STATE OF MICHIGAN MACOMB COUNTY CIRCUIT COURT

JOSEPH RUMAN, DAVID J. PETERS, and CYNTHIA A. PETERS, individually and as representatives of a class of similarly-situated persons and entities,

Case No. 22-239 6 -CZ

JOSEPH TOIA

Plaintiffs,

٧.

CITY OF WARREN, MICHIGAN, a municipal corporation,

Defendant.

Gregory D. Hanley (P51204)
Jamie Warrow (P61521)
Edward F. Kickham Jr. (P70332)
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, MI 48073
(248) 544-1500
ghanley@kickhamhanley.com
jwarrow@kickhamhanley.com
ekickhamjr@kickhamhanley.com
Counsel for Plaintiffs and the Class

RECEIVED

JUN 3 0 2022 ANTHONY G. FORLINI Macomb County Clerk

Shawn Head (P72599)
Marco C. Masciulli (P77502)
The Head Law Firm, PLC
34705 W 12 Mile Rd Ste 160
Farmington Hills, MI 48331
(248) 939-5405
Co-Counsel for Plaintiffs and the Class

There is no other pending or resolved civil action between these parties arising out of the transaction or occurrence alleged in this Complaint.

PLAINTIFFS' CLASS ACTION COMPLAINT TO ENFORCE THE HEADLEE AMENDMENT PURSUANT TO CONST 1963, ART 9, § 32

PURSUANT TO MCR 2.112(M), PLAINTIFFS STATE THAT THEY DO NOT BELIEVE THERE ARE ANY FACTUAL QUESTIONS THAT ARE ANTICIPATED TO REQUIRE RESOLUTION BY THE COURT

Plaintiffs Joseph Ruman, David Peters, and Cynthia Peters by their attorneys, Kickham Hanley PLLC and The Head Law Firm, PLC individually, and on behalf of a class of similarly situated class members, state the following for their Class Action Complaint to Enforce the Headlee Amendment Pursuant to Const. 1963, Art 9, § 32 against the City of Warren, Michigan (the "City"):

INTRODUCTION

1. This is an action against the City challenging certain property taxes (the "Excess Taxes") imposed by the City that have not been authorized by the City's voters and therefore violate Art. 9, § 31 of the Michigan Constitution (the "Headlee Amendment"), which provides:

Units of Local Government are hereby prohibited from levying any tax not authorized by law or charter when this section is ratified or from increasing the rate of an existing tax above that rate authorized by law or charter when this section is ratified, without the approval of a majority of the qualified electors of that unit of Local Government voting thereon. ... [Const. 1963, art. 9, § 31]

- 2. The City imposes the Excess Taxes under the purported authority of the Michigan Fire Fighters and Police Officers Retirement Act, MCL 38.551 et seq. ("Act 345"). See Exhibit 1 hereto.
- 3. Act 345 authorizes a municipality to establish a police and fire employee pension plan and grants a municipality limited authority to impose new taxes to fund its obligations under the pension plan. Pursuant to Act 345, the City has established a police and fire pension plan (the "Police and Fire Pension Plan"). Under Act 345, a municipality may only impose taxes sufficient to fund the City's actual contributions to the Act 345 pension plan. See MCL 38.559.
- 4. The City imposes taxes—purportedly pursuant to its taxing authority under Act 345—that generate millions of dollars more than is needed to fund the City's actual annual contributions to the Act 345 pension plan. The extra dollars generated by the Excess Taxes are used to fund the City's financial obligations that are not obligations of the Police and Fire Pension Plan.

