



Pamela Colestock – *Mayor*
William Steele – *Mayor Pro Tem*
Deb Malewski – *Council Member*
Rick Loftus – *Council Member*
Ken Nicholas – *Council Member*

Yvonne Ridge – *City Manager*
Larry Joe Weeks – *Police Chief*
Roger McNutt – *Fire Chief*
LeRoy Hummel – *Building Official*
Rob Pierce – *Public Works/Utilities Director*
Genny Allen – *Treasurer/Finance Director*
Robin Webb – *City Clerk*
Corey Cagle – *Director of Parks, Recreation and Events*
Lisa Barna – *Community and Economic Development Specialist*
Randy Jewell – *City Assessor*
Cullen Harkness – *City Attorney*

**CITY OF EATON RAPIDS
WORK SESSION AGENDA**

December 23, 2024

5:00 pm

200 S. Main Street

This meeting will be streamed live for viewing only at:

<https://us06web.zoom.us/j/85394331944>

Meeting ID: 853 9433 1944

Please note all public comments must be made in person.

Call to Order

Public Comments

Unfinished and Special Business

Drinking Water State Revolving Fund - DWSRF

New Business

1. C2AE Engineering Services Proposal for DWSRF Project
2. OHM Advisors Professional Services Proposal for 2025 Source Water Protection (SWP) Grant
3. 2023-2024 Audit Update
4. Eaton County Recycling Grant
5. Protecting Local Government Retirement and Benefit Act – Corrective Action Plan Monitoring for Pension and OPEB
6. Protecting MI Pension Grant – Corrective Action Plan Monitoring for Pension
7. Goal Setting Fiscal Year 2025-2026

Board and Committee Reports

Public Comments

Adjourn



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: Professional Design Services – C2AE Engineering

SUMMARY

The Professional Design Services requested is for the DWSRF Project funding through EGLE. The City must submit a Draft Plan and Specs with Act 399 Permit application by February 28, 2025. The project is estimated to cost \$33,810,000 and includes Water Treatment Pressure Filters Improvements, High Service Pump Improvements, Water Main Replacements and Lead Service Line Replacements. We require professional services to complete the Draft Plan and Specs.

STAFF RECOMMENDATION/MOTION

Motion to Adopt Resolution 2024-46 to approve Proposal for Design Services for the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Drinking Water State Revolving Fund (DWSRF) Project for 4th Quarter Financing in Fiscal Year 2025.

LIST OF SUPPORTING DOCUMENTS

Resolution 2024-46

Professional Design Services Proposal



106 W. Allegan St., Suite 500
Lansing, MI 48933
517.371.1200
www.c2ae.com

December 17, 2024

Mr. Rob Pierce
Public Works/ Utilities Director
City of Eaton Rapids
200 South Main Street
Eaton Rapids, MI 48827

Re: Proposal for Professional Services: Design Services – EGLE DWSRF FY 25 Project

Dear Mr. Pierce and City Council Members,

Pursuant to previous discussions with the City, C2AE is pleased to submit our proposal for professional services for the design services for the FY 2025 Michigan Department of Environment, Great Lakes and Energy (EGLE) DWSRF (drinking water) Project Plan project elements, for City of Eaton Rapids.

Project Understanding

The City of Eaton Rapids submitted a Drinking Water State Revolving Fund (DWSRF) Project Plan in 2022 which included drinking water system improvements aimed at addressing deficiencies and needs identified in the Water System Reliability Study and Asset Management Plan. This DWSRF Project Plan fell outside of the limits of fundable range. The Project Plan was amended and resubmitted in 2023, to include additional scope of water main improvements, as well as federal grant funding appropriations from the Community Project Funding process, led by Elissa Slotkin, U.S. Representative of the 7th Congressional District of Michigan.

The amended Project Plan fell outside of the DWSRF scoring limit for low interest loan; however, in a meeting with EGLE on November 25, 2024, the City was informed that a low interest loan offer would be extended due to current availability of funds. The City of Eaton Rapids was awarded lead service line replacement (LSLR) and water main grant funding of 20% of project total, up to \$6,762,000 based on the \$33,810,000 of recognized need in the DWSRF Project Plan.

The City of Eaton Rapids has elected to pursue the full project scope in the amount of \$33,810,000 and has requested a proposal from C2AE for design of the improvements included within the DWSRF Project Plan.

Below is the list of improvement projects identified within the DWSRF FY25 Project Plan with the intent to be constructed in State Fiscal Year 2026.

1. Water Treatment Pressure Filter Improvements (Water Treatment Plant)
2. High Service Pump Improvements (Water Treatment Plant)
3. Water main Replacements (multiple locations)
4. Lead Service Line Replacements (multiple locations)

Water Treatment Pressure Filter Improvements

1. The water treatment process includes three existing dual-cell horizontal pressure filters, located within the water treatment plant building, that were installed in the 1950's (No. 1 & 2 in 1957, No. 3 in 1959) as a means of removing dissolved metals and sediment from the groundwater supply prior to distribution. The filters were rehabilitated in 2000 as a cost-effective means to extend the serviceable life. At the time of rehabilitation, the additional service life was 12 years; the City has utilized the pressure filters for 24 years following the upgrades.
2. The recommended improvements are to replace each of the three pressure filters, associated piping, and controls. In addition to replacement, the scope of this project is to evaluate a possible extension onto the water treatment plant building to completely cover/encapsulate the filters within the building. Approximately, one-third of each of the filters protrudes through the treatment plant walls, exposed to the elements.

High Service Pump Improvements

1. Two vertical centrifugal high service pumps, installed in 1958, move raw water from the detention tank and discharge flow through the pressure filters, and eventually into the distribution system. Currently, the firm pumping capacity of the high service pumping is approximately 1,400,000 GPD. Over the 66 years in service, the pumps have been maintained proactively, including being rebuilt in 1994.
2. The recommended improvements associated with this project are to replace the two high service pumps, replace aging discharge piping, install new electrical and controls equipment, SCADA improvements, and a metal staircase to the aeration tanks. During construction it is recommended the aeration tanks be visually inspected and cleaned out of settled iron sludge.

Water Main Replacements (Multiple Locations)

5. This work involves replacement of undersized water mains at multiple locations throughout the City drinking water distribution system. Criteria considered for water main replacement includes break history, useful life expectancy, pipe material, and water service line materials. Replacement of the chosen water mains will increase reliability, operability, and fire flows throughout the City.
6. These projects may encounter lead or galvanized water service lines during construction, which will be scheduled for replacement from the water main to the water meter, as part of this construction.

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| <ul style="list-style-type: none"> • Water - City Limit to Blake & South to Broad • Broad - Hall to Jennie • Plains - Hyatt to dead-end • Jennie - Plains to King • Center - Union to State • Forest - Leonard to McArther • Exeter - Forest to Cumberland • Cumberland (backlot) Carlisle to Exeter*** • Spicerville • Williams - Montgomery to Main • Hall (backlot) - Williams to Grand*** | <ul style="list-style-type: none"> • West (backlot) - Rancho to Grand*** • Veroy - Marlin to Haven • Lindy - Veroy to Jackson • Lee - West to Hall • Haven - West to Jackson • Jackson - Haven to South • South - Main to Water • Blake, Chester, Lewis, Hale, Osborn • Montgomery - Plains to Broad • West - Plains to King • Vaughn, Munn |
|--|--|

- Frost - Brook to Lake
- Lake - Tompkins to dead-end
- Backlot from Lake to Dexter
- Division - Minerva to North
- Canal - Lansing to Alley
- Bently - M99 to Wood
- Union - East to River
- Diana - East to River
- Holmes - East to River
- River - Union to Diana
- S. East - Knight to Holmes
- Dutton - River to Gould
- Gould - Dutton to State
- East - Leonard to McArther
- Well 4&5
- Raymerville - N. East to dead end
- Broad St. (Looping)
- Osborn St., Hale St., & Blake St. (Looping)
- McArthur River Dr. (Looping)

*** Backlot water main projects not chosen for replacement as directed by City.

Lead Service Line Replacements (Multiple Locations)

1. This work involves replacement of lead and galvanized water services at multiple locations throughout the City drinking water distribution system. Lead and galvanized materials were used in water service materials prior to the mid-1980's. Lead and galvanized materials in drinking water services can lead to a decline in water quality, service reliability, and cause health issues. In addition, galvanized water services are known to be susceptible to corrosion and eventually leaking/breaking over time. The U.S. EPA Lead and Copper Rule, and Lead and Copper provisions promulgated under the Michigan Safe Drinking Water Act, mandate that public water supplies inventory water service lines and provide updated inventories and replacement for those known to be lead or galvanized previously connected to lead (GPCL).
2. Water services chosen for replacements will be of known lead and/or galvanized material from City record data and as water service material is discovered to be lead or galvanized. Replacement of the chosen lead and/or galvanized water services will improve water quality to customers, lower the number of water services containing lead reported in the Consumer Confidence Report, as well as minimize the potential exceedance when during lead and copper sampling program. Lead or galvanized water service lines will be scheduled for replacement from the water main to the water meter, as part of this construction.

Scope

For each project, C2AE will provide complete engineering plans and specifications suitable for bidding and construction. We will prepare bidding documents for all the projects and conduct the bidding process with associated recommendations for construction contract award.

The engineering design scope of work for the water system project elements consists of the following:

Design

1. Kick off Meeting: Meet with the City to review the projects, project limits, priorities, and review the project requirements, including the scope of services and schedule.

2. Progress Reports: Prepare/submit monthly progress reports, which include work accomplished during the month, anticipated work elements for next month, input required from the City, City decisions/directives, identified project challenges, and budget and schedule status.
3. Existing Utilities & Contours: The City's utility and contour GIS data will be used to supplement the layout of the existing utility information. A MISSDIG design ticket will be requested for confirming the existing utility information in the project area and incorporating the information into the base mapping for the plan development.
4. Manhole Inventories: Information will be generated from the City's SAW database for producing the plans. Site visits will be planned to confirm the condition of the structures in the vicinity of the proposed water main routing for constructability evaluation.
5. Existing Sanitary and Storm Sewers: Review existing sewer information from the City's GIS database to confirm elevations for potential utility conflicts.
6. Preliminary Routing Layout: Confirm a preliminary route of the water main for establishing topographic survey, soil boring locations, and running initial opinion of probable construction cost. The proposed water main layout will be designed using the available contours and utility location information.
7. Topographic Field Survey: Perform topographic field survey for the planned layout of water main replacement, pressure filter & high service pump replacement, and staircase to aeration tanks. Additionally, we have included an allowance for the development of required permanent and temporary easements. This work will be performed by our survey sub-consultant, Monument Engineering Group Associates.
8. LiDAR Survey: Perform LiDAR survey of the interior and exterior of the water treatment plant (as necessary for adequate design) using portable LiDAR scanner.
9. Field Investigations: Conduct field investigations to collect existing physical project information, identify construction limits for the underground work, and review potential underground conflicts.
10. Geotechnical Investigations: Obtain soil borings for areas of the project covering the proposed water main route, pressure filter replacement, and staircase to aeration tanks. This work is being performed by our geotechnical sub-consultant, Driesenga & Associates.
11. Water Quality Tests: Obtain water quality samples of raw water, pre-filter water, and finished water for use in pressure filter design, to be performed by others.
12. Design: Develop plans and specifications for the proposed route of the water main, pressure filter replacement, and high service pump replacement including design of impacted surface features including sidewalk, sidewalk ramps, road crossings, and driveways. Review Water System Reliability Study (WSRS) for future growth of water usage for proper sizing of pumps and pressure filters.
13. QA/QC: In addition to the ongoing quality assurance process on the project, an internal quality control review will be performed prior to submittal deliveries. This review will incorporate decisions made within the project duration and use of design standards.
14. Preliminary Plans Review Meeting: Meet with the City to review the project design and establish any required updates for the final deliverables. Somewhere we should mention the required DWSRF submittals
15. Final Design: Complete plans and specifications based on the input from the Preliminary Plans Review meeting.

16. Traffic Control Plan: Prepare a traffic control plan in accordance with the Michigan Manual of Uniform Traffic Control Devices, 2011 Edition. This will include traffic control specifications along with plan sheets in the design package for detour routing.
17. Soil Erosion and Sedimentation Control (SESC) Plan: Prepare a soil erosion and sedimentation control plan in accordance with the City's standards.
18. Permits: Assist in preparation and submittal of MDOT ROW, SESC, EGLE/USACE Joint Permit, and EGLE Part 399 permit applications.
19. Final Engineering Opinion of Probable Construction Cost (EOPCC): Develop final project quantities and prepare a final opinion of probable construction cost based on the final design package for construction.
20. Final Plans Review Meeting: Meet with the City to review the project design and establish any required updates for the final deliverables.
21. Final Design Package: Assemble the final design package for construction including plans, technical specifications, and permit applications.

Bidding Assistance

1. Bidding services will include Advertisement Assistance, Questions & Clarifications and Addenda, Pre-Bid Meeting, Bid Opening Assistance, Low-Bidder Research & Recommendation of Award and will be incurred at the time of anticipated bidding in May 2025. Bidding services have not been included within this agreement and can be added at a later date at the City's request.

Construction Services

1. Construction services will include Construction Administration, Construction Observation, Closeout & Record Drawings and be incurred at the time of anticipated construction in late 2025 and into 2026, until project completion. Construction services have not been included within this agreement and can be added at a later date at the City's request.

Assumptions

1. Six meetings with the City are planned for this design work.
2. The Design plans will be completed using the C2AE CAD standards.
3. The City of Eaton Rapids and MDOT standards will be the basis for the preparation of the construction specifications.

Deliverables

1. Progress Reports
2. Bidding Documents
 - a. Project Manual and Technical Specifications (based on MDOT special provisions)
 - b. Construction Plans in two bid sets
 - 1) Water Treatment Plant – pressure filter replacement & high service pump replacement

- 2) Water Main Projects – (multiple locations)
- 3. EOPCC
- 4. Permit Applications
 - a. SESC
 - b. EGLE/USACE Joint Permit Application (if applicable)
 - c. EGLE Part 399
 - d. County Right-of-Way Construction Permit (if applicable)

Schedule

We propose to complete the services, as outlined herein, in accordance with the following schedule to meet EGLE Quarter 4 Financing Schedule Milestones. We reserve the right to adjust the schedule based on the actual date of authorization.

Key Schedule Items

- Design 90% Draft Plans & Specifications
- Design 100% Final Plans & Specifications
- *Anticipated Bidding Assistance
- *Anticipated Construction Services

Completion

- February 28, 2025
- April 15, 2025
- May 23, 2025 – July 1, 2025
- October 2025 – October 2027

Fee

We propose to provide the services, as outlined herein, in accordance with the following:

Task	Fee	Fee Basis
Design	\$1,700,000	Time and Materials, NTE

We have included our Standard Contract Provisions as part of our proposal. If the terms and conditions as stated are acceptable, please countersign and return one (1) copy to our office. Please do not hesitate to contact us should you have any questions or concerns, or if you need additional information.

Sincerely,
C2AE

Neil D Noack
Project Manager

Roger F Marks, PE
Client Services Leader

Accepted by:

City of Eaton Rapids

Date

C2AE Standard Owner-A/E Contract Provisions, 2024

The parties to this agreement, Capital Consultants, Inc., dba "C2AE" in Michigan and dba "Capital Consultants Architecture and Engineering" in New York, hereinafter called C2AE and "City of Eaton Rapids, Eaton County, Michigan, hereinafter called OWNER, hereby agree to the following conditions:

- A. Scope of Services: OWNER and C2AE have agreed to a written description of services C2AE will provide to OWNER for an established compensation, hereafter referred to as "Scope of Services". Additional Services may be agreed to in writing by OWNER and C2AE in addition to the Scope of Services. Services not set forth in written agreement are specifically excluded from the scope of C2AE's services, including any "financial advising" services. C2AE assumes no responsibility to perform any services not specifically agreed to in writing.
- B. Standard of Care: C2AE shall perform its services consistent with the professional skill, care, and timeliness ordinarily provided by professional engineers and architects practicing in circumstances of similar time and place. C2AE makes no warranties, express or implied, under this Agreement or otherwise, in connection with any services performed or furnished by C2AE. However, C2AE shall correct any technical accuracy deficiencies in C2AE's Instruments of Service without additional compensation.
- C. Schedule: C2AE shall ordinarily perform its services within a reasonable time. Upon OWNER's request, C2AE shall prepare and submit for OWNER approval a detailed schedule for the performance of C2AE's services. This schedule shall include reasonable allowances for review and approval times required by OWNER, performance of services by OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by OWNER, or for delays or other causes beyond C2AE's reasonable control.
- D. Changed Conditions: If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to C2AE are revealed, to the extent that they affect the scope of services, compensation, schedule, allocation of risks or other material terms of this Agreement, C2AE may call for renegotiation of appropriate portions of this Agreement. C2AE shall notify OWNER of the changed conditions necessitating renegotiation, and both parties shall promptly and in good faith renegotiate this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.
- E. Payment Terms: Invoices prepared to C2AE's standard format will typically be submitted by C2AE monthly, are due upon receipt, and shall be considered past due if not paid within thirty (30) calendar days of the due date. If work is abandoned or suspended, C2AE shall be paid in full for services performed prior to receipt of written notice from OWNER of abandonment or suspension. If OWNER fails to make payments when due, C2AE may charge interest at one-and-one-half (1.5) percent or the maximum rate allowable by law, whichever is less, per month on the past due amount, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal. In addition, if OWNER fails to make payments when due or otherwise is in breach of this Agreement, C2AE may suspend performance of services when any invoice for services remains unpaid 60 days after the date of the invoice and upon five (5) calendar days' notice to OWNER. C2AE shall have no liability whatsoever to OWNER for any costs or damages as a result of such suspension caused by any breach of this Agreement by OWNER. Upon payment in full by OWNER, C2AE shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any other reasonable time and expense necessary for C2AE to resume performance.
- F. Disputed Invoices: OWNER shall not withhold amounts from C2AE's compensation to impose a penalty or liquidated damages on C2AE, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless C2AE agrees or has been found liable for the amounts in a binding dispute resolution proceeding. If OWNER objects to any portion of an invoice, OWNER shall so notify C2AE in writing within ten (10) calendar days of receipt of the invoice. OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation

C2AE Standard Owner-A/E Contract Provisions, 2024

between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement.

G. Regulatory Compliance: C2AE shall put forth reasonable professional efforts to comply with applicable laws, codes and regulations in effect as of the date of submission to building authorities, including the Americans with Disabilities Act (ADA) which provides that alterations to a facility must be made in such a manner that, to the maximum extent feasible, the altered portions of the facility are readily accessible to persons with disabilities. Design changes made necessary by newly enacted laws, codes and regulations after submission date shall entitle C2AE to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provision of this Agreement. OWNER acknowledges that the requirements of laws, codes, and regulations, including the ADA, will be subject to various and possibly contradictory interpretations. C2AE, therefore, will use its reasonable professional efforts and judgment to interpret applicable requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project. C2AE, however, cannot and does not warrant or guarantee that OWNER's project will comply with all interpretations of all the requirements of federal, state and local laws, rules, codes, ordinances and regulations as they apply to the project.

H. Errors and Omissions and CONSULTANT's Limit of Liability: In recognition of the relative risks and benefits of the Project to both OWNER and C2AE, the risks have been allocated such that OWNER agrees, to the fullest extent permitted by law, to limit the liability of C2AE and its officers, directors, shareholders, employees, and sub-consultants for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of C2AE and its officers, directors, shareholders, employees, and sub-consultants shall not exceed \$10,000 or C2AE's total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

I. Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither OWNER nor C2AE nor their respective officers, directors, shareholders, employees, and sub-consultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both OWNER and C2AE shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

J. Dispute Resolution: OWNER agrees that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for nonbinding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. Any party hereto may initiate mediation within the time allowed for filing for arbitration as set forth below and the parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto. Any time expended in mediation shall not be included in calculating the time for filing arbitration. If mediation fails to resolve the claim or dispute, the matter shall be submitted to arbitration with the American Arbitration Association under the Construction Industry rules, unless the parties mutually agree otherwise or unless a plaintiff not a party hereto institutes litigation in a court of competent jurisdiction and said court takes personal jurisdiction over one of the parties hereto regarding the same subject matter as in dispute between the parties hereto. No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other manner, any additional person not a party to this Agreement except by written consent of the parties and such consent to arbitration involving an additional person(s) shall not constitute consent to arbitration of any dispute not described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person(s) shall be specifically enforceable under the prevailing arbitration law. The demand for arbitration shall be made within one (1) year of the date the claimant knew or should have known

C2AE Standard Owner-A/E Contract Provisions, 2024

of the existence of the claim, dispute, or other matter. If the demand for arbitration is not effectuated within one (1) year, the claim, dispute, or other matter shall be forever barred and not mandatory. The decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the event either party makes a claim or brings action against the other party for any act arising out of the performance of the services hereunder, and the claimant fails to prove such claim or action, then the claimant shall pay all legal and other costs (including attorneys' fees) incurred by the other party in defense of such claim or action.

K. Mutual Indemnification: Neither OWNER nor C2AE shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence. C2AE agrees, to the fullest extent permitted by law, to indemnify and hold harmless OWNER, its officers, directors and employees (collectively, OWNER) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by C2AE's negligent performance of professional services under this Agreement and that of its sub-consultants or anyone for whom C2AE is legally liable. Likewise, OWNER agrees, to the fullest extent permitted by law, to indemnify and hold harmless C2AE, its officers, directors, employees and sub-consultants (collectively, C2AE) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by OWNER's negligent acts in connection with the project and the acts of its contractors, subcontractors or consultants or anyone for whom OWNER is legally liable.

L. Use of Documents: All Documents (data, reports, drawings, specifications, models, and other deliverables, whether in printed or digital format) are Instruments of Service for which C2AE shall retain all common law, statutory and other reserved rights, including copyrights, whether or not the Project is completed. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of C2AE. C2AE grants to OWNER a nonexclusive license to use C2AE's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that OWNER substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The license granted under this section permits OWNER to authorize the Contractor, Construction Manager, Subcontractors, and material or equipment suppliers, as well as OWNER's consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project, subject to the following limitations: (1) OWNER acknowledges that such Documents are not intended or represented to be suitable for use on the Project unless completed by C2AE, or for use or reuse by OWNER or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by C2AE; (2) any such use or reuse, or any modification of the Documents, without written verification, completion, or adaptation by C2AE, as appropriate for the specific purpose intended, will be at OWNER's sole risk and without liability or legal exposure to C2AE or to its officers, directors, employees, and sub-consultants; (3) OWNER shall indemnify and hold harmless C2AE and its officers, directors, employees, and sub-consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the Documents without written verification, completion, or adaptation by C2AE; and (4) such limited license to OWNER shall not create any rights in third parties. C2AE and OWNER warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

M. Construction Activities: Neither the professional activities of C2AE nor the presence of C2AE or its employees and sub-consultants at a project site shall relieve the Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the work in accordance with the Contract Documents and any health or safety precautions required by any regulatory agencies. C2AE and its personnel have no authority to approve construction change orders or to issue stop work orders. C2AE and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. OWNER agrees that the Contractor shall be solely responsible for jobsite safety and warrants that this intent shall be carried out in OWNER's contract with the Contractor. OWNER also agrees that OWNER and C2AE and its sub-consultants shall be included as indemnified parties by the Contractor in OWNER-Contractor agreement and shall be made additional insureds under the Contractor's policies of general liability insurance.

C2AE Standard Owner-A/E Contract Provisions, 2024

N. **Site Surveying and Geotechnical Engineering:** The CONSULTANT is retaining the services of a surveying and/or geotechnical consulting firm as a convenience for the OWNER. As such, the OWNER shall fully indemnify the CONSULTANT for all damages arising from the survey and/or geotechnical consultant's or subconsultant's services and waives any geotech claims against the CONSULTANT.

O. **Hazardous Materials:** As used in this Agreement, the term *hazardous materials* shall mean any substances, including but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the project site. Both parties acknowledge that C2AE's Scope of Services does not include any services related to the presence of any hazardous or toxic materials. In the event C2AE or any other party encounters any hazardous or toxic materials, or should it become known to C2AE that such materials may be present on or about the jobsite or any adjacent areas that may affect the performance of C2AE's services, C2AE may, at its option and without liability for consequential or any other damages, suspend performance of its services under this Agreement until OWNER retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the jobsite is in full compliance with all applicable laws and regulations. OWNER agrees, notwithstanding any other provision of this Agreement, to the fullest extent permitted by law, to indemnify and hold harmless C2AE, its officers, directors, employees and sub-consultants (collectively, C2AE) from and against any and all claims, suits, demands, liabilities, losses, damages or costs, including reasonable attorneys' fees and defense costs arising out of or in any way connected with the detection, presence, handling, removal, abatement, or disposal of any asbestos or hazardous or toxic substances, products or materials that exist on, about or adjacent to the project site, whether liability arises under breach of contract or warranty, tort, including negligence, strict liability or statutory liability or any other cause of action, except for the sole negligence or willful misconduct of C2AE.

P. **Opinions of Probable Construction Cost:** When in the Scope of Services C2AE provides opinions of probable construction cost, OWNER understands that C2AE has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that C2AE's opinions of probable construction costs are made on the basis of C2AE's professional judgment and experience. C2AE makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from C2AE's opinion of probable construction cost.

Q. **Distribution of Digital Documents:** When in the Scope of Services C2AE provides digital information extracted from its Instruments of Service to OWNER or to others on behalf of OWNER, the recipient of the information will be required to agree to C2AE's Release of Electronic Documents Agreement, including compensation for C2AE to prepare the files. Under no circumstances shall delivery of electronic files by C2AE be deemed a sale, and C2AE makes no warranties, either express or implied, of merchantability and fitness of electronic files for any particular purpose. In no event shall C2AE be liable for any loss of profit or any consequential damages as a result of OWNER's or other's use or reuse of these electronic files.

R. **Record Documents:** When identified in the Scope of Services and upon completion of the work C2AE shall compile for and deliver to OWNER a reproducible set of Record Documents based upon the marked-up record drawings, addenda, change orders and other data furnished by the Contractor. These Record Documents will show significant changes made during construction. Because these Record Documents are based on unverified information provided by other parties, which C2AE shall assume will be reliable, C2AE cannot and does not warrant their accuracy.

S. **Design Without Construction Administration:** When the Scope of Services does not include substantial involvement in project observation or review of the Contractor's performance or other construction phase services, OWNER assumes all responsibility for interpretation of the Contract Documents and for construction observation, and OWNER waives any claims against C2AE that may be in any way connected thereto. In addition, OWNER agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless C2AE, its officers, directors, employees and sub-consultants against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, arising out of or in any

C2AE Standard Owner-A/E Contract Provisions, 2024

way connected with the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of C2AE.

T. On-site Construction Observation: When the Scope of Services includes part-time or full-time on-site project representation in order to observe the progress and quality of the work completed by the Contractor such observation is not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather is to allow C2AE, as an experienced professional, to become generally familiar with the work in progress and to determine, in general, if the work is proceeding in accordance with the Contract Documents. Such observation shall include keeping OWNER informed about the progress of the work and C2AE shall endeavor to guard OWNER against deficiencies in the work. In any case, C2AE shall not supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor in accordance with the Contract Documents. Finally, C2AE shall not be responsible for any acts or omissions of the Contractor, sub-contractor, any entity performing any portions of the work, or any agents or employees of any of them and does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its work in accordance with the Contract Documents or any applicable laws, codes, rules or regulations.



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: Professional Services – OHM Advisors

SUMMARY

The City has completed its Source Water Protection Program (SWPP) and we are planning to start implementing the program with the help of the EGLE SWP Grant. The City's priority for 2025 is the implementation of the Program's public education outreach. Public education outreach is one of the seven elements of the SWPP which aims to promote awareness of the importance of drinking water source water protection, inform the water customers of the City's SWPP and encourage customer participation in protection of water which in turns protects public health and creates an economically viable community.

Projects Included in the Project Plan:

1. General Wellhead Protection ESRI GIS Experience
2. Purchase Three Groundwater Models
3. Staff and Elected Officials Training on Wellhead Protection Viewer and Environmental Permits Checklist
4. Development of Wellhead Protection Facebook and Consumer Confidence Report
5. Quarterly Wellhead Protection Team Meeting
6. Groundwater/Wells and Water Treatment Graphics and Presentation Boards
7. Create, print and distribute Wellhead Protection placements
8. Create content for Wellhead Protection Billboard

This project is expected to cost \$53,000 in which we will receive 50% of expense reimbursed through the EGLE SWP Grant.

STAFF RECOMMENDATION/MOTION

Motion to Adopt Resolution 2024-47 to approve Proposal for Professional Services for the Michigan Department of Environment, Great Lakes, and Energy (EGLE) 2025 Source Water Protection (SWP) Grant.

LIST OF SUPPORTING DOCUMENTS

Resolution 2024-47

Professional Services Proposal – OHM Advisors



12/16/2024

Yvonne Ridge
Manager
City of Eaton Rapids
200 S. Main Street
Eaton Rapids, MI 48827

RE: Proposal for Professional Services
2025 Source Water Protection Grant Work

Dear Ms. Ridge:

Thank you for contacting OHM Advisors (OHM) to provide professional services to the City of Eaton Rapids (City) for the 2025 Source Water Protection Grant Work. We have prepared this letter proposal based on the information provided and discussions with you and the tasks in your 2025 Michigan Department of Environment Great Lakes and Energy (EGLE) Source Water Protection (SWP) Grant. This proposal represents our understanding of the project, scope of services, schedule and compensation.

Statement of Understanding

The City has completed its Source Water Protection Program (SWPP) and planning to start implementing the program with the help of the EGLE SWP Grant. The City's priority for 2025 is the implementation of the Program's public education outreach. Public education outreach is one of the seven elements of the SWPP which aims to promote awareness of the importance of drinking water source water protection, inform the water customers of the City's SWPP and to encourage customer participation in protection of water which in turns protects public health and creates an economically viable community.

Scope of Services

Our Scope of Services includes the tasks required to assist in the completion of the work tasks outlined in the City's SWPP 2025 grant from EGLE. Please note because the City's source water is groundwater, Wellhead Protection/Wellhead Protection Program (WHP/WHPP) has been historically used in place of SWP. While SWP is used by EGLE to refer to both surface water and groundwater protection programs, the City generally uses WHP when referring to its source water program.

Specific tasks to complete this project are as follows:

Task 1 – General Wellhead Protection ESRI GIS Experience

OHM Advisors will develop a website built within an Esri ArcGIS Experience directed at community leadership, staff and the public and that will tell the story of the City of Eaton Rapids Wellhead Protection efforts. The site will have informational content that may take the form of pictures/graphics, videos, maps, reference information, and links to help inform and educate the selected audience. The City will have final approval of content before site goes live.

Deliverables

- ▼ Up to three meetings two-hour meetings with the OHM GIS Team
- ▼ Completed ESRI experience



Task 2 – Purchase Three Groundwater Models

OHM will identify a vendor the City can use to purchase three groundwater models for use at the elementary, middle and high schools.

Deliverable

- ▼ Contact information for purchase of water models.

Task 3 – Staff & Elected Officials Training on Wellhead Protection Viewer and Environmental Permits Checklist

Prepare and provide a 90-minute onsite training for the City Council, Planning Commission and staff to explain and demonstrate the functionality of the Wellhead Protection Viewer hosted by Tri-County Regional Planning Commission. Training will also include the use, value and applications of the Environmental Permits Checklist for site plan reviews.

Deliverable

- ▼ Training Presentation

Task 4 – Development of Wellhead Protection Facebook and CCR Content

OHM Advisors will develop wellhead protection content directed at the community at large for use on the City's Facebook page and the required Consumer Confidence Report (CCR). City will be given final approval of all content. City will be responsible for posting content and submitting required CCR.

Deliverables

- ▼ Twelve wellhead protection Facebook posts designed to be posted monthly
- ▼ Up to two pages of wellhead protection content for the 2025 CCR

Task 5 –Quarterly Wellhead Protection Team Meetings

Consultant will prepare, participate and share follow up tasks in quarterly wellhead protection meetings with the City.

Deliverables

- ▼ Prepare agenda and attend up to four wellhead protection meetings
- ▼ Provide synopsis of meeting discussion and action items.

Task 6 -Groundwater/Wells and Water Treatment Graphics and Presentation Boards

Work with the City to create a set of graphics that can be displayed on presentation boards that tell the story of the City's drinking water and wellhead protection efforts that can be displayed in libraries, City Hall, etc.

Deliverable

- ▼ Create and print three educational poster boards. Estimated size 24" x 36"

Task 7 – Create, print and distribute WHP placemats

Design placemat that can be used as a learning tool in local restaurants and school settings that explain the story of Eaton Rapids drinking water and wellhead protection efforts. Placemats will have interactive activities such as word searches, crossword puzzles, and items for coloring.

Deliverable

- ▼ Design and print 500 placemats and provide to the city and elementary school



- ▼ Provide design in black and white sized for printing on placemat sized paper for future printings

Task 8 – Create content for WHP Billboard

Create and design artwork for three billboards to encourage awareness of drinking water protection efforts in the City. Work with the City to identify local billboard companies and request placement of billboards under their public service announcement requirements.

Deliverable

- ▼ Artwork for three billboards
- ▼ Work with the City’s chosen vendor to provide artwork in required format

Additional as-needed items may arise during this project, which were not anticipated at the time this proposal was prepared. These efforts will not be completed until written authorization has been provided by the City agreeing to the extra work and the budget allowance for this task will not be used without advanced authorization from the City. OHM will prepare a Scope of Services and a budget for each item for approval by the City before proceeding. These efforts may include:

- ▼ Additional meetings or trainings
- ▼ Additional printings
- ▼ Billboards posted at market price

Schedule

The following table outlines the task durations for major project milestones in accordance with the City’s EGLE SWPP grant requirements:

TASK	Quarter 1 11/15/24 - 12/31/24	Quarter 2 1/1/25- 3/31/25	Quarter 3 4/1/25- 6/30/25	Quarter 4 7/1/25- 8/30/25
Task 1 – General Wellhead Protection ESRI GIS Experience		X	X	X
Task 2 – Purchase 3 Groundwater Models		X		
Task 3 – Staff and Elected Officials Training on Wellhead Protection Viewer and Environmental Permits Checklist		X		
Task 4 – Source Water Protection narrative and graphic content for City Facebook and CCR		X	X	
Task 5 – Prepare, participate, and follow up for Quarterly Wellhead Protection Team Meetings		X	X	X
Task 6 -Groundwater/Wells and Water Treatment Graphics and Presentation Boards		X	X	
Task 7 – Create, print and distribute WHP placemats				X
Task 8 – Create content for WHP Billboard PSA’s			X	X

Potential schedule related items that may impact task durations are as follows:



▼ Client review times for narrative and graphic content

We are prepared to commence work on this project on January 6, 2025, upon receipt of your written authorization to proceed.

Compensation

OHM Advisors will provide the above-outlined professional services in accordance with the following fee schedule. Our professional services will be performed on an hourly basis.

TASK	Cost
Task 1 – General Wellhead Protection ESRI GIS Experience	\$19,000
*Task 2 – Purchase 3 Groundwater Models	(\$4,000)
Task 3 – Staff and Elected Officials Training on Wellhead Protection Viewer and Environmental Permits Checklist	\$3,000
Task 4 – Source Water Protection narrative and graphic content for City Facebook and CCR	\$7,000
Task 5 – Prepare, participate, and follow up for Quarterly Wellhead Protection Team Meetings	\$5,000
Task 6 -Groundwater/Wells and Water Treatment Graphics and Presentation Boards	\$7,000
Task 7 – Create, print and distribute WHP placemats	\$3,000
Task 8 – Create content for WHP Billboard PSA’s	\$5,000
TOTAL OHM FEE	\$49,000

**OHM will share the information for the purchase of the three Groundwater Models at no cost. The City of Eaton Rapids will purchase these directly using \$4,000 grant funding. This will not be included in OHM’s fee.*

Notes:

1. Fees were determined based on the Tasks identified in the City’s EGLE grant.
2. The cost associated with each task assumes authorization and execution of all the tasks (Tasks 1 through 8).

Clarifications and Assumptions

Our Proposal was prepared based on the following assumptions:

- ▼ If additional labor effort or change in schedule is required beyond described herein, OHM Advisors will negotiate an amendment with the City. OHM Advisors will not proceed with additional services without written authorization to proceed from the City.
- ▼ Meetings shall be conducted in accordance with the Scope of Services as described herein. Additional meetings, not described within our Scope of Services, shall be considered additional services

Client Responsibilities

- ▼ The City will provide a single point of contact to OHM Advisors who is knowledgeable about the project needs and desired outcomes
- ▼ The City will promptly review and approve narrative and graphic in a timely manner, schedule to be agreed upon at first meeting, to keep the project on budget, time and in keeping with the EGLE grant requirements.



Authorization and Acceptance

If this proposal is acceptable to you, your signature on this letter with a copy returned to me will serve as our authorization to proceed. Upon execution, this Proposal, the Terms & Conditions and the other attachments will form our agreement.

Thank you for giving us the opportunity to be of service. We look forward to working with you on this project. This proposal is valid for 15 days. If you have any questions or comments, please contact me at christine.spitzley@ohm-advisors.com or 517-525-1808.

Sincerely,
OHM Advisors

Acceptance
City of Eaton Rapids

Christine V. Spitzley, Principal

Date

Yvonne Ridge, City Manager

Date

Cc: Jennifer Morris, AICP

Attachments: OHM Advisors Terms and Conditions
OHM 2025 Rate Schedule



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: PA 202 Corrective Action Plan Approval - OPEB

SUMMARY

Public Act 202 of 2017 requires municipalities pre-fund their pension and other post-employment benefits (OPEB) programs at 60% and 40% respectively. Those that do not meet these funding requirements must submit a correction action plan (CAP) to the State showing how the municipality will achieve these funding levels after 20 years for pension and 30 years for OPEB. The City submitted corrective action plans in 2018, 2020 and 2022 citing our increased annual contributions to OPEB and the Defined Benefit Pension Plan.

The City has decreased its OPEB unfunded liability and is expected to be 50% funded for OPEB by 2031 and fully funded by 2037. The estimated unfunded liability is \$1,920,239 and we currently contribute an additional \$25,000 annually to the plan.

There are currently 13 Active Employees eligible for Retiree Health and 22 Retirees and Beneficiaries receiving either Health Insurance or a stipend.

STAFF RECOMMENDATION/MOTION

Motion to Adopt Resolution 2024-48 to approve Corrective Action Plan Monitoring: Application for Certification of Compliance for the City of Eaton Rapids Other Post Employment Benefits (OPEB)

LIST OF SUPPORTING DOCUMENTS

Resolution 2024-48

Corrective Action Plan - OPEB

Protecting Local Government Retirement and Benefits Act Corrective Action Plan Monitoring: Application for Certification of Compliance

Issued under the authority of Public Act 202 of 2017

LOCAL GOVERNMENT INFORMATION

Local Government Name: City of Eaton Rapids Six-Digit Muni Code: 232020
Defined Benefit Retirement System Name: Eaton Rapids OPEB
System Type: Pension Retirement Health Care (OPEB)
Contact Name (Administrative Officer): Yvonne Ridge
Title (if not Administrative Officer): _____ Telephone: 517-604-8958
Email (Communication will be sent here): yridge@cityofeatonrapids.gov
Fiscal Year System was Determined to be Underfunded: 2017

I. GENERAL INFORMATION

Corrective Action Plan Monitoring: The Municipal Stability Board (the Board) shall monitor each underfunded local government's compliance with Public Act 202 of 2017 (the Act) and any approved corrective action plan (CAP). The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local government is in substantial compliance with the Act.

Due Date: The local government has **90 days from the date the CAP Monitoring Form is sent** to return the form to the Board.

Filing: The submitted monitoring form must demonstrate through distinct supporting documentation that the local government is addressing its underfunded status in accordance with its CAP and the Act. Consistent with the Board's best practices document, supporting documentation utilized should include a projection within their annual valuation that includes, but is not limited to, actuarially determined contributions (ADC), retirement benefit payments, assets, liabilities, and discount rates.

The completed monitoring form must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have CAPs for multiple systems, you are required to complete separate monitoring forms and send a separate email for each CAP.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of each email should be in the following format: **Corrective Action Plan Monitoring, Local Government Name, Retirement System Name, System Type** (e.g. Corrective Action Plan Monitoring, City of Lansing, Employee Retirement System, Pension). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the form.

Municipal Stability Board: The Board shall certify and vote whether each local government is compliant with their CAP and the Act. If a CAP is certified as compliant, the Board will continue to monitor the CAP and review the local government's compliance with the Act not less than every two years.

Review Process: After receiving your submitted CAP monitoring form, Treasury will provide it to the Board to review and certify the local government for compliance with the Act.

CAP Monitoring Approval Criteria: A CAP may be certified as compliant by meeting the Board approved CAP monitoring criteria. In general, certification of compliance by the Board will occur if a local government is able to demonstrate through distinct supporting documentation that the CAP addresses:

- 1) **Underfunded Status:** The local government continues to address underfunded status in a reasonable timeframe (60% funded for pension systems or 40% funded for OPEB systems OR; if the local government is a city, village, township, or county, the ADC as a percentage of governmental fund revenues is less than 10% for pensions or 12% for OPEB);
- 2) **Substantial Changes:** The actions documented in the CAP remain substantially the same, OR alternative actions have been implemented to address underfunded status;
- 3) **Sustainability:** The local government and the Board certify that the projected payments remain sustainable and affordable both now and into the future.

Certification of Compliance: Following a review of the monitoring process for each CAP, the Board will certify a local government as one of the following:

- *Compliant:* A local government certified as compliant has met all published criteria from the Board.
- *Complaint with Conditions:* A local government certified as compliant with conditions has met the published criteria, but the Board has determined that the local government’s plan(s) may not be sustainable or the Board is unable to reasonably confirm future sustainability. With this certification, the local government will have until the next monitoring period to address the stated concerns regarding the plan(s).
- *Noncompliant:* A local government certified as noncompliant failed to meet one or more of the Board’s published criteria for monitoring certification of compliance or failed to file the monitoring form. If voted noncompliant, the Board shall notify the local government within 15 days, detailing the reasons for the determination for noncompliance. The local government has 60 days to address the determination of noncompliance.

2. UNDERFUNDED STATUS CERTIFICATION

Previously, local governments demonstrated that they would be addressing their underfunded status within a reasonable timeframe in accordance with the Board’s Corrective Action Plan Development: Best Practices and Strategies guide. The purpose of this section is for the local government to certify that their plan is still addressing its underfunded status within this approved timeframe.

Please check the applicable answer:

1. Referencing supporting documentation, is the local government addressing its underfunded status in the same timeframe or less than the CAP?

Yes, we are addressing underfunded status by fiscal year 2031 as originally approved.

No, underfunded status will be now be addressed by fiscal year _____, which is within the Board’s required timeframe.

Required timeframe: As general guidance, a local government with a severely underfunded pension system (45% funded or less) should reach a funded ratio of 60% within 20 years of the original determination of underfunded status. A local government with a severely underfunded retirement health care system (25% funded or less) should reach a funded ratio of 40% within 30 years of the original determination of underfunded status.

If no, provide additional explanation:

3. SUBSTANTIAL CHANGES CERTIFICATION

The Board recognizes that as a local government implements the prospective actions in their CAP, specific solutions may need to be adjusted to continue to address its underfunded status. This section asks the local government to certify that the corrective actions documented in the plan to address underfunded status remain substantially the same.

Please check the applicable answer:

Does the CAP remain substantially the same as the originally approved submission?

- Yes**
- No** (If no, please complete a revised Form 5597 for OPEB or Form 5598 for pension and attach to this form)

Please check all that apply:

Actions Implemented from CAP – What actions included in the CAP has the local government implemented?

Sample Statement: In **June 2019**, our local government began making additional payments of \$100,000 per year above its ADC to the **General Employees' Retirement System**, as stated in our CAP. Page 8 of our actuarial valuation (attachment 2a) shows our pension will be **62%** funded by **fiscal year 2028**.

Closed all retiree health benefits to new hires.
At age 65, all retirees receive a stipend instead of insurance.

Actions Not Implemented from CAP – What corrective actions has the local government failed to implement since the plan was approved?

Sample Statement: In the **June 2019** contract negotiations, our local government sought to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. We were able to negotiate to a 2.25X multiplier. On page 8 of our actuarial valuation (attachment 2a), it shows we will be **62%** funded by **fiscal year 2028** instead of 2024, as outlined in our CAP. The revised fiscal year remains within the Board's required timeline.

Additional Actions Approved – What additional actions has the local government implemented or planned to implement to supplement the CAP since the plan was originally approved? (**Provide proof of governing body approval for all additional actions**)

Sample Statement: Since our local government was unable to lower the multiplier to 2X as outlined in our CAP, we implemented additional actions to address our underfunded status within the Board's required timeframe. Beginning in **fiscal year 2020**, we will begin amortizing the unfunded portion of the pension liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the retirement system to reach a funded status of **62%** by **fiscal year 2028** as shown on page 8 of the actuarial analysis (attachment 2a).

Make additional contributions to the MERS Retiree Health Funding Vehicle.

4. SUSTAINABILITY CERTIFICATION

The local government must certify the plan is still affordable through detailed supporting documentation. This includes documentation that the local government's retirement costs are not increasing at a rate greater than what can be afforded through reasonable revenue growth. Retirement costs also must not have substantially increased above the original projection in the CAP.

The Board recommends that supporting documentation include a projection of all annual retirement payments (Pension ADC(s) + OPEB Benefit Payment(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five years. A local government should project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation. This analysis may include projected enterprise funds specifically allocated to pay retirement costs.

What is the highest combined annual retirement payment as a percentage of your projected governmental revenues over the next five fiscal years? (Examples and Worksheet)

Fiscal year: 2029

1. Total pension ADC(s): \$792,000
2. Total OPEB benefit payment(s): \$148,510
3. Total additional contributions for pension: \$5,000
4. Total additional contributions for OPEB: \$25,000
5. Total governmental fund revenues: \$5,698,897
6. Enterprise funds used to pay retirement costs (if applicable): \$15,075,527

Total percentage [(Payments #1-4)/(Revenues #5-6)]: 4.7%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- Yes (Explain and list actions implemented or planned to implement to address increased payments)
 No

Utilizing a projection of all annual retirement payments, do the approved corrective actions listed in this plan allow for the local government to continue to make, at a minimum, the ADC payment for the defined benefit pension system(s) and/or any applicable statutorily required payments for retirement health benefit system(s), according to your long-term budget forecast? Note: For retirement health benefit systems, local governments are required to make all retiree premium payments, as well as any applicable normal cost payments for employees first hired after June 30, 2018 in accordance with Section 4(1) of Public Act 202 of 2017.

- Yes
 No (Explain and list actions implemented or planned to implement to address increased payments)

5. REQUIRED DOCUMENTATION

Documentation should be attached as a PDF with this monitoring form. The documentation should detail and confirm the claims made in this document regarding the CAP that is being implemented to adequately address the local government's underfunded status. Please check all documents that are included as part of this form and attach in successive order as provided below. When attaching documents, please use the naming convention below:

Naming Convention

Type of Document

Attachment – 1

(Required) This CAP monitoring form;

Attachment – 2a

(Required) An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which illustrates how and when the local government will reach the Act's required funded ratio. Or, if the local government is a city, village, township, or county, how and when the ADC as a percentage of governmental revenues will be less than the Act's requirements. The Board recommends that supporting documentation show a projection for the duration of the CAP that includes, but is not limited to, assets, liabilities, funded ratios, normal cost payments (if applicable), actuarial assumptions, and retiree benefit payments, using reasonable calculations;

Attachment – 2b

(Required) An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which projects all annual retirement payments (Pension ADC(s) + OPEB Benefit Payments(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five fiscal years. A local government should project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation. This analysis may include projected enterprise funds specifically allocated to pay retirement costs;

Attachment – 3

(Required if applicable) Documentation from the governing body approving additional corrective actions including documentation of commitment to additional payments or actions not previously included in the CAP (e.g. resolution, ordinance);

Attachment – 4

(Required if applicable) In the event that the previous plan is no longer substantially in effect, a separate CAP to address its underfunded status which includes documentation of prior actions, prospective actions, governing body approval, and the positive impact on the system's funded ratio;

Attachment – 5

Other documentation not categorized above.

6. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the CAP monitoring criteria listed below have been satisfied when submitting this document. Specific detail on CAP criteria can be found in the Corrective Action Plan Monitoring: Policy and Procedures document.

CAP Monitoring Criteria	Description
<input checked="" type="checkbox"/> Underfunded Status	The local government certifies that there is adequate supporting documentation showing that the CAP will continue to address the local government's underfunded status in a reasonable timeframe;
<input checked="" type="checkbox"/> Substantial Changes	The local government certifies that the corrective actions documented in the CAP remain substantially the same OR; the local government has implemented or planned to implement additional actions to continue to address their underfunded status;
<input checked="" type="checkbox"/> Sustainability	The CAP continues to allow the local government to make all required annual retirement payments, without increasing to a level that is unsustainable.

7. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN MONITORING FORM

I, Yvonne Ridge as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) **(insert title)** City Manager approve this *Corrective Action Plan Monitoring: Application for Certification of Compliance* and will continue to implement the actions of the CAP.

I confirm to the best of my knowledge that because of the actions referenced within this form, one of the following statements will occur:

The Eaton Rapids OPEB **(insert retirement system name)** will achieve a funded status (60% for pension or 40% for OPEB) by fiscal year 2031 as demonstrated by required supporting documentation listed in Section 5.

OR, if the local government is a city, village, township, or county:

The ADC for all defined benefit pension or retirement health benefit (OPEB) systems as a percentage of governmental fund revenues will be less than the Act's underfunded status threshold (10% for pension or 12% for OPEB) by fiscal year _____ as demonstrated by required supporting documentation listed in Section 5.

Signature: _____

Date: _____



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: PA 202 Corrective Action Plan Approval - Pension

SUMMARY

Public Act 202 of 2017 requires municipalities pre-fund their pension and other post-employment benefits (OPEB) programs at 60% and 40% respectively. Those that do not meet these funding requirements must submit a correction action plan (CAP) to the State showing how the municipality will achieve these funding levels after 20 years for pension and 30 years for OPEB. The City submitted corrective action plans in 2018, 2020 and 2022 citing our increased annual contributions to OPEB and the Defined Benefit Pension Plan.

The unfunded liability is \$9,539,120 and as of the 12/30/23 Valuation we are funded at 69%. We currently contribute an additional \$5,000 annually to the plan. In the 2024/2025 City Budget we are scheduled to contribute an additional \$40,000 towards our unfunded liability.

There are currently 19 Active Employees eligible for Defined Benefit Pension, 42 Retirees and Beneficiaries receiving Pension and 30 Inactive employees entitled to but not yet receiving benefits.

STAFF RECOMMENDATION/MOTION

Motion to Adopt Resolution 2024-49 to approve Corrective Action Plan Monitoring: Application for Certification of Compliance for the City of Eaton Rapids Pension Plan.

LIST OF SUPPORTING DOCUMENTS

Resolution 2024-49

Corrective Action Plan - Pension

Protecting Local Government Retirement and Benefits Act Corrective Action Plan Monitoring: Application for Certification of Compliance

Issued under the authority of Public Act 202 of 2017

LOCAL GOVERNMENT INFORMATION

Local Government Name: City of Eaton Rapids Six-Digit Muni Code: 232020
Defined Benefit Retirement System Name: Municipal Employees' Retirement System - Eaton Rapids Pension Plan
System Type: Pension Retirement Health Care (OPEB)
Contact Name (Administrative Officer): Yvonne Ridge
Title (if not Administrative Officer): _____ Telephone: 517-604-8958
Email (Communication will be sent here): yridge@cityofeatonrapids.gov
Fiscal Year System was Determined to be Underfunded: 2017

I. GENERAL INFORMATION

Corrective Action Plan Monitoring: The Municipal Stability Board (the Board) shall monitor each underfunded local government's compliance with Public Act 202 of 2017 (the Act) and any approved corrective action plan (CAP). The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local government is in substantial compliance with the Act.

Due Date: The local government has **90 days from the date the CAP Monitoring Form is sent** to return the form to the Board.

Filing: The submitted monitoring form must demonstrate through distinct supporting documentation that the local government is addressing its underfunded status in accordance with its CAP and the Act. Consistent with the Board's best practices document, supporting documentation utilized should include a projection within their annual valuation that includes, but is not limited to, actuarially determined contributions (ADC), retirement benefit payments, assets, liabilities, and discount rates.

The completed monitoring form must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you have CAPs for multiple systems, you are required to complete separate monitoring forms and send a separate email for each CAP.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of each email should be in the following format: **Corrective Action Plan Monitoring, Local Government Name, Retirement System Name, System Type** (e.g. Corrective Action Plan Monitoring, City of Lansing, Employee Retirement System, Pension). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the form.

Municipal Stability Board: The Board shall certify and vote whether each local government is compliant with their CAP and the Act. If a CAP is certified as compliant, the Board will continue to monitor the CAP and review the local government's compliance with the Act not less than every two years.

Review Process: After receiving your submitted CAP monitoring form, Treasury will provide it to the Board to review and certify the local government for compliance with the Act.

CAP Monitoring Approval Criteria: A CAP may be certified as compliant by meeting the Board approved [CAP monitoring criteria](#). In general, certification of compliance by the Board will occur if a local government is able to demonstrate through distinct supporting documentation that the CAP addresses:

- 1) **Underfunded Status:** The local government continues to address underfunded status in a reasonable timeframe (60% funded for pension systems or 40% funded for OPEB systems OR; if the local government is a city, village, township, or county, the ADC as a percentage of governmental fund revenues is less than 10% for pensions or 12% for OPEB);
- 2) **Substantial Changes:** The actions documented in the CAP remain substantially the same, OR alternative actions have been implemented to address underfunded status;
- 3) **Sustainability:** The local government and the Board certify that the projected payments remain sustainable and affordable both now and into the future.

Certification of Compliance: Following a review of the monitoring process for each CAP, the Board will certify a local government as one of the following:

- *Compliant:* A local government certified as compliant has met all published criteria from the Board.
- *Complaint with Conditions:* A local government certified as compliant with conditions has met the published criteria, but the Board has determined that the local government's plan(s) may not be sustainable or the Board is unable to reasonably confirm future sustainability. With this certification, the local government will have until the next monitoring period to address the stated concerns regarding the plan(s).
- *Noncompliant:* A local government certified as noncompliant failed to meet one or more of the Board's published criteria for monitoring certification of compliance or failed to file the monitoring form. If voted noncompliant, the Board shall notify the local government within 15 days, detailing the reasons for the determination for noncompliance. The local government has 60 days to address the determination of noncompliance.

2. UNDERFUNDED STATUS CERTIFICATION

Previously, local governments demonstrated that they would be addressing their underfunded status within a reasonable timeframe in accordance with the Board's [Corrective Action Plan Development: Best Practices and Strategies](#) guide. The purpose of this section is for the local government to certify that their plan is still addressing its underfunded status within this approved timeframe.

Please check the applicable answer:

- I. Referencing supporting documentation, is the local government addressing its underfunded status in the same timeframe or less than the CAP?

- Yes, we are addressing underfunded status by fiscal year 2024 as originally approved.**
- No, underfunded status will be now be addressed by fiscal year _____, which is within the Board's required timeframe.**

Required timeframe: As general guidance, a local government with a severely underfunded pension system (45% funded or less) should reach a funded ratio of 60% within 20 years of the original determination of underfunded status. A local government with a severely underfunded retirement health care system (25% funded or less) should reach a funded ratio of 40% within 30 years of the original determination of underfunded status.

If no, provide additional explanation:

3. SUBSTANTIAL CHANGES CERTIFICATION

The Board recognizes that as a local government implements the prospective actions in their CAP, specific solutions may need to be adjusted to continue to address its underfunded status. This section asks the local government to certify that the corrective actions documented in the plan to address underfunded status remain substantially the same.

Please check the applicable answer:

Does the CAP remain substantially the same as the originally approved submission?

Yes

No (If no, please complete a revised [Form 5597](#) for OPEB or [Form 5598](#) for pension and attach to this form)

Please check all that apply:

Actions Implemented from CAP – What actions included in the CAP has the local government implemented?

Sample Statement: In **June 2019**, our local government began making additional payments of \$100,000 per year above its ADC to the **General Employees' Retirement System**, as stated in our CAP. Page 8 of our actuarial valuation (attachment 2a) shows our pension will be **62%** funded by **fiscal year 2028**.

December 31, 2022, closed all but two DB plans.

July 1, 2019, increased hybrid plan contributions for Police to 1.5%.

July 1, 2020, increased hybrid plan contributions for Police to 3.0%.

July 1, 2021, increased hybrid plan contributions for Police to 4.5%.

January 21, 2023, closed remaining DB plans to new hires.

Actions Not Implemented from CAP – What corrective actions has the local government failed to implement since the plan was approved?

Sample Statement: In the **June 2019** contract negotiations, our local government sought to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. We were able to negotiate to a 2.25X multiplier. On page 8 of our actuarial valuation (attachment 2a), it shows we will be **62%** funded by **fiscal year 2028** instead of **2024**, as outlined in our CAP. The revised fiscal year remains within the Board's required timeline.

Additional Actions Approved – What additional actions has the local government implemented or planned to implement to supplement the CAP since the plan was originally approved? (**Provide proof of governing body approval for all additional actions**)

Sample Statement: Since our local government was unable to lower the multiplier to 2X as outlined in our CAP, we implemented additional actions to address our underfunded status within the Board's required timeframe. Beginning in **fiscal year 2020**, we will begin amortizing the unfunded portion of the pension liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the retirement system to reach a funded status of **62%** by **fiscal year 2028** as shown on page 8 of the actuarial analysis (attachment 2a).

Making required contributions to MERS at the higher no-phase payment.

FY 2023-24, making additional payments to MERS for all closed plans.

4. SUSTAINABILITY CERTIFICATION

The local government must certify the plan is still affordable through detailed supporting documentation. This includes documentation that the local government's retirement costs are not increasing at a rate greater than what can be afforded through reasonable revenue growth. Retirement costs also must not have substantially increased above the original projection in the CAP.

The Board recommends that supporting documentation include a projection of all annual retirement payments (Pension ADC(s) + OPEB Benefit Payment(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five years. A local government should project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation. This analysis may include projected enterprise funds specifically allocated to pay retirement costs.

What is the highest combined annual retirement payment as a percentage of your projected governmental revenues over the next five fiscal years? ([Examples and Worksheet](#))

Fiscal year: 2029

1. Total pension ADC(s): \$792,000
2. Total OPEB benefit payment(s): \$148,510
3. Total additional contributions for pension: \$5,000
4. Total additional contributions for OPEB: \$25,000
5. Total governmental fund revenues: \$5,698,897
6. Enterprise funds used to pay retirement costs (if applicable): \$15,075,527

Total percentage [(Payments #1-4)/(Revenues #5-6)]: 4.7%

Do the projected annual payments increase by an amount greater than an average of 5% per year over the next five fiscal years?

- Yes (Explain and list actions implemented or planned to implement to address increased payments)
 No

Utilizing a projection of all annual retirement payments, do the approved corrective actions listed in this plan allow for the local government to continue to make, at a minimum, the ADC payment for the defined benefit pension system(s) and/or any applicable statutorily required payments for retirement health benefit system(s), according to your long-term budget forecast? Note: For retirement health benefit systems, local governments are required to make all retiree premium payments, as well as any applicable normal cost payments for employees first hired after June 30, 2018 in accordance with Section 4(1) of Public Act 202 of 2017.

- Yes
 No (Explain and list actions implemented or planned to implement to address increased payments)

5. REQUIRED DOCUMENTATION

Documentation should be attached as a PDF with this monitoring form. The documentation should detail and confirm the claims made in this document regarding the CAP that is being implemented to adequately address the local government's underfunded status. Please check all documents that are included as part of this form and attach in successive order as provided below. When attaching documents, please use the naming convention below:

Naming Convention

Type of Document

Attachment – 1

(Required) This CAP monitoring form;

Attachment – 2a

(Required) An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which illustrates how and when the local government will reach the Act's required funded ratio. Or, if the local government is a city, village, township, or county, how and when the ADC as a percentage of governmental revenues will be less than the Act's requirements. The Board recommends that supporting documentation show a projection for the duration of the CAP that includes, but is not limited to, assets, liabilities, funded ratios, normal cost payments (if applicable), actuarial assumptions, and retiree benefit payments, using reasonable calculations;

Attachment – 2b

(Required) An actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which projects all annual retirement payments (Pension ADC(s) + OPEB Benefit Payments(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five fiscal years. A local government should project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation. This analysis may include projected enterprise funds specifically allocated to pay retirement costs;

Attachment – 3

(Required if applicable) Documentation from the governing body approving additional corrective actions including documentation of commitment to additional payments or actions not previously included in the CAP (e.g. resolution, ordinance);

Attachment – 4

(Required if applicable) In the event that the previous plan is no longer substantially in effect, a separate CAP to address its underfunded status which includes documentation of prior actions, prospective actions, governing body approval, and the positive impact on the system's funded ratio;

Attachment – 5

Other documentation not categorized above.

6. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the CAP monitoring criteria listed below have been satisfied when submitting this document. Specific detail on CAP criteria can be found in the [Corrective Action Plan Monitoring: Policy and Procedures](#) document.

CAP Monitoring Criteria	Description
<input checked="" type="checkbox"/> Underfunded Status	The local government certifies that there is adequate supporting documentation showing that the CAP will continue to address the local government's underfunded status in a reasonable timeframe;
<input checked="" type="checkbox"/> Substantial Changes	The local government certifies that the corrective actions documented in the CAP remain substantially the same OR; the local government has implemented or planned to implement additional actions to continue to address their underfunded status;
<input checked="" type="checkbox"/> Sustainability	The CAP continues to allow the local government to make all required annual retirement payments, without increasing to a level that is unsustainable.

7. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN MONITORING FORM

I, Yvonne Ridge as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) (insert title) City Manager approve this *Corrective Action Plan Monitoring: Application for Certification of Compliance* and will continue to implement the actions of the CAP.

I confirm to the best of my knowledge that because of the actions referenced within this form, one of the following statements will occur:

The Municipal Employees' Retirement (insert retirement system name) will achieve a funded status (60% for pension or 40% for OPEB) by fiscal year 2024 as demonstrated by required supporting documentation listed in Section 5.

OR, if the local government is a city, village, township, or county:

The ADC for all defined benefit pension or retirement health benefit (OPEB) systems as a percentage of governmental fund revenues will be less than the Act's underfunded status threshold (10% for pension or 12% for OPEB) by fiscal year _____ as demonstrated by required supporting documentation listed in Section 5.

Signature: _____ Date: _____



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: Protecting MI Pension Grant: Corrective Action Plan Monitoring: Application for Certification of Compliance

SUMMARY

The City of Eaton Rapids was a recipient of funds from the Protecting MI Pension Grant during fiscal year 2023/2024. As a recipient of \$783,351 we are required to complete a Corrective Action Plan Monitoring: Application for Certification of Compliance to the Municipal Stability Board at the State of Michigan every two (2) years.

STAFF RECOMMENDATION/MOTION

Motion to Adopt Resolution 2024-50 to approve Protecting MI Pension grant, Corrective Action Plan Monitoring: Application for Certification of Compliance for the City of Eaton Rapids Pension Plan.

LIST OF SUPPORTING DOCUMENTS

Resolution 2024-49

Corrective Action Plan - Pension

Protecting MI Pension Grant Corrective Action Plan Monitoring: Application for Certification of Compliance

Issued under the authority of Public Act 166 of 2022, Section 979a.

LOCAL GOVERNMENT INFORMATION	
Local Government Name City of Eaton Rapids	Six-Digit Muni Code 232020
Defined Benefit Pension System Name Municipal Employees' Retirement System	
Contact Name (Administrative Officer) Yvonne Ridge	
Title (if not Administrative Officer)	Telephone 517-604-8958
Email (Communication will be sent here) yridge@cityofeatonrapids.gov	

1. GENERAL INFORMATION

Corrective Action Plan Monitoring: The qualified unit shall be subject to corrective action plan monitoring by the municipal stability board for 5 years following receipt of any grant award.

Due Date: The local government has **90 days from the date the CAP Monitoring Form is sent** to return the form to the Board.

Filing: Local governments shall submit to the monitoring process under the Protecting MI Pension Grant Program within 2 years of grant award distribution and will be monitored for substantial compliance with these procedures every two-years until a period of 5-years has passed.

The completed monitoring form must be submitted via email to Treasury at LocalRetirementReporting@michigan.gov for review by the Board. **If you received grant award funds under the Protecting MI Pension Grant for multiple qualified retirement systems, you are required to complete separate monitoring forms and send a separate email for each approved CAP.** Please attach each form as a separate PDF document in addition to all applicable supporting documentation.

The subject line of each email should be in the following format: **Pension Grant CAP Monitoring, Local Government Name, Retirement System Name** (e.g. Pension Grant CAP Monitoring, City of Lansing, Employee Retirement System). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the form.

Municipal Stability Board: To assist local governments in preparing for the statutorily required monitoring process for their MI Pension Grant Program recipient pension systems, the Board is publishing CAP monitoring approval criteria for awardees of the MI Pension Grant Program. The Board will consider these criteria when monitoring corrective action plan compliance and will determine if the local government's retirement system is sustainable. Local governments are encouraged to review all retirement pension benefit systems, by using one or more of the best practice principles published by the Board.

Review Process: After receiving your submitted pension grant CAP monitoring form, Treasury will provide it to the Board to review and certify the local government for compliance.

CAP Monitoring Approval Criteria: A local government may be certified as compliant by meeting the Board approved Pension Grant CAP monitoring criteria. In general, certification of compliance by the Board will occur if a local government is able to demonstrate through distinct supporting documentation that the monitoring submission addresses:

- 1) **Funding Status:** Is the pension system maintaining a funded ratio of greater than 60%
- 2) **Award Compliance:** Did the pension system provide contractual benefit enhancements for awarded system(s) that were not fully prefunded? A local government must calculate and provide for the Board's review: assets, liabilities, and actuarially determined contribution amounts utilizing assumptions outlined in Public Act 166 of 2022, Section 979a(2)(a)-(f) for each pension system that has received a grant award under the Protecting MI Pension Grant Program.

1. GENERAL INFORMATION — CONTINUED

3) **Sustainability:** The local government must certify that annual costs for pension systems receiving grant awards are sustainable and that the costs of all required annual payment(s) are affordable now and into the future. The local government must confirm that the local government is able to make, at a minimum, the actuarially determined contribution (ADC) payment for all pension systems and any retiree health care premium payments, as well as the normal cost payment for new hires for retirement health benefits (Sec. 4(1) of the PA 202 of 2017, MCL 38.2804).

Certification of Compliance: Following a review of the monitoring process for each pension system awarded a grant, the Board will certify local governments as one of the following:

- **Compliant:** Local governments certified as compliant have met all published criteria from the Board.
- **Complaint with Conditions:** Local governments certified as compliant with conditions have met the published criteria, but the Board has determined that the local government's costs may not be sustainable. With this certification, the local government will have until the next monitoring period to address the stated concerns regarding the sustainability or affordability of the plan(s).
- **Noncompliant:** Local governments certified as noncompliant failed to meet one or more of the Board's published criteria for monitoring certification of compliance or failed to file the monitoring form. If voted noncompliant, the Board shall notify the local government within 15 days, detailing the reasons for the determination for noncompliance.

2. UNDERFUNDED STATUS CERTIFICATION

Grant funds were awarded through the Protecting MI Pension Grant program, which provided awards to increase the funding level of qualified retirement systems to a level of sixty percent. The purpose of this section is for the local government to certify that their qualified retirement system is able to maintain a funding level of sixty percent.

Please check the applicable answer:

Referencing supporting documentation, is the local government maintaining a funded level of sixty percent?

- Yes, the most recent funding level of the qualified retirement system is 64% as of the most recently submitted audited financial report.
- No, the most recent funding level of the qualified retirement system is _____ as of the most recently submitted audited financial report. The following actions are being taken to achieve and maintain a funded level of sixty percent

Continue on Page 3

3. AWARD COMPLIANCE CERTIFICATION

For purposes of complying with the reporting requirements of the Board’s corrective action plan monitoring process, a qualified unit has certified and attested via an affidavit that it shall implement the practices listed in Public Act 166 of 2022, Section 979a(2)(a)-(f) upon the receipt of a grant award. Please confirm the compliance with the listed actions below.

Please check the applicable answer:

Did the local government provide contractual benefit enhancements for qualified retirement system(s) that were not fully prefunded?

Yes (If yes, please explain in the box below and attach supporting documentation.)

No

Did the local government calculate and provide actuarial calculations for: assets, liabilities, and actuarially determined contribution amounts utilizing assumptions outlined in Public Act 166 of 2022, Section 979a(2)(a)-(f) for each pension system that has received a grant award under the Protecting MI Pension Grant Program?

Yes

No

4. SUSTAINABILITY CERTIFICATION

The local government must certify that retirement costs are still affordable through detailed supporting documentation. This includes documentation that the local government’s retirement costs are not increasing at a rate greater than what can be afforded through reasonable revenue growth.

The Board recommends that supporting documentation include a projection of all annual retirement payments (Pension ADC(s) + OPEB Benefit Payment(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five years. A local government should project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation. This analysis may include projected enterprise funds specifically allocated to pay retirement costs.

What is the highest combined annual retirement payment as a percentage of your projected governmental revenues over the next five fiscal years? Please include Treasury’s sustainability worksheet or equivalent analysis of the cost projections over the next five years. (Examples and Worksheet.)

Fiscal Year 2029	Total Pension ADC(s) \$792,000	Total OPEB Benefit Payment(s) \$148,510
Total Additional Contributions for Pension \$5,000	Total Additional Contributions for OPEB \$25,000	Total Percentage 4.7%

4. SUSTAINABILITY CERTIFICATION — CONTINUED

Do the projected annual payments exceed 22% of revenues in any of the next five years?

- Yes (Explain and list actions implemented or planned to implement to address increased payments.)
- No

Utilizing a projection of all annual retirement payments, is your local government able to continue to make, at a minimum, the ADC payment for the defined benefit pension system(s) and/or the retiree premium payment for the retirement health benefit system, according to your long-term budget forecast?

- Yes
- No (Explain and list actions implemented or planned to implement to address increased payments.)

5. REQUIRED DOCUMENTATION

Documentation should be attached as a PDF with this monitoring form. The documentation should detail and confirm the claims made in this document regarding the approved CAP that is being implemented to adequately address the local government's underfunded status. Please check all documents that are included as part of this form and attach in successive order as provided below. When attaching documents, please use the naming convention below:

Naming Convention	Type of Documentation
<input checked="" type="checkbox"/> Attachment — 1	This CAP monitoring form (required);
<input checked="" type="checkbox"/> Attachment — 2a	Most recent actuarial valuation for all qualified retirement systems that received a grant award under the Protecting MI Pension Grant program (required);
<input checked="" type="checkbox"/> Attachment — 2b	<u>Sustainability Worksheet</u> : Using an actuarial projection, an actuarial valuation, or an internally developed analysis (in accordance with GASB and/or actuarial standards of practice), which projects all annual retirement payments (Pension ADC(s) + OPEB Benefit Payments(s) + all additional contributions) as a percentage of projected governmental fund revenues over the next five years. This information must be entered into the Sustainability Worksheet Form or an equivalent internal analysis. (required);
<input type="checkbox"/> Attachment — 3	Documentation documenting contractual benefit enhancements (required if applicable);
<input checked="" type="checkbox"/> Attachment — 4	An actuarial projection of assets, liabilities, and actuarially determined contributions using assumptions listed in <u>Public Act 166 of 2022, Section 979a(2)(a)-(f)</u> (required);
<input type="checkbox"/> Attachment — 5	Other documentation not categorized above.

Continue and Sign on Page 5

6. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the following CAP monitoring criteria listed below have been satisfied when submitting this document. Specific detail on CAP criteria can be found in the Pension Grant Corrective Action Plan Monitoring: Policy and Procedures document.

CAP Monitoring Criteria	Description
<input checked="" type="checkbox"/> Funding Status	The local government certifies that there is adequate supporting documentation showing that the qualified retirement system is maintaining a funded level at or above 60%;
<input checked="" type="checkbox"/> Award Compliance	The local government certifies it has met the award compliance required as documented in <u>Public Act 166 of 2022, Section 979a(2)(a)-(f)</u> ;
<input checked="" type="checkbox"/> Sustainability	The local government is able to make the all required annual retirement payments without increasing to a level that is unsustainable.

7. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN MONITORING FORM

As the government's administrative officer (City/Township Manager, Executive director, Chief Executive Officer, etc.), I approve this "Corrective Action Plan Monitoring: Application for Certification of Compliance" and will continue to comply with requirements set forth by the Department of Treasury for all qualified retirement systems awarded a grant under the Protecting MI Pension Grant program.

Qualified Officer Yvonne Ridge	Title City Manager
Qualified Officer's Signature	Date 12/23/2024



MEETING DATE: 12/23/2024

CITY MANAGER

To: Mayor and City Council

Work Session

From: Yvonne Ridge

Regular Meeting

Submitted: 12/19/2024

Subject: Goal Setting Fiscal Year 2025/2026

SUMMARY

Goal Setting is essential for aligning the Mayor, Council, and Department Heads on shared goals and objectives. It promotes accountability, ensures efficient resource use, and drives community progress. Suggested meeting dates are February 5, 12, or 17 at 4:00 p.m. to discuss and establish these goals and objectives.

STAFF RECOMMENDATION/MOTION

Discuss Dates and Times for Goal Setting

LIST OF SUPPORTING DOCUMENTS

N/A