10,296.00	\$ 19,734.00	\$ 105,963.00	\$ 11,154.00
2039	\$ 443,000.00	\$ 281,748.00	\$ 3,101.00	\$ 4,873.00	\$ 10,632.00	\$ 20,378.00	\$ 109,421.00	\$ 11,518.00
2040	\$ 457,000.00	\$ 290,652.00	\$ 3,199.00	\$ 5,027.00	\$ 10,968.00	\$ 21,022.00	\$ 112,879.00	\$ 11,882.00
2041	\$ 471,000.00	\$ 299,556.00	\$ 3,297.00	\$ 5,181.00	\$ 11,304.00	\$ 21,666.00	\$ 116,337.00	\$ 12,246.00
2042	\$ 485,000.00	\$ 308,460.00	\$ 3,395.00	\$ 5,335.00	\$ 11,640.00	\$ 22,310.00	\$ 119,795.00	\$ 12,610.00
2043	\$ 499,000.00	\$ 317,364.00	\$ 3,493.00	\$ 5,489.00	\$ 11,976.00	\$ 22,954.00	\$ 123,253.00	\$ 12,974.00
2044	\$ 513,000.00	\$ 326,268.00	\$ 3,591.00	\$ 5,643.00	\$ 12,312.00	\$ 23,598.00	\$ 126,711.00	\$ 13,338.00
2045	\$ 527,000.00	\$ 335,172.00	\$ 3,689.00	\$ 5,797.00	\$ 12,648.00	\$ 24,242.00	\$ 130,169.00	\$ 13,702.00

6.35% No Amoritization Extension Contribution Per Fund

<u>Fiscal Year</u>	<u>Total contribution</u>	<u>GF</u>	<u>EQUIP</u>	<u>MAJOR</u>	<u>LOCAL</u>	<u>SEWER</u>	<u>WATER</u>	<u>DDA</u>
2023	\$ 475,000.00	\$ 302,100.00	\$ 3,325.00	\$ 5,225.00	\$ 11,400.00	\$ 21,850.00	\$ 117,325.00	\$ 12,350.00
2024	\$ 484,000.00	\$ 307,824.00	\$ 3,388.00	\$ 5,324.00	\$ 11,616.00	\$ 22,264.00	\$ 119,548.00	\$ 12,584.00
2025	\$ 481,000.00	\$ 305,916.00	\$ 3,367.00	\$ 5,291.00	\$ 11,544.00	\$ 22,126.00	\$ 118,807.00	\$ 12,506.00
2026	\$ 482,000.00	\$ 306,552.00	\$ 3,374.00	\$ 5,302.00	\$ 11,568.00	\$ 22,172.00	\$ 119,054.00	\$ 12,532.00
2027	\$ 491,000.00	\$ 312,276.00	\$ 3,437.00	\$ 5,401.00	\$ 11,784.00	\$ 22,586.00	\$ 121,277.00	\$ 12,766.00
2028	\$ 500,000.00	\$ 318,000.00	\$ 3,500.00	\$ 5,500.00	\$ 12,000.00	\$ 23,000.00	\$ 123,500.00	\$ 13,000.00
2029	\$ 511,000.00	\$ 324,996.00	\$ 3,577.00	\$ 5,621.00	\$ 12,264.00	\$ 23,506.00	\$ 126,217.00	\$ 13,286.00
2030	\$ 521,000.00	\$ 331,356.00	\$ 3,647.00	\$ 5,731.00	\$ 12,504.00	\$ 23,966.00	\$ 128,687.00	\$ 13,546.00
2031	\$ 532,000.00	\$ 338,352.00	\$ 3,724.00	\$ 5,852.00	\$ 12,768.00	\$ 24,472.00	\$ 131,404.00	\$ 13,832.00
2032	\$ 543,000.00	\$ 345,348.00	\$ 3,801.00	\$ 5,973.00	\$ 13,032.00	\$ 24,978.00	\$ 134,121.00	\$ 14,118.00
2033	\$ 554,000.00	\$ 352,344.00	\$ 3,878.00	\$ 6,094.00	\$ 13,296.00	\$ 25,484.00	\$ 136,838.00	\$ 14,404.00
2034	\$ 565,000.00	\$ 359,340.00	\$ 3,955.00	\$ 6,215.00	\$ 13,560.00	\$ 25,990.00	\$ 139,555.00	\$ 14,690.00
2035	\$ 576,000.00	\$ 366,336.00	\$ 4,032.00	\$ 6,336.00	\$ 13,824.00	\$ 26,496.00	\$ 142,272.00	\$ 14,976.00
2036	\$ 587,000.00	\$ 373,332.00	\$ 4,109.00	\$ 6,457.00	\$ 14,088.00	\$ 27,002.00	\$ 144,989.00	\$ 15,262.00
2037	\$ 598,000.00	\$ 380,328.00	\$ 4,186.00	\$ 6,578.00	\$ 14,352.00	\$ 27,508.00	\$ 147,706.00	\$ 15,548.00
2038	\$ 609,000.00	\$ 387,324.00	\$ 4,263.00	\$ 6,699.00	\$ 14,616.00	\$ 28,014.00	\$ 150,423.00	\$ 15,834.00
2039	\$ 620,000.00	\$ 394,320.00	\$ 4,340.00	\$ 6,820.00	\$ 14,880.00	\$ 28,520.00	\$ 153,140.00	\$ 16,120.00
2040	\$ 631,000.00	\$ 401,316.00	\$ 4,417.00	\$ 6,941.00	\$ 15,144.00	\$ 29,026.00	\$ 155,857.00	\$ 16,406.00

6.35% No Amoritization Extension Contribution Per Fund

<u>Fiscal Year</u>	<u>Total contribution</u>	<u>GF</u>	<u>EQUIP</u>	<u>MAJOR</u>	<u>LOCAL</u>	<u>SEWER</u>	<u>WATER</u>	<u>DDA</u>
2023	\$ 409,000.00	\$ 260,124.00	\$ 2,863.00	\$ 4,499.00	\$ 9,816.00	\$ 18,814.00	\$ 101,023.00	\$ 10,634.00
2024	\$ 416,000.00	\$ 264,576.00	\$ 2,912.00	\$ 4,576.00	\$ 9,984.00	\$ 19,136.00	\$ 102,752.00	\$ 10,816.00
2025	\$ 407,000.00	\$ 258,852.00	\$ 2,849.00	\$ 4,477.00	\$ 9,768.00	\$ 18,722.00	\$ 100,529.00	\$ 10,582.00
2026	\$ 402,000.00	\$ 255,672.00	\$ 2,814.00	\$ 4,422.00	\$ 9,648.00	\$ 18,492.00	\$ 99,294.00	\$ 10,452.00
2027	\$ 409,000.00	\$ 260,124.00	\$ 2,863.00	\$ 4,499.00	\$ 9,816.00	\$ 18,814.00	\$ 101,023.00	\$ 10,634.00
2028	\$ 416,000.00	\$ 264,576.00	\$ 2,912.00	\$ 4,576.00	\$ 9,984.00	\$ 19,136.00	\$ 102,752.00	\$ 10,816.00
2029	\$ 424,000.00	\$ 269,664.00	\$ 2,968.00	\$ 4,664.00	\$ 10,176.00	\$ 19,504.00	\$ 104,728.00	\$ 11,024.00
2030	\$ 431,000.00	\$ 274,116.00	\$ 3,017.00	\$ 4,741.00	\$ 10,344.00	\$ 19,826.00	\$ 106,457.00	\$ 11,206.00
2031	\$ 440,000.00	\$ 279,840.00	\$ 3,080.00	\$ 4,840.00	\$ 10,560.00	\$ 20,240.00	\$ 108,680.00	\$ 11,440.00
2032	\$ 448,000.00	\$ 284,928.00	\$ 3,136.00	\$ 4,928.00	\$ 10,752.00	\$ 20,608.00	\$ 110,656.00	\$ 11,648.00
2033	\$ 464,000.00	\$ 295,104.00	\$ 3,248.00	\$ 5,104.00	\$ 11,136.00	\$ 21,344.00	\$ 114,608.00	\$ 12,064.00
2034	\$ 480,000.00	\$ 305,280.00	\$ 3,360.00	\$ 5,280.00	\$ 11,520.00	\$ 22,080.00	\$ 118,560.00	\$ 12,480.00
2035	\$ 495,000.00	\$ 314,820.00	\$ 3,465.00	\$ 5,445.00	\$ 11,880.00	\$ 22,770.00	\$ 122,265.00	\$ 12,870.00
2036	\$ 510,000.00	\$ 324,360.00	\$ 3,570.00	\$ 5,610.00	\$ 12,240.00	\$ 23,460.00	\$ 125,970.00	\$ 13,260.00
2037	\$ 525,000.00	\$ 333,900.00	\$ 3,675.00	\$ 5,775.00	\$ 12,600.00	\$ 24,150.00	\$ 129,675.00	\$ 13,650.00
2038	\$ 540,000.00	\$ 343,440.00	\$ 3,780.00	\$ 5,940.00	\$ 12,960.00	\$ 24,840.00	\$ 133,380.00	\$ 14,040.00
2039	\$ 555,000.00	\$ 352,980.00	\$ 3,885.00	\$ 6,105.00	\$ 13,320.00	\$ 25,530.00	\$ 137,085.00	\$ 14,430.00
2040	\$ 570,000.00	\$ 362,520.00	\$ 3,990.00	\$ 6,270.00	\$ 13,680.00	\$ 26,220.00	\$ 140,790.00	\$ 14,820.00
2041	\$ 585,000.00	\$ 372,060.00	\$ 4,095.00	\$ 6,435.00	\$ 14,040.00	\$ 26,910.00	\$ 144,495.00	\$ 15,210.00
2042	\$ 600,000.00	\$ 381,600.00	\$ 4,200.00	\$ 6,600.00	\$ 14,400.00	\$ 27,600.00	\$ 148,200.00	\$ 15,600.00
2043	\$ 615,000.00	\$ 391,140.00	\$ 4,305.00	\$ 6,765.00	\$ 14,760.00	\$ 28,290.00	\$ 151,905.00	\$ 15,990.00
2044	\$ 630,000.00	\$ 400,680.00	\$ 4,410.00	\$ 6,930.00	\$ 15,120.00	\$ 28,980.00	\$ 155,610.00	\$ 16,380.00
2045	\$ 645,000.00	\$ 410,220.00	\$ 4,515.00	\$ 7,095.00	\$ 15,480.00	\$ 29,670.00	\$ 159,315.00	\$ 16,770.00

Amortization Extension Agreement

This Amortization Extension Agreement ("Agreement") is entered into between the Municipal Employees' Retirement System of Michigan ("MERS") and the City of Lowell ("Employer") (together, "Parties") to memorialize the agreement and representations of the parties concerning an extension of the period of Employer's amortization schedule.

Accordingly, the Parties agree as follows:

1. **UAL Defined:** This extension study was prepared on 12/20/2021 and was based on the Employer's most recent Annual Actuarial Valuation dated 12/31/2020. As used in this Agreement, the term UAL shall mean the sum of all sources of Unfunded Accrued Liability outstanding as of the Employer's most recent Annual Valuation, adjusted if deemed appropriate for any gains on liability that may occur as a result of benefit changes or lump sum contributions to the plan.
2. **Purpose:** In the exercise of its opportunity to do so as provided by MERS, Employer has requested that MERS grant it an extension of the period in which its UAL is amortized to assist with the employer's need to address significant financial stress. This extension shall not apply to future gain/loss or other sources of UAL, which will continue to follow the standard amortization policy adopted by the Board.
3. **MERS' Analysis:** In response to Employer's request and in accordance with MERS' procedures, MERS has discussed its conclusions with Employer, and Employer is in agreement with MERS' conclusions (report attached).
4. **Representations and Understandings of Employer:**
 - a. The information Employer provided to MERS in the course of and for purposes of MERS' analysis was complete and accurate to the best of Employer's ability.
 - b. Notwithstanding anything herein to the contrary, the Employer understands that MERS reserves the right to change the amortization policy in the future, including that included in this Agreement, if it is deemed necessary for the financial security of the benefits provided by the Employer.
 - c. Employer understands that MERS has advised that compliance with the existing amortization schedule is preferred, and that extending amortization as requested is not in full conformity with MERS' goals of earliest full funding and intergenerational equity.
 - d. Employer has made and will continue to make payment of its retirement costs, including UAL toward full funding, a priority in its annual and long-term budgeting and planning processes.
 - e. Employer understands that extending the amortization period for its current UAL has the effect of deferring current costs to the future, with the result that in the later years of the amortization, the Employer's UAL will be higher and the Employer's total required contributions will be higher than they would otherwise have been.
 - f. Employer understands, with respect to its request and otherwise, that future required contributions depend on the actual investment and demographic experience, and not on the assumptions used to develop the projected contributions considered in this Agreement.

5. Conclusion and Decision of MERS: Based on the foregoing analysis and representations of Employer, MERS approves Employer's request with the following terms and conditions, with which Employer agrees:

- a. MERS shall extend Employer's amortization period with respect to its UAL as followed:
 - Division #10 – General: Amortization of UAL to be extended from 18 years to **23 years with required contributions revised** effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.
- b. The extension stated above is based on the provisions in effect in the specified division(s) as of the most recent Annual Actuarial Valuation.
- c. The Employer understands that if changes are made to the provisions used in the projection analysis, MERS may require that an updated analysis be prepared to ensure the continued sustainability of the plan as described in Section 4(b) of this Agreement.
- d. This Agreement has been authorized by formal action of Employer's governing body.
- e. Representatives of MERS presented and explained the actuarial analysis that forms the basis of this Agreement and the full impact of Employer's request to Employer on (insert date), and responded to all of Employer's questions to Employer's satisfaction.

Adopted by the Employer's governing body and MERS on this ____ day of _____, 20__

FOR EMPLOYER

Signature

Printed name Title

(check one):

- ☐ Authorized designee of the governing body of the Employer
- ☐ Chief Judge of the Court

Date: _____

FOR MERS

Signature

Printed name

Title

Date: _____



LOWELL CITY ADMINISTRATION
INTER OFFICE MEMORANDUM

DATE: March 4, 2022
TO: Mike Burns, City Manager *MS*
FROM: Susan Ullery, City Clerk *SSU*
RE: LCTV Endowment Fund
Recommendations

The LCTV Endowment Board met on February 16, 2022 to discuss the applications received for grant opportunities.

LCTV Chair Dennis Kent will present the recommendations.

LCTV ENDOWMENT FUND BOARD
WEDNESDAY, FEBRUARY 16, 2022
6:30 P.M.

1. CALL TO ORDER; ROLL CALL

The meeting was called to order at 6:30 p.m. by Chair Dennis Kent.

Present:	City of Lowell	Dennis Kent Mark Mundt Jim Salzwedel Amanda Schrauben
	Lowell Charter Township	Sue Simmonds
	Vergennes Township	Tim Wittenbach
Absent:	Bill Thompson	
Also Present:	City Clerk Susan Ullery	

2. APPROVAL OF ABSENCE

IT WAS MOVED BY KENT and seconded by SALZWEDEL to approve the absence of Boardmember Thompson.

YES: 6. NO: 0. ABSENT: 1. MOTION CARRIED.

3. APPROVAL OF AGENDA

IT WAS MOVED BY SALZWEDEL and seconded by SCHRAUBEN to approve the agenda as modified.

YES: 6. NO: 0. ABSENT: 1. MOTION CARRIED.

4. APPROVAL OF THE MINUTES

IT WAS MOVED BY WITTENBACH and seconded by SIMMONDS to approve the minutes of the December 2, 2021 meeting as written.

YES: 6. NO: 0. ABSENT: 1. MOTION CARRIED.

5. PUBLIC COMMENTS

No public comments.

6. OLD BUSINESS

a. Progress Reports – Comments.

The Boardmembers reviewed the progress reports. It was noted the Barn for Equine Learning did not submit a progress report.

b. History of Grants.

The board reviewed the history of the grants. A question was raised whether there still needs to be a dollar for dollar match.

Chair Kent believed the application needed to be modified asking what does the applicant want to buy and how much does it cost.

He also asked if the board wanted to expand the availability of funds to nearby communities. By general consensus, the board agreed the funds should only be available to the City and Lowell and Vergennes Township.

7. NEW BUSINESS

a. Financial Statement from Grand Rapids Foundation.

The Financial Statement from the Grand Rapids Foundation was reviewed and there is approximately \$106,548.33 available for grants.

b. Review of 2022 grant applications – Possible Final Recommendations to City Council.

The board reviewed the grants and indicated three applicants do not meet the guidelines established for receiving grants. This includes Bowne Township, Greater Lowell Chamber Foundation and Lowell Youth Sports Foundation.

Lowell Historical Museum Director Lisa Plank was present to explain the grant request for the front entry replacement at the museum as well as the historic district building history project.

LowellArts Executive Director Lorian Smalligan was present to explain the grant request for technology upgrades including a digital signage projector.

After reviewing and discussing the grant applications, the board agreed to fund the requests as follows:

Applicant	Description	Rec. Amt.
City of Lowell	LTV Fund Administration Expenses.....	\$4,000.00
City of Lowell	Front Entry Replacement at 325 W. Main	\$25,000.00
Fallasburg Historical Society	Misner House Climate Control	\$1,958.50
Flat River Outreach Ministries	FROM Marketing Project	\$6,200.00
Impact Church	Skate Park Renovation/Remodel	\$30,000.00
Lowell Area Fire Department	Firefighter Body Armor	\$6,846.00
Lowell Area Hist. Museum	Historic District Building History Project	\$9,000.00
Lowell Area Arts Council	Technology Upgrades.....	\$2,630.00

Lowell Police Department	Bola Wrap System	\$10,596.85
Lowells Open Table	To-go Containers	\$1,500.00
Vergennes Township	Handicap Access to Building	\$5,800.00
YMCA of Greater GR	LiveStrong at the Lowell Family YMCA – Supplies	\$600.00

IT WAS MOVED BY SALZWEDEL and seconded by MUNDT to recommend the City Council approve \$104,131.35 in grants as noted above.

YES: 6. NO: 0. ABSENT: 1. MOTION CARRIED.

c. Determine if an additional meeting is necessary for final recommendations to City Council.

By general consensus, the board agreed an additional meeting was not necessary.

d. Schedule 2021/2022 Meetings.

By general consensus, the board agreed to meet on December 7, 2022 at 5:30 p.m. Further meetings will be established.

8. **ADJOURNMENT**

IT WAS MOVED BY SALZWEDEL and seconded by MUNDT to adjourn at 8:07 p.m.

Dennis J. Kent
Chair

Mark Mundt
Recording Secretary



LOWELL CITY ADMINISTRATION
INTER OFFICE MEMORANDUM

DATE: March 4, 2022
TO: Mayor Mike DeVore and Lowell City Council
FROM: Michael T. Burns, City Manager *MS*
RE: Rezoning of 115 Riverside

As part of the redevelopment of the soon to be former city-owned property at 115 Riverside Drive, the parcel needs to be rezoned from a public facility (PF) to C-2 Central Business District. At the February 14, Planning Commission meeting they made a recommendation to the City Council to rezone the property from PF to C-2.

Attached is a memo from Andy Moore explaining this in detail. Also attached is ordinance 22-01 to rezone this property.

I recommend the Lowell City Council approve Ordinance 22-01, rezoning 115 Riverside Drive as presented.

williams&works

engineers | surveyors | planners

MEMORANDUM

To: City of Lowell Planning Commission
Date: February 11, 2022
From: Andy Moore, AICP
RE: **115 Riverside Dr Rezoning**

The City of Lowell has applied to rezone property located at 115 Riverside Drive (locally known as the "Lineshack Building") from the PF, Public Facilities district to the C-2 Central Business District. The purpose of this memorandum is to review the request pursuant to the City of Lowell Zoning Ordinance.



Background

The subject property (PPN 41-20-02-403-027) has an area of 4,041 square feet (0.09 acres) and is located on the northeast side of Riverside Drive, abutting the Flat River. Until recently, the land and building were owned by Lowell Light and Power. However, it was recently sold to a private party that desires to use the building and property for a mixed use building. Since the PF district only allows for public and quasi-public uses and is generally intended for City-owned properties, the City decided to initiate a rezoning of the property to allow for the development and use of the property by the new owners.

Zoning Review Criteria

Section 22.05 of the Zoning Ordinance sets forth criteria that must be considered when deciding on a zoning amendment. These standards are listed below, along with our remarks on each.

1. If the proposed zoning amendment is consistent with the goals, policies, and future land use map of the city's master plan; or, if conditions have changed significantly since the master plan was adopted, if the zoning amendment is consistent with recent development trends in the area;

Remarks: The Lowell Master Plan serves as a policy document to guide future land use planning decisions. The Master Plan's future land use map shows the subject property as being within the "Downtown" Future Land Use designation. The plan states that this

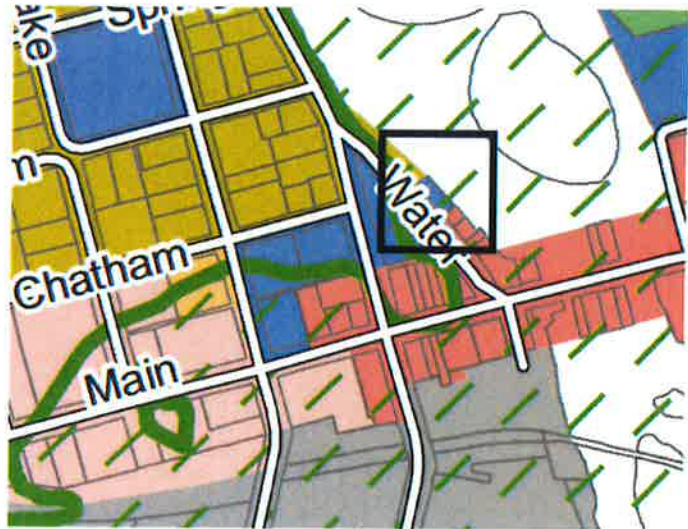
designation "is intended to permit a mixture of residential, office, and commercial land uses in traditional 'main street' style buildings. New development in the Downtown area should be pedestrian-scaled, and should be built to complement the existing downtown buildings. Appropriate land uses in the Downtown area include a wide range of retail, commercial, office, and residential land uses." The proximity of the subject property to downtown Lowell and the fact that many surrounding properties are



already zoned C-2 leads to the conclusion that the rezoning is consistent with the City's Master Plan. The Planning Commission may find this standard to be met.

2. If the zoning amendment is compatible with existing or future land uses in the vicinity;
and

Remarks: The property is located within walking distance of other downtown businesses and public parking areas. The City's future land use map anticipates that the subject parcel and surrounding properties will remain a part of the city's central business district. Uses permitted in the C-2 district are compatible with current and future land uses in this area. Therefore, the Planning Commission may find that the proposed rezoning is consistent with the existing and future land uses in the vicinity.



3. If the site is capable of accommodating all uses allowed by the zoning change, considering existing or planned public infrastructure, including streets, sanitary sewers, stormwater, water, sidewalks, and street lighting.

Remarks: Parcels in the C-2 district are associated with downtown development. This type of development takes on a people-oriented form with buildings facing the sidewalks,

pedestrian connectivity, minimal setbacks, and a walkable atmosphere. The building presently located on this property is likely able to be used for all of the uses permitted by the C-2 district and should complement the suite of land uses permitted in downtown Lowell. The Planning Commission may find this standard to be met.

Recommendation

At the February 14, 2022 meeting, the Planning Commission should discuss the site and consider any comments from the applicant and the public. Subject to those comments, we recommend that the Planning Commission recommend approval of the request to the City Council.

As always, please feel free to contact us if there are additional questions or comments.

SECTION I. Zoning Map Amendment

1. Street Address and/or Location of Request: 115 Riverside Drive
2. Parcel Identification Number (Tax I.D. No.): # 41-20-02-403-027
3. Applicant's Name City of Lowell Phone Number 616-897-8457
Address 301 E. Main Lowell MI 49331
Street City State Zip
Fax Number 616-897-4085 Email Address mikeburns@ci.lowell.mi.us
4. Are You: ☒ Property Owner ☐ Owner's Agent ☐ Contract Purchaser ☐ Option Holder
5. Applicant is being represented by: Andy Moore Phone Number 616-224-1500
Address _____
6. Present Zoning of Parcel PF Present Use of Parcel Vacant
7. Master Plan Future Land Use Classification _____
8. Please use the lines below to state the request and the reason(s) for the request:
(attach additional pages as necessary)
The City of Lowell has initiated the process to seek the rezoning of the former "Lineshack" building and property located at 115 Riverside Drive SE from the PF Public Facilities District to the C-2 Central Business District.

9. For this application to be complete, the following information must be included:
- ☒ A map clearly illustrating the property to be considered for a zoning change, and the current zoning of all properties within ¼ mile, if applicable
- ☐ A legal description of the property to be considered for a rezoning, if applicable

The facts presented above are true and correct to the best of my knowledge.

Signature: Susan Ulloa Date: 1-20-22

**CITY OF LOWELL
KENT COUNTY, MICHIGAN**

ORDINANCE NO. 22-01

AN ORDINANCE TO AMEND THE CITY OF LOWELL ZONING ORDINANCE MAP AS ESTABLISHED BY SECTION 3.02, "DISTRICT BOUNDARIES," OF CHAPTER 3, "ZONING DISTRICTS – GENERAL," OF APPENDIX A, "ZONING," OF THE CODE OF ORDINANCES OF THE CITY OF LOWELL TO REZONE 115 RIVERSIDE DRIVE SE FROM PF PUBLIC FACILITIES TO C-2 CENTRAL BUSINESS DISTRICT

Councilmember _____, supported by Councilmember _____,

moved the adoption of the following ordinance:

THE CITY OF LOWELL ORDAINS:

Section 1. Amendment to the Zoning Ordinance Map Established by Section 3.02 of Chapter 3. The Zoning Ordinance Map Established by Section 3.02, "District boundaries," of Chapter 3, "Zoning Districts - General," of Appendix A, "Zoning," of the Code of Ordinance of the City of Lowell is amended to amend the zone district classification of real property located at 115 Riverside Drive SE, Permanent Parcel No. 41-20-02-403-027, from its existing classification of PF Public Facilities to C-2 Central Business District.

Section 2. Publication. After its adoption, the City Clerk shall publish this ordinance or a summary thereof, as permitted by law, along with its date of adoption in the *Lowell Ledger*, a newspaper of general circulation in the City, at least ten (10) days before its effective date.

Section 3. Effective Date. This ordinance shall take effect ten (10) days after it, or a summary thereof, as permitted by law, along with the date of its adoption, is published in the *Lowell Ledger*, a newspaper of general circulation in the City.

YEAS: Councilmembers _____

NAYS: Councilmembers _____

ABSTAIN: Councilmembers _____

ABSENT: Councilmembers _____

ORDINANCE DECLARED ADOPTED.

Dated: March 7, 2022

Susan Ullery
City Clerk

CERTIFICATION

I, the undersigned City Clerk of the City of Lowell, Michigan (the "City"), certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on March 7, 2022, pursuant to notice given in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended, and notice of its adoption, including a summary of its contents and its effective date, was published in the *Lowell Ledger*, on _____, 2022. I further certify that the above ordinance was entered into the Ordinance Book of the City on _____, 2022, and was effective _____, 2022, ten (10) days after publication.

Dated: March 7, 2022

Susan Ullery
City Clerk

Memorandum



DATE: March 3, 2022

TO: Michael Burns, City Manager

FROM: Daniel Czarnecki, Public Works Director

A handwritten signature in blue ink, appearing to be "M. Burns", with a blue line extending from the bottom.

PUBLIC WORKS

RE: Sewer Cleaning

Several years ago the City of Lowell received a Stormwater, Asset Management, and Wastewater (SAW) Grant from the Michigan DEQ (now called EGLE). The grant was utilized to review our stormwater and sanitary sewer systems, find problem areas, and develop an asset management program to continue the monitoring, maintenance, and improvements of each system. Our approved wastewater plan and program are on file with EGLE.

A simple and effective maintenance program is to clean and observe the system, from the inside. In 2017 the SAW grant allowed the City to clean most of our sewer lines and to videotape the areas of suspected issues. The cleaning has helped to greatly reduce our sewer back up calls from residents and businesses. The original cleaning and videotaping has help us to come up with the current improvement plan we are working through. This plan included the repairs to Foreman St., and for the upcoming Monroe St. (including Kent St.) improvement project, as well as the future Washington St. improvement project.

In order to keep our system functioning at its optimum design capacity we would like to work towards cleaning our entire system again. This is in accordance with our wastewater asset management plan. We have divided the city into three quadrants to spread out the cleaning over several years. We have received a quote from Plummer's Environmental Services for the cleaning of all our sanitary sewer lines. They have broken the cost down by pipe size. Their estimated cost to clean our entire system of approximately 98,100 LF of pipe is \$124,155.00.

We are interested to start the cleaning process this spring, beginning with the sewer mains on the side streets off Monroe St. and Washington St., and then continuing through the sanitary sewer system east of the Flat River. If areas of concern are discovered through the cleaning process, we will then look at having the problem areas televised. In the current fiscal year we have budgeted \$65,000 for the cleaning and televising of a portion of our sanitary sewer mains.

It is my recommendation: **That the Lowell City Council approve the Sanitary Sewer Cleaning quote from Plummer's Environmental Services, Inc., Byron Center, as proposed in their quote dated January 6, 2022, for the amount of \$124,155.00, to be spread over a three-year period.**

Contact Name:	Ralph Brecken	Quote #:	Q-EA7-9F1-3A87
Customer Name:	City of Lowell	Date:	01/06/2022
Customer Address:	301 East Main Street Lowell, MI 49331	Prepared By:	Jeff Root
Office Phone:	(616) 897-8457	Office Phone:	616-877-3930
Mobile Phone:	616-481-9804	Mobile Phone:	(616) 813-0873
Customer Email:	rbrecken@ci.lowell.mi.us	Email:	jroot@plummersenv.com

Statement of Work:

We hereby submit a proposal to clean ~~and replace~~ approximately 98,100 LF of 6" - 30" Sanitary sewer for the City of Lowell over a 3 year period.

Sewer cleaning will be completed by high pressure water jetting and vacuuming the debris from the sewer. We will provide you with one of our Vactor 2100+ combination jet/vacuum machines and operators to clean each section of sewer before the sewer is inspected. All solid waste removed from the sewer will be manifested to local, state and federal regulations, transported and disposed of at our EPA Licensed Centralized Waste Treatment Facility in Byron Center, MI. Water for jetting will be provided at no cost to PES.

Services:				
Description	Est Qty	Price	UOM	Est Amt
8"- 12" Sanitary Sewer Cleaning	83,500.00	\$1.100000	LF	\$91,850.00
15"- 18" Sanitary Sewer Cleaning	11,800.00	\$1.350000	LF	\$15,930.00
21"-30" Sanitary Sewer Cleaning	2,800.00	\$1.750000	LF	\$4,900.00
Easement/Traffic Control Adder	15,300.00	\$0.750000	LF	\$11,475.00
Sub-Total:				\$124,155.00

Summary of Estimated Charges	
Category	Est Total
Services	\$124,155.00
Total Estimated Charges	\$124,155.00

STANDARD TERMS AND CONDITIONS

In this agreement "you", "your" and the "Customer" refer to the person signing this Contract ("Contract") with Plummer's Environmental Services Inc. ("Company").

- You agree to purchase the material and services described in this Contract from the Company at the price and according to the terms stated in this Contract.
- A service charge of 1 1/2% per month (18% per year) will be paid on past due amounts starting thirty (30) days after the invoice date. If Customer desires to pay invoice by credit card, an additional 3% credit card processing fee will be added to Customer's invoice.
- All material is guaranteed to be as specified. All work to be completed in a good, workmanlike manner according to standard practices and using the standard of care commonly used by environmental professionals and by-product transporters practicing in the State of Michigan. Company's workers are fully covered by Worker's Compensation insurance. In the event of cancellation of a job in progress by Customer, Customer will reimburse Company for all labor and/or material costs. Company shall have the right to stop work if payments are not made when due. Company shall be held harmless from all liabilities related to the hold up during such period.
- All terms and conditions in this Contract supersede any other terms and conditions, prior proposals or prior bids. This written Contract constitutes the complete integration of all statements and agreements relating to the Contract and there are no representations or warranties other than those expressly incorporated herein nor is this Contract dependent upon or subject to any conditions or approvals precedent or subsequent not herein stated. No subsequent agreement relating hereto shall be binding upon Customer or Company unless in writing and signed by the party being bound.
- If Customer requests changes, alteration or deviation from specifications involving extra cost, such work will only be performed upon written change orders, and will become an extra charge over and above the Contract price. Company may, by giving written notice to Customer, terminate this Contract if Customer breaches this Contract and such breach is not cured within a reasonable period (in any event such period not to exceed thirty days) or such breach is not capable of being cured within a reasonable period.
- The actual completion time is contingent upon access to Customer's facility, labor strikes, material shortages, accidents, weather, acts of God, changes caused by a body of government, and the like. Change orders will affect the time necessary for completion. Company shall not be liable for any damages suffered by Customer as a result of any delay occasioned by these contingencies.
- EXCEPT AS EXPRESSLY STATED HEREIN, THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATIONS OF LAW OR OTHERWISE, OF THE MATERIALS OR SERVICES FURNISHED UNDER THIS CONTRACT BY COMPANY. COMPANY SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM A COURSE OF DEALING OR USAGE OR TRADE. COMPANY SHALL HAVE NO OTHER LIABILITY TO CUSTOMER IN CONNECTION WITH THE MATERIALS OR SERVICES FURNISHED UNDER THIS CONTRACT, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY LIABILITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR ANY INJURY OR DAMAGES TO PERSONS AND PROPERTY.
- Customer shall maintain at its sole cost and expense insurance policies meeting the minimum insurance levels set forth below and shall provide certificates of such insurance evidencing the limits and expiration dates upon request;
 - Worker's Compensations - in accordance with applicable statutory requirements;
 - Commercial General Liability - not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate,
 - Automobile Liability - not less than \$1,000,000 per occurrence;

All policies of insurance shall name Plummer's Environmental Services, Inc. as an additional insured and will provide Plummer's thirty (30) days prior written notice of cancellation.

9. All issues concerning the construction, validity, enforcement and interpretation of this Contract shall be governed by and construed in accordance with the laws of the State of Michigan. The parties agree that venue is hereby exclusively established in the County of Kent, State of Michigan for any dispute or claim arising out of this Contract. Company, if it prevails in any action shall be entitled to all reasonable attorneys' fees, costs and other expenses incurred in such action and in any subsequent efforts to collect the amount awarded.

10. Any portion of this Contract found to be not enforceable by a court of competent jurisdiction will not invalidate the remaining portions of this Contract. Any term of this Contract which is found to be ambiguous shall not be construed against the Company. Nothing herein shall exclude any other rights or remedies to which Company is entitled by law or equity.

11. Customer agrees to indemnify and hold Company harmless, and assume any legal liability to defend Company, its agents, employees, officers and members from any claim or action by any third party arising out of the performance of work pursuant to this Contract except those claims or actions arising out of incidents caused by employees or agents of the Company.

12. All the terms and provisions of this Contract shall be binding upon, shall inure to the benefit of, and shall be enforceable by the respective heirs, beneficiaries, personal representatives, successors and assigns of the parties to this Contract. This Contract is for the benefit of the parties, their successors and assigns, and is not for the benefit of any third party.

13. Plummer's Environmental Services is not responsible for any sewer back up on private or commercial properties while cleaning sewer lines due to inadequate ventilation on the owners sewer.

Name:

Ralph Brecken

Signature:

X

Date:

