



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

April 1, 2019

Notice of Approval

Fiscal Year: 2017

Municipality Code: 100000

Sent Via Email

Benzie County

mcutler@benzieco.net

Re: Corrective Action Plan(s)

Dear Administrative Officer or Designee:

Thank you for submitting your retirement corrective action plan(s) pursuant to Public Act 202 of 2017 (the Act). **Based upon review, your corrective action plan for Municipal Employee's Retirement System has been approved by the Municipal Stability Board (the Board).**

Next Steps (Pursuant to the Act):

- You must begin to implement your corrective action plan(s) within 180 days of the date of this letter.
- Your approved corrective action plan(s) must be posted publicly on your website or in a public place. While this approved corrective action plan(s) is in effect for your local unit, you are not required to submit an additional corrective action plan for this system.
- You are required to continue to file the Form 5572 Retirement System Annual Report annually, which is due six months after the end of your fiscal year.
- The Board shall monitor your compliance with the Act and your corrective action plan. The Board shall detail any reasons for a determination of noncompliance. Additional guidance will be forthcoming regarding the monitoring process.

Thank you for your commitment to fiscal stability and continued compliance with the Act. If you have any questions, please email our office at LocalRetirementReporting@michigan.gov or visit Michigan.gov/LocalRetirementReporting.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team

THE BENZIE COUNTY BOARD OF COMMISSIONERS
February 12, 2019

The Benzie County Board of Commissioners met in a regular session on Tuesday, February 12, 2019, in the Frank F. Walterhouse Board Room, 448 Court Place, Government Center, Beulah, Michigan.

The meeting was called to order by Chair Gary Sauer.

Present were: Commissioners Carland, Farrell, Jeannot, Roelofs, Sauer, and Taylor
Excused: Commissioner Warsecke

The invocation was given by Commissioner Sauer and the Pledge of Allegiance was recited.

Agenda:

Motion by Roelofs, seconded by Farrell, to approve the agenda as amended, adding Closing of Government Center Policy under New Business. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Minutes:

Motion by Jeannot, seconded by Roelofs, to approve the regular session minutes of January 22, 2019 as presented. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Mitch Deisch read a letter from Commissioner Warsecke, apologizing for his absence today as he has been invited to attend the State of State Address, as a guest of Representative Jack O'Malley.

9:04 a.m. Public Input - None

ELECTED OFFICIALS & DEPARTMENT HEAD COMMENTS

Ted Schendel, Sheriff, presented a commendation to Matt Skeels, Road Commission, regarding the excellent job of keeping the roads clear during the recent weather conditions.

Kyle Mauer, Animal Control Officer, gave update on Animal Control remodeling. New flooring is being installed today and on Friday the kick board will be put down. Thank you to the Animal Welfare League for paying for this and all they have done. Plan is to put the Animal Shelter back together on Monday so it will be open for the public on Tuesday.

Jesse Zylstra, Solid Waste and Recycling Coordinator, reported that we have received a scrap tire grant in the amount of \$8,048.00. That will provide for 4 tire trailers.

Frank Post, Emergency Management, provided a written Emergency Management Activities January 2019 report. Presented a preliminary After-Action Review report for the winter storm January 27th through February 2nd, 2019.

Chairman Sauer read a letter of thanks from Bill Ward into the record for all the people that worked to prevent flooding of homes in the Village of Honor.

Ron Berns, 911 Director, provided a written report. Peninsula Fiber Network (PFN), is here today converting Charter to PFN regarding 911 calls. Will have 3 companies here today and tomorrow at 9:00 a.m., noon and 3:00 p.m., Thursday at 3:00 p.m. and next Tuesday on at noon. We are still

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waiting ~~from~~ to hear from 2 companies to schedule. Thanks to Tom Longanbach for taking all the data for our roads and converting it over to postal field. On Friday we received permission from the State of Michigan to proceed with Fire and EMS Department getting on to the system. Nicole Lamerson's last day will be February 28, 2019, she is a 25-year veteran with the department.

Tom Longanbach, Equalization Director, provided the 2019 Tentative Ratios and Factors written report.

COMMISSIONER REPORTS

Comm Taylor attended the Homestead Township meeting. Bev Holbrook resigned as Trustee, Deputy Clerk and a position on Joint Planning Commission (JPC). They will be putting an ad in the paper for those positions. Attended the Village of Honor meeting last night. 2014 was the last time we had trouble with ice damming the culverts of the bridge in Honor.

Comm Carland, stated the Village of Beulah and Village of Benzonia are setting up an informal mediation with Scott Conrad from the DEQ, over the water issue. The Airport purchased the 5-acre parcel behind the Fitness Center on Thursday. He has been offered a job in Traverse City and this will be his last meeting as a Commissioner. He starts his new position on February 25, 2019 and will resign as Commissioner effective midnight February 24, 2019.

Comm Farrell, provided a written report. She attended the Benzie County Human Services Collaborative on January 23, 2019, the Benzie Leelanau District Health Department meeting with Chairman Sauer on January 24, 2019, the Community Mental Health winter conference February 4 through 6, 2019 and the Frankfort-Elberta School Board meeting.

Comm Jeannot, commented that the County is losing a bright Commissioner with Commissioner Carland leaving, he brings a lot to the board. Attended EDC meeting on January 24, 2019, they will meet the third Friday of the month at ~~9:00 am~~ 11:00 a.m. Their priorities are on broadband and seasonal workforce housing. Attended the Friends of Point Betsie Lighthouse meeting on January 26, 2019, they are having a photo competition of the light house as a fund raiser. They will be asking the Board of Commissioners to approve a new grant for the Point Betsie Group in the next few months. I will only be attending the Point Betsie meetings a couple of times a year. Attended Networks Northwest, they were awarded a \$75,000.00 grant to do a regional Economic Development study, to be completed by October 2019. Chamber is ~~looking for~~ working with Networks Northwest to identify someone to fill the Technology position on their board. Attended the Platte Township and Almira Township meetings. Almira Township is opting out of the recreational marijuana ordinance. Department Heads talk about the difficulty of getting employees. We are going to have to be alert that the new residents of our community has have higher expectations of services, and we are going to have to figure out how we are going to ~~have to~~ fund it.

Comm Taylor, as a former employee we fall short in keeping those employees that have serviced us throughout the years and we do not give them the credit or support they deserve. We are always so willing to bring in new people and forget about all the time and effort that have been spent with older employees.

Chairman Sauer, I appreciate the staff we have and the folks that work here.

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Comm Roelofs stated that he hates to see Commissioner Carland leave. Reverend Marvin Rosa passed away yesterday. Veterans Affairs met yesterday, they have found a link between agent orange and high blood pressure. Attended the 911 Advisory Board meeting and Domestic Violence Task Force meeting. Met with Rep Jack O'Malley on Saturday, talked a lot about Veterans activities and what is going on in the State, along with roads in Benzie County. On February 25, 2019, I will be on the Ice Breaker out of St. Ignace.

Chairman Sauer attended the Benzie Leelanau District Health Department re-organization meeting. State funding is a ~~huge~~ huge issue. Attended the Benzie County Road Commission meeting. They were approached by Inland Township regarding fixing Carmean and Brundage Roads. Inland Township would like to pay to have it paved, over a two-year span. Attended the Joyfield Township, Blaine Township and Village of Thompsonville meetings. Joyfield Township and Village of Thompsonville opted out of the recreational marijuana ordinance. Blaine Township hasn't officially opted out, but they will be opting out of the recreational marijuana ordinance. Will be receiving a check from our Worker Compensation Insurance carrier regarding past year close outs. Attended the Veteran Committee Action Team meeting. Good discussion on VA home loans. Ask that the Sheriff, Administrator and I sit down and talk about something that showed up on Facebook.

10:37 a.m. Break

10:49 a.m. Reconvene

COUNTY ADMINISTRATOR'S REPORT

- Provided written report dated February 4, 2019.
- MSU started to relocate yesterday.
- Michigan Works will go into the former MSU/Planning office.
- Getting signatures on the Strategic Plan.
- FOP contract negotiations are rescheduled for February 22, 2019.
- Attended a Conference in Battle Creek last week.

Chairman Sauer stated that we need to have the School Board or Matt, and TBA come in and discuss, to better understand, their funding formulas and where their money is allocated, at a separate meeting. Also invite our State Representative and State Senator to attend. Mitch will work on setting this up.

FINANCE

Bills: Motion by Carland, seconded by Farrell, to approve payment of the bills from January 23, 2019 thru February 07, 2019 in the amount of \$617,485.17, as presented. Roll call. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Michelle Thompson, County Treasurer reported that settlement of 2018 taxes begins March 1, 2019. We will pay out approximately \$2,000,000.00 for 2018 taxes gone delinquent in March from the Delinquent Tax Revolving Fund.

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COMMITTEE OF THE WHOLE

Consent: Motion by Jeannot, seconded by Carland, to approve items 1 through 3 of the January 22, 2019 Committee of the Whole Consent Calendar as presented. Roll call. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

COMMITTEE APPOINTMENTS

Chairman Sauer read the letter from Village of Thompsonville regarding their appointment of Charles Syer as their representative to the Betsie Valley Rails to Trails Committee.

Motion by Jeannot, seconded by Carland, to reappoint John Rothhaar, to the Betsie Valley Trail Management Council, for a term expiring April 15, 2022. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Motion by Jeannot, seconded by Carland, to appoint Paula Figura, to the Economic Development Corporation/Brownfield Redevelopment Authority, for a term expiring January 31, 2025. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Motion by Jeannot, seconded by Carland, to reappoint Carol Dye, to the Benzie County Housing Committee, for a term expiring February 01, 2024. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

ACTION ITEMS:

MERS Corrective Action Plan: Motion by Carland, seconded by Roelofs, to approve the MERS Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Defined Benefit Pension Retirement Systems as presented, authorizing chairman to sign. Roll Call Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion carried.

Space Needs Agreement: Motion by Roelofs, seconded by Farrell, to approve the Government Center Space Needs Assessment Professional Service Agreement with Byce and Associates in the amount of \$28,250.00, as presented, authorizing chairman to sign. Roll Call Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion Carried.

PRESENTATION OF CORRESPONDENCE

- Jackson County resolution #01-19.06 Michigan Indigent Defense Commission.
- Letter from MERS regarding RAP application for jail security project.
- Benzie-Leelanau District Health Department minutes for January 24, 2019.
- Benzie County Road Commission minutes for January 17, 2019.
- Letter from Marjorie Pearsall-Groenwald for January 24, 2019.

UNFINISHED BUSINESS - None

NEW BUSINESS

Maridee Cutler, Deputy Administrative Assistant, discussed the Government Center Closing Policy. There are 5 non-union, non-elected, hourly employees that the Staff Personnel Policy is silent regarding paying for the time the Government Center was closed due to the weather closures.

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Motion by Jeannot, seconded by Carland, to pay standard pay to the non-union, non-elected, hourly employees, for hours missed as a result of the Government Center being closed. Roll Call
Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None
Motion Carried.

Motion by Jeannot, seconded by Roelofs, to accept the resignation of Commissioner Coury Carland, effective at midnight, February 24, 2019. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion Carried.

12:09 p.m. Public Input - None

Motion by Roelofs, seconded by Sauer to adjourn at 12:09 p.m. Ayes: Carland, Farrell, Jeannot, Roelofs, Sauer and Taylor Exc: Warsecke Nays: None Motion Carried.

Gary G. Sauer, Chair

Tammy Bowers, Benzie County Chief Deputy Clerk

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1. Approve the agenda as amended, adding Closing of Government Center Policy under New Business.
2. Approve the regular session minutes of January 22, 2019 as presented.
3. Approve payment of the bills from January 23, 2019 thru February 07, 2019 in the amount of \$617,485.17, as presented.
4. Approve items 1 through 3 of the January 22, 2019 Committee of the Whole Consent Calendar as presented.
5. Reappoint John Rothhaar, to the Betsie Valley Trail Management Council, for a term expiring April 15, 2022.
6. Appoint Paula Figura, to the Economic Development Corporation/Brownfield Redevelopment Authority, for a term expiring January 31, 2025.
7. Reappoint Carol Dye, to the Benzie County Housing Committee, for a term expiring February 01, 2024.
8. Approve the MERS Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Defined Benefit Pension Retirement Systems as presented, authorizing chairman to sign.
9. Approve the Government Center Space Needs Assessment Professional Service Agreement with Byce and Associates in the amount of \$28,250.00, as presented, authorizing chairman to sign.
10. Pay standard pay to the non-union, non-elected, hourly employees, for hours missed while the Government Center was closed.
11. Accept the resignation of Commissioner Coury Carland, effective at midnight, February 24, 2019.

Committee of the Whole

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January 22, 2019

Motion by Jeannot, seconded by Carland, to approve the Committee of the Whole Consent Calendar as follows:

1. To amend the 2018-19 Budget for fund 212 Benzie Kids in the amount of \$77.60.
2. To amend the 2018-19 budget for fund 425 Equipment Replacement Emergency Management in the amount of \$7,281.00.
3. To amend the 2018-19 Budget for fund 247 Animal Control in the amount of \$7,000.00.

Protecting Local Government Retirement and Benefits Act

Corrective Action Plan:

Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: Benzie County Six-Digit Muni Code: 100000
Defined Benefit Pension System Name: Municipal Employee's Retirement System of Michigan
Contact Name (Administrative Officer): Mitchell Deisch
Title if not Administrative Officer: County Administrator
Email: mcutler@benzieco.net Telephone: (231) 882-0035

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one defined benefit pension retirement system that has been determined to have an underfunded status. Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annually required contribution (ARC) for all of the defined benefit pension retirement systems of the local unit of government is greater than 10% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board (the Board). The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The submitted plan must demonstrate through distinct supporting documentation how and when the local unit will reach the 60% funded ratio. Or, if the local unit is a city, village, township, or county, the submitted plan may demonstrate how and when the ARC for all of the defined benefit pension systems will be less than 10% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ARC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local unit must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

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

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System)

Pension Plan). 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 application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If a corrective action plan is approved, the Board will monitor the corrective action plan for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan, a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

- (i) Closing the current defined benefit plan.
- (ii) Implementing a multiplier limit.
- (iii) Reducing or eliminating new accrued benefits.
- (iv) Implementing final average compensation standards.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTIONS OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *The system's multiplier for current employees was lowered from 2.5X to 2X for the **General Employees' Retirement System** on **January 1, 2017**. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio will be **60%** by fiscal year **2020**.*

- Additional Funding** – Additional funding may include the following: Voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit provided a lump sum payment of **\$1 million** to the **General Employees' Retirement System** on **January 1, 2017**. This lump sum payment was in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61%** by **2025**. Please see page 10 of the attached enacted budget, which highlights this contribution of **\$1 million**.*

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **62%** as indicated on page 13.*

The information provided on the Form 5572 used information from the prior year 2016 Audit. Attached is an updated Form 5572 using Audited 2017 numbers that shows our funded ratio of 64.1%.

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the additional actions the local government is planning to implement to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

- System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: Beginning with **summer 2018** contract negotiations, the local unit will seek to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio would be **60% funded by fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- Additional Funding** – Additional funding may include the following: voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit will provide a lump sum payment of **\$1 million** to the **General Employees' Retirement System**. This lump sum payment will be in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page 10 of the attached enacted budget, which highlights this contribution of **\$1 million**. Please see page 12 of the attached supplemental actuarial valuation showing the projected change to the system's funded ratio with this additional contribution.

- Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: Beginning in **fiscal year 2019**, the local unit 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 2022** as shown in the attached actuarial analysis on page 13.

The information provided on the Form 5572 used information from the prior year 2016 Audit. Attached is an updated Form 5572 using Audited 2017 numbers that shows our funded ratio of 64.1%.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) Benzie County to make, at a minimum, the annual required contribution payment for the defined benefit pension system according to your long-term budget forecast?

- Yes
 - No
- If No, Explain

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this Corrective Action Plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government’s underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document “Attachment 2a” and the second document “Attachment 2b”.

Naming Convention

Type of Document

- | | |
|---|---|
| <input checked="" type="checkbox"/> Attachment – 1 | This Corrective Action Plan Form (Required) |
| <input checked="" type="checkbox"/> Attachment – 1a | Documentation from the governing body approving this Corrective Action Plan (Required) |
| <input type="checkbox"/> Attachment – 2a | An actuarial projection, an actuarial valuation, or an internally developed analysis, which illustrates how and when the local unit will reach the 60% funded ratio. Or, if the local unit is a city, village, township, or county, ARC will be less than 10% of governmental fund revenues, as defined by the Act. (Required) |
| <input type="checkbox"/> Attachment – 3a | Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information). |
| <input type="checkbox"/> Attachment – 4a | Documentation of commitment to additional payments in future years (e.g. resolution, ordinance) |
| <input type="checkbox"/> Attachment – 5a | A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system’s funded ratio |
| <input checked="" type="checkbox"/> Attachment – 6a | Other documentation not categorized above |

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the four corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the Corrective Action Plan Development: Best Practices and Strategies document.

Corrective Action Plan Criteria	Description
<input checked="" type="checkbox"/> Underfunded Status	Is there a description and adequate supporting documentation of how and when the retirement system will reach the 60% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all pension systems will be less than 10 percent of governmental fund revenues?
<input checked="" type="checkbox"/> Reasonable Timeframe	Do the corrective actions address the underfunded status in a reasonable timeframe (see CAP criteria issued by the Board)?
<input checked="" type="checkbox"/> Legal and Feasible	Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible?
<input checked="" type="checkbox"/> Affordability	Do the corrective action(s) listed allow the local unit to make the annual required contribution payment for the pension system now and into the future without additional changes to this corrective action plan?

8. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN


I Gary Sauer, as the government's administrative officer (enter title) County Commissioner - Chairman (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

The Municipal Employee's Retirement System (Insert Retirement Pension System Name) will achieve a funded status of at least 60% by Fiscal Year 2016 as demonstrated by required supporting documentation listed in section 6.

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

The ARC for all of the defined benefit pension retirement systems of _____ (Insert local unit name) will be less than 10% of the local unit of government's annual governmental fund revenues by Fiscal Year _____ as demonstrated by required supporting documentation listed in section 6.

Signature  Date 02/12/2019