- 5. Act 345 is the only possible legal authorization for the Excess Taxes at issue. In other words, if the Excess Taxes are not authorized by Act 345, the City has no legal ability to impose the Taxes because it is otherwise at the limit of its charter taxing authority.
- 6. The City has been imposing the Excess Taxes without voter approval. At some point, the City's voters apparently approved the creation of the City's Police and Fire Pension Plan. But the voters never approved a tax which raises millions of dollars more in revenues than is needed to fund contributions to the Police and Fire Pension Plan.
- 7. The Excess Taxes are unlawful because they are not authorized by Act 345. While the tax the City imposes to cover its actual contributions to its Police and Fire Pension Plan is lawful because it complies with Act 345, the Excess Taxes are not within the City's taxing authority under Act 345. The Excess Tax is a new tax that was not authorized by law or charter at the time the Headlee Amendment was ratified in 1978, and therefore violates Section 31 of the Headlee Amendment because it was not approved by the City's voters.
- 8. Because the Excess Taxes have been imposed in violation of the Headlee Amendment, the City must disgorge and refund the Excess Taxes it has collected in the year prior to the filing of this action and all additional Excess Taxes it collects during the pendency of this action. Moreover, the Court should enjoin the City from continuing to impose and collect the Excess Taxes in the future.

IURISDICTION AND VENUE

- 9. Plaintiffs are property owners in the City who incur the Excess Taxes. Plaintiffs have paid the Excess Taxes at issue within one year of the filing of this lawsuit and seek to act as class representatives for all similarly-situated persons.
- 10. Defendant City of Warren (the "City") is a municipality located in Macomb County, Michigan.

11. This is an action filed pursuant to MCR 2.112(M). This Court is vested with original jurisdiction concurrent with the Court of Appeals to hear original actions challenging the validity of a tax pursuant to Article 9, Section 32 of the Michigan Constitution of 1963. This authority is codified by MCL 600.308a.

GENERAL ALLEGATIONS

12. Any Michigan municipality with a paid or part-paid fire or police department can create a police and fire pension board in order to come under Act 345, provided it obtains voter approval to adopt the provisions of Act 345. In this regard, MCL 38.561 provides in pertinent part as follows:

At any time after this act shall become effective, any city, village or municipality having a paid or part paid fire or police department, may come under the provisions of this act and create a pension board hereunder by submitting the same to the electors of any such city, village or municipality at any regular or special election for adoption, in the manner provided by law for amending charters: Provided, that this act shall not become effective until the beginning of the next succeeding fiscal year after such adoption of the provisions of this act by any city, village or municipality. ...

- 13. Once approved by the municipality's voters, the Act allows a municipality to impose property taxes to finance its obligations under the Act. MCL 38.559(2) sets forth the conditions the municipality must comply with in order to impose such taxes:
 - (2) For the purpose of creating and maintaining a fund for the payment of the pensions and other benefits payable as provided in this act, the municipality, subject to the provisions of this act, shall appropriate, at the end of such regular intervals as may be adopted, quarterly, semiannually, or annually, an amount sufficient to maintain actuarially determined reserves covering pensions payable or that might be payable on account of service performed and to be performed by active members, and pensions being paid to retired members and beneficiaries. The appropriations to be made by the municipality in any fiscal year shall be sufficient to pay all pensions due and payable in that fiscal year to all retired members and beneficiaries. The amount of the appropriation in a fiscal year shall not be less than 10% of the aggregate pay received during that fiscal year by members of the retirement system unless, by actuarial determination, it is satisfactorily established that a lesser percentage is needed. All deductions and appropriations shall be payable to the treasurer of the municipality and he or she shall pay the deductions and appropriations into the retirement system. Except in municipalities that are subject to the 15 mill tax limitation as provided by section 6 of article IX of the state constitution of 1963, the amount required by taxation to meet the appropriations to be made by municipalities under this act shall be in addition to any tax limitation

imposed upon tax rates in those municipalities by charter provisions or by state law subject to section 25 of article IX of the state constitution of 1963. [Emphasis added.]

- 14. While MCL 38.559 authorizes additional property taxes, those taxes are subject to the following strict limitations:
 - Any tax imposed must **not** exceed the amount necessary to "meet the appropriations" actually made by the municipality under the Act;
 - The municipality's "appropriations" must be **only** for "the payment of the pensions and other benefits payable as provided in this act;"
 - The appropriations must be in an amount sufficient to maintain actuarially determined reserves covering pensions payable or that might be payable on account of service performed and to be performed by active members, and pensions being paid to retired members and beneficiaries; and
 - The treasurer of the municipality must deposit the appropriations "into the retirement system."
- 15. Given that Act 345 allows only taxes for "the payment of the pensions and other benefits payable as provided" in the Act, it is necessary to identify what those benefits are. On this point, Section 6 of the Act, MCL 38.556, sets forth with great specificity the benefits that a municipality must provide under the Act. That section provides in pertinent part as follows:
 - (1) Age and service retirement benefits payable under this act are as follows:
 - (a) A member who is 55 years of age or older and who has 25 or more years of service as a police officer or fire fighter in the employ of the municipality affected by this act may retire from service upon written application to the retirement board stating a date, not less than 30 days or more than 90 days after the execution and filing of the application, on which the member desires to be retired. The retirement board shall grant the benefits to which the member is entitled under this act, unless the member continues employment. If the member continues employment, the member's pension shall be deferred with service years of credit until actual retirement. Upon the approval of the legislative body or the electors of a municipality under this act, a member under 50 years of age who has 25 or more years of service, or without the necessity for approval, a member 50 years of age or more who has 25 or more years of service, may leave service and receive the full retirement benefits payable throughout the member's life as provided in subdivision (e).
 - (b) A member who is 60 years of age or older shall be retired by the retirement board upon the written application of the legislative body, or board or official provided in the charter of the municipality as head of the department in which the member is employed. Upon retirement, the retirement board shall grant the benefits to which the

member is entitled under this act, unless the member continues employment. If the member continues employment, the member's pension shall be deferred with service years of credit until actual retirement.

- (c) A member who is 65 years of age shall be retired by the retirement board on the first day of the month following attainment of 65 years of age.
- (d) A member who has 10 or more years of service shall have vested retirement benefits that are not subject to forfeiture on account of disciplinary action, charges, or complaints. If the member leaves employment before the date the member would have first become eligible to retire as provided in subdivision (a) for any reason except the member's retirement or death, the member is entitled to a pension that shall begin the first day of the calendar month immediately after the month in which the member's written application for the pension is filed with the retirement board that is on or after the date the member would have been eligible to retire had the member continued in employment. The retirement board shall grant the member the benefits to which the member is entitled under this act, unless the member resumes service. If the member resumes service, the member's pension shall be further deferred with service years of credit until the member actually retires.
- (e) Upon retirement from service as provided in this subsection, a member shall receive a regular retirement pension payable throughout the member's life of 2% of the member's average final compensation multiplied by the first 25 years of service credited to the member, plus 1% of the member's average final compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years. A municipality under this act, upon approval of the legislative body or the electors of the municipality, may increase the percentage of the payment from 2% up to a maximum of 2.5%. If an increase is approved, the increase shall not be reduced for members under the system at the time of the increase. The legislative body may also increase the percentage of employee contributions. If a retired member dies before the total of regular pension payments received by the member equals the total of the member's contributions made to the retirement system, the difference between the member's total contributions and the total of the member's regular retirement pension payments received shall be paid in a single sum to the person or persons the member nominates by written designation duly executed and filed with the retirement board. If there is not a person or persons surviving the retired member, the difference, if any, shall be paid to the retired member's legal representative or estate.
- (f) As used in this section, "average final compensation" means the average of the highest annual compensation received by a member during a period of 5 consecutive years of service contained within the member's 10 years of service immediately preceding the member's retirement or leaving service. However, if so provided in a collective bargaining agreement entered into between a municipality under this act and the appropriate recognized bargaining agent, average final compensation may mean the average of the 3 years of highest annual compensation received by a member during the member's 10 years of service immediately preceding the member's retirement or leaving service. If the member has less than 5 years of service, average final compensation means the annual average compensation received by the member during his or her total years of service. ... [emphasis added].

- 16. In addition to pension payments, Act 345 also authorizes certain death and disability payments to plan participants. See, e.g., MCL 38.556(2). These death and disability payments are the only "other benefits payable as provided" in this Act. MCL 38.559(2). Thus, a municipality's "appropriations" under Act 345—i.e., the amounts that can be paid through the taxes authorized by Act 345—are limited to the amounts necessary to fund pension, death and disability payments provided by the Act 345 pension plan.
- 17. The City employs actuaries to determine the annual "appropriations" it must make to the Police and Fire Pension Plan. The City's consistent policy and practice since at least 2020 has been to make annual contributions to the Police and Fire Pension Plan in the precise amounts determined by the actuaries. See Exhibit 2 hereto, the City's Certified Financial Record for FY June 30, 2021 at p. 82.
- 18. In the fiscal year ending June 30, 2021, the City made contributions to the Police and Fire Pension Plan in the amount of \$11,884,923. See Exhibit 2 hereto at pp. 56 and 82. The City's adopted budget for the fiscal year ending June 30, 2022 provided for \$12,314,726 in contributions to the Plan. See Exhibit 3 hereto at pp. 117, 122 (\$7,634,880 for police and \$4,679,846 for fire). Assuming the "Retirement Fund" line items in the Police and Fire Budgets accurately set forth the City's appropriations to the Police and Fire Pension Plan, these amounts represent the maximum amounts necessary to "meet the appropriations" the City has made under Act 345, and therefore are the maximum amounts that the City may fund through taxes imposed pursuant to its Act 345 taxing authority.
- 19. In the fiscal year ending June 30, 2021, however, the City, purportedly relying upon its Act 345 taxing authority, imposed 4.9848 mills in property taxes in the total amount of \$17,421,000, which taxes generated \$5,136,274 in revenues beyond the limits provided by Act 345. See Exhibit 2

- hereto at p. 32. The revenues of the total tax levy that exceed the Act 345 limits constitute Excess Taxes.
- 20. In the fiscal year ending June 30, 2022, the City, purportedly relying upon its Act 345 taxing authority, imposed 4.9848 mills in property taxes in the total amount of \$18,082,437, which taxes generated \$5,767,711 in revenues beyond the limits provided by Act 345. See Exhibit 4 hereto at p. 18 and Exhibit 5 hereto (2021 Tax Rate Request). The revenues of the total tax levy that exceed the Act 345 limits constitute Excess Taxes.
- The revenues generated by the Excess Taxes are not used to "meet the appropriations" required by Act 345 and therefore the Excess Taxes are not authorized by Act 345. Moreover, because the Excess Tax revenues were used by the City for expenses unrelated to the Police and Fire Pension Fund, the Excess Tax revenues did not become assets of the Police and Fire Pension Plan, as required by Act 345. See MCL 38.559 (requiring that "[a]ll deductions and appropriations shall be payable to the treasurer of the municipality and he or she shall pay the deductions and appropriations into the retirement system") (emphasis added).
- 22. The Excess Taxes are not authorized by the City's charter or by any other Michigan statute or law. As of July 1, 2021, the City was levying the maximum allowable millage levy for general operating purposes. See Exhibit 5 hereto (City's 2021 Tax Rate Request showing levy of "maximum allowable millage levy" of 8.4592 mills for general operating purposes). Therefore, the City cannot rely upon any other taxing authority to justify the Excess Taxes.
- 23. The Excess Taxes were not "authorized by law or charter" at the time the Headlee Amendment was ratified in December 1978, and they were not authorized by a majority vote of the City's citizens. See Exhibit 5 hereto (identifying no "date of election" for the Act 345 taxes. Therefore, the Excess Taxes have been imposed in violation of Article 29, Section 31 of the Michigan Constitution.

- 24. "The Headlee Amendment added Sections 25 through 34 to Article 9 of the Michigan Constitution." Michigan Ass'n of Home Builders v. Troy, 504 Mich. 204, 208 n. 3, 934 N.W.2d 713 (2019). Section 25 of the Amendment dictates that "[p]roperty taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval." Mich. Const. Art. 9, Sec. 25. In Waterford School Dist. v. State Bd. of Ed., 98 Mich. App. 658, 663, 296 NW2d 328 (1980), the Court observed that: "[t]he Headlee Amendment grew out of the spirit of "tax revolt" and was designed to place specific limitations on state and local revenues. The ultimate purpose was to place public spending under direct popular control."
- 25. This case specifically concerns Art. 9, § 31 of the Michigan Constitution, which provides in pertinent part as follows:

Units of Local Government are hereby prohibited from levying any tax not authorized by law or charter when this section is ratified or from increasing the rate of an existing tax above that rate authorized by law or charter when this section is ratified, without the approval of a majority of the qualified electors of that unit of Local Government voting thereon. [Const. 1963, art. 9, § 31]

- 26. "Section 31 prohibits units of local government from levying any new tax or increasing any existing tax above authorized rates without the approval of the unit's electorate." Durant v Michigan, 456 Mich 175, 183; 566 NW2d 272 (1997). Thus, a tax that was not authorized by law or charter in December 1978 and is imposed without voter approval "unquestionably violates" § 31. Bolt v. City of Lansing, 459 Mich. 152, 158 (1998).
- 27. The Headlee Amendment excludes from the voter approval requirement any tax "authorized by law or charter" at the time Headlee was ratified in December 1978. Therefore, any tax authorized by Act 345 is not subject to voter approval because the Act 345 taxing authority existed before December 1978.
- 28. The Supreme Court has held that "[t]he plain language of art 9, Sec. 31, excludes from its scope the levying of a tax, or an increased rate of an existing tax, that was authorized by law when

that section was ratified." American Axle & Mfg., Inc. v. Hamtramck, 461 Mich. 352, 362, 604 N.W.2d 330 (2000). In American Axle, 461 Mich. at 357, the Supreme Court approved a line of Section 31 cases from this Court standing for the proposition "that the Headlee exemption of taxes authorized by law when the section was ratified permits the levying of previously authorized taxes even where they were not being levied at the time Headlee was ratified and even though the circumstances making the tax or rate applicable did not exist before that date."

- 29. The Court of Appeals has observed that Act 345 "authorizes a municipality to collect property taxes ... for the purpose of supporting a firefighters and police officers pension system." Kinder Morgan Mich., LLC v. City of Jackson, 277 Mich. App. 159, 161, 744 N.W.2d 184 (2007) (emphasis added). Therefore, the taxes the City imposes and collects to cover its actual annual contribution to the Police and Fire Pension Plan are lawful because they were "authorized by law" at the time the Headlee Amendment was ratified in December 1978.
- 30. The last amendment to Act 345 prior to the 1978 ratification of Headlee occurred in 1951. See Exhibit 6 hereto. At that time, the MCL 38.559 contained the following tax authorization:
 - (2) For the purpose of creating and maintaining a fund for the payment of the pensions and other benefits payable hereunder, the said city, village or municipality, subject to the provisions of this act, shall appropriate, at the end of such regular intervals as may be adopted, quarterly, semiannually, or annually, an amount sufficient to maintain actuarially determined reserves covering pensions payable or which might be payable on account of service performed and to be performed by active members and pensions being paid to retired members and beneficiaries. Provided, That the appropriations to be made by the said city, village or municipality in any fiscal year shall be sufficient to pay all pensions due and payable in that fiscal year to all retired members and beneficiaries. Provided further, That in no event shall the amount of such appropriation in a fiscal year be less than 10 per cent of the aggregate pays received during that fiscal year by members of the retirement system unless by actuarial determination it is satisfactorily established that a lesser percentage is needed. All such deductions and appropriations shall be payable to the treasurer of said city, village or municipality and by him to be paid into the retirement system hereunder. Except in cities that are subject to the 15 mill tax limitation as provided by article 10, section 21 of the state constitution, the amount required by taxation to meet the appropriations to be made by cities, villages and municipalities under this act shall be in addition to any tax

limitation imposed upon tax rates in such cities, villages and municipalities by charter provisions or by state law. [Emphasis added.]

- 31. In American Axle, the concurring judge expressly recognized that the taxes authorized by Act 345 were the type of taxes that were exempt from Headlee because such taxes were "authorized by law or charter" in 1978. See American Axle, 461 Mich. at 372-373 (Corrigan, J, concurring) ("Legislature has also authorized a tax to fund pensions for police and firefighters, MCL 38.559(2); MSA 5.3375(9)(2), and provided that, except in municipalities subject to the fifteen-mill limitation under the constitution, the amount required by taxation to meet appropriations 'shall be in addition to any tax limitation imposed upon tax rates in those municipalities by charter provisions or by state law,' subject to Const. 1963, art 9, Sec. 25.")
- 32. For the reasons discussed below, however, this authorization does not save the Excess Taxes, which constitute new taxes outside of the scope of the Act 345 taxing authority and which were not approved by the City's voters.
- 33. The City's use of its Act 345 taxing authority to finance obligations unrelated to its obligations under the Police and Fire Pension Plan constitutes a clear violation of Headlee. The checks provided by Headlee are particularly warranted here, where Act 345 allows a municipality to impose unlimited taxes, so long as those taxes are used to meet the municipality's actual annual "appropriations" to its Act 345 pension fund. The courts must be vigilante that this broad power is not used in an attempt to solve other municipal financing difficulties by establishing millage rates that allow a municipality to not only cover its actual "appropriations" to its Act 345 pension fund but also cover unrelated expenses. That is precisely what the City is doing here.
 - 34. Here are the reasons the Excess Taxes are not authorized by Act 345:
- 35. First and foremost, the only tax authorized by Act 345 is a tax that generates the "amount required ... to meet appropriations" under the Act. MCL 38.559(2) (emphasis added).

- 36. Second, the municipality's "appropriations" to the Act 345 pension plan must be **only** for "the payment of the pensions and other benefits payable as provided in this act." MCL 38.559(2).
- 37. Third, Act 345 requires a board of an Act 345 pension plan to "[c]ertify to the governing body of the city, village, or municipality the amount to be contributed by the city, village, or municipality as provided in this act" (MCL 38.552(4)) and to "[d]isburse the pensions and other benefits payable under this act." MCL 38.552(8).
- 38. Fourth, Act 345 specifically sets forth the methodology a retirement board must apply in order to determine the necessary "appropriations." Indeed, the Supreme Court has held that the "Legislature has established a standard for arriving at an appropriate sum to be paid to the retirement board" to fund a municipality's obligations under Act 345. Shelby Township Police & Fire Retirement Bd. v. Shelby Township, 438 Mich. 247, 256, 475 N.W.2d 249 (1991).
 - 39. In Shelby Township, the Court held:
 - ...the provisions [of Act 345] mandate that the board hire an actuary and then certify to the municipality an amount that covers current service costs as well as unfunded accrued liabilities. The express provisions of MCL 38.552(2), (4); MSA 5.3375(2)(2), (4), read in conjunction with MCL 38.559(2); MSA 5.3375(9)(2), clearly establish the authority and describe the methodology necessary for the board to make an actuarial determination of the funds needed to maintain the retirement system. [438 Mich. at 257-258.]
- 40. The Shelby Township Court ultimately summarized the obligations of an Act 345 pension board to satisfy its funding obligations as follows:

We conclude that MCL 38.559(2); MSA 5.3375(9)(2) mandates the township to annually contribute to the retirement system an actuarially determined amount, which will ensure that funds are available to cover pensions earned by active members for services to be performed (in the current year) earned by active members for services already performed, and actual pensions to be paid to retirees. [438 Mich. at p. 264 (emphasis added)].

41. Fifth, consistent with MCL 38.552 and MCL 38.559, the board of the Police and Fire Pension Plan has retained actuaries who determine the annual amounts the City must contribute to

the Pension Plan in order to meet its obligations under Act 345. In its most recent financial statements, the City stated:

- Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year to be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. ... [Exhibit 2 at p. 56].
- 42. The retained actuaries "crunch the numbers" and calculate the amounts the City is required to contribute to "finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability."
- 43. Sixth, the City contributes to the Police and Fire Pension Plan the exact amount of the appropriations its actuaries determine are required under Act 345. See Exhibit 2 hereto at p. 82 (showing annual actual contributions equal to the "actuarially determined contribution" since 2020); id at p. 56 ("For the year ended June 30, 2021, the City contributed \$11,884,923, which equals the actuarial determined calculation")
- 44. Seventh, the City did not impose taxes solely to "meet the appropriations" it actually made to the Police and Fire Pension Plan. Instead, the City, relying solely upon its Act 345 taxing authority, imposed taxes which generated millions of dollars more than the amounts required to meet those "appropriations."
- 45. The revenues generated by the Excess Taxes are not used to "meet the appropriations" required by Act 345 and therefore the Excess Taxes are not authorized by Act 345. Moreover, because the Excess Tax revenues were used by the City for expenses unrelated to the Police and Fire Pension Plan, the Excess Tax revenues did not become assets of the Police and Fire Pension Plan, as required by Act 345. See MCL 38.559 (requiring that "[a]ll deductions and appropriations shall be payable to

the treasurer of the municipality and he or she shall pay the deductions and appropriations into the retirement system") (emphasis added).

- 46. Because the Excess Taxes are not authorized by Act 345, they are unlawful because there is no other taxing authority the City can rely upon to justify the Excess Taxes.
- 47. As an initial matter, the City's charter taxing authority is prescribed by the Home Rule City Act, MCL 117.1 et seq. MCL 117.3(g) requires that a city charter provide:

For annually laying and collecting taxes in a sum, except as otherwise provided by law, not to exceed 2% of the assessed value of the real and personal property in the city. Unless the charter provides for a different tax rate limitation, the governing body of a city may levy and collect taxes for municipal purposes in a sum not to exceed 1% of the assessed value of the real and personal property in the city, subject to section 1a of chapter 7 of the [Municipal Finance Act, MCL 137.1a; MSA 5.3188(45a)].

48. MCL 117.5(a) provides that a city does not have the power:

To increase the rate of taxation now fixed by law, unless the authority to do so is given by a majority of the electors of the city voting at the election at which the proposition is submitted, but the increase in any case shall not be such as to cause the rate to exceed 2%, except as provided by law, of the assessed value of the real and personal property in the city.

49. The City's Charter provides the following limitations on the City's powers of taxation:

Section 9.1. Powers to Tax; Tax Limit: The city shall have the power to assess taxes and to lay and collect rents, tolls and excises. The annual general ad valorem tax levy for municipal purposes shall not exceed nine-tenths (0.9) of one (1) percent of the assessed value of all real and personal property in the city: Provided that in addition to the foregoing, the city shall have the power to levy three-tenths (0.3) of one (1) mill of the assessed valuation as equalized, of all property in the city for the purpose of additional fire department life support units: Provided further that in addition to the foregoing, the city shall have the power to levy .9798 of one (1) mill each year for police protection for a period of twenty (20) years (authorized on August 4,1998); Provided further that in addition to the foregoing, the city shall have the power to levy .9798 of one (1) mill each year for fire and emergency medical rescue services for a period of twenty (20) years (authorized on August 4, 1998): Provided further that in addition to the foregoing, the city shall have the power to continue to levy .9676 mills each year for police protection for twenty (20) years, following expiration of the .9798 tax levy authorized on August 4,1998 and continuing through the December 2038 tax levy. Provided further that in addition to the foregoing, the city shall have the power to continue to levy .9676 each year for fire and emergency medical services for twenty (20) years, following expiration of the tax levy of the .9798 mills authorized on August 4, 1998, and continuing through the December 2038 tax levy. Provided further that in addition to the foregoing, the city shall have the power to levy one 91) mill for Parks and Recreation and Forestry effective August 4, 1992: Provided further that in addition to the foregoing, the City shall have the power to levy an additional two and one-tenth (2.1) mills for the repair and replacement of local streets and roadways for a period of five (5) years (authorized on November 2011): Provided further that in addition to the foregoing, the City shall have the power to continue to levy two and one-tenth (2.1) mills for the repair and replacement of local streets and roadways for an additional five (5) years, upon expiration of the tax levy of two and one-tenth (2.1) mills for local streets and roads (authorized on November 2011), and beginning with the December 2016 tax levy and continuing through the December 2020 tax levy. Provided further that the city shall be have the power to continue to levy an additional two and one-tenth (2.1) mills for local street and roadways, which may include local paved areas, for an additional five (5) years, beginning with the tax levy in December 2021 and continuing, through the July 2025 tax year***; Provided further that in addition to the foregoing, the city shall have the power to levy an additional four and nine-tenths (4.9) mills each year for police protection and fire safety protection for a period of five (5) years, effective August 7, 2012. Provided further that in addition to the foregoing, the city shall have the power to continue to levy an additional four and nine-tