

Economic Vitality Incentive Program/County Incentive Program Certification of Unfunded Accrued Liability Plan

Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Unfunded Accrued Liability Plan payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public, an Unfunded Accrued Liability Plan. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site as required by 2013 Public Act 59.
2. Submit to Treasury an Unfunded Accrued Liability Plan, if selecting Option 1 of Part 2 below.

City/village/township: This certification, along with the Unfunded Accrued Liability Plan, **must be received by June 1, 2014**, to receive the June and August payments or on or before July 31, 2014, to receive the August payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with the Unfunded Accrued Liability Plan, **must be received by June 1, 2014**, (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Muskegon		Local Unit County Name Muskegon	
Local Unit Code 612020		Contact E-Mail Address derrick.smith@shorelinecity.com	
Contact Name Derrick Smith	Contact Title Finance Director	Contact Telephone Number (231) 724-6709	Extension
Website Address, if plan is available online www.muskegon-mi.gov			Date of Last Audited Financial Report 06/30/13
PART 2: STATEMENT OF UNFUNDED ACCRUED LIABILITIES			
Indicate the option that pertains to your local unit:			
<input checked="" type="checkbox"/> 1. Unfunded Accrued Liabilities Exist A local unit who has unfunded accrued liabilities pertaining to pensions or other post-employment benefits must attach a plan as required by 2013 Public Act 59.			
<input type="checkbox"/> 2. No Unfunded Accrued Liabilities Exist A local unit who does not have any unfunded accrued liabilities pertaining to pensions or other post-employment benefits must provide, in the box below, an explanation of why the local unit does not have any unfunded accrued liabilities.			
PART 3: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced an Unfunded Accrued Liability Plan and has made the plan available for public viewing in the city, village, township or county clerk's office, or has posted the plan on a publicly accessible Internet site. The Unfunded Accrued Liability Plan, if required, is attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Frank Peterson	
Title City Manager		Date 05/29/14	

Completed and signed form (including required attachment, if selected option 1) should be e-mailed to: TreasRevenueSharing@michigan.gov

If you are unable to submit via e-mail, fax to (517) 335-3298, or mail the completed form and required attachment (if selected option 1) to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
EVIP/CIP Eligible Y N	Certification Received	EVIP/CIP Notes
Final Certification	Plan Received	

Economic Vitality Incentive Program/County Incentive Program FY 2014 Unfunded Accrued Liability Plan

Local Unit Name: City of Muskegon

Local Unit Code: 612020

PREVIOUS ACTION TAKEN TO REDUCE UNFUNDED ACCRUED LIABILITIES

Previous Actions Taken To Reduce Unfunded Accrued Liabilities		
	Unfunded Accrued Liability Type	Previous Action Taken
1.	Pension	The defined benefit pension plan is closed to new hires for all employee groups. New hires become participants in a defined contribution plan.
2.	Pension	Final average compensation (FAC) for all employees is to be calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave.
3.	OPEB	For SEIU 517M Clerical group members, new employees hired after January 1, 2009 will not receive health care benefits in retirement. For 517M Unit 2 DPW and Non-Union group members, new employees hired after January 1, 2011 will not receive health care benefits in retirement.
4.	Pension	The City made a supplemental payment of \$1,000,000 in October 2010 and an additional supplemental payment of \$500,000 was approved by the City Commission in November 2013.

How Will The Local Unit Continue To Implement And Maintain Previous Actions Taken

In addition to continuing the City's longstanding policy of fully funding the actuarially determined annual required contribution for both pension and other post-employment benefits (OPEB), it is the City's intent through policy to limit the amount of paid leave as well as eliminating overtime used in computing the FAC for an employee. The City will also continue to look for opportunities to make supplemental funding payments for pension and OPEB when funds are available.

Additional Actions That Could Be Implemented

Note: Actuarial assumption changes and issuance of debt instruments do not qualify as a new action.

1.	One possible strategy for active employees is the consideration of bridging the current pension multiplier to a lower multiplier for future service.
2.	A strategy to consider in reducing the OPEB UAL is to make contributions above the minimum required amount or additional lump sum payments as funds become available.
3.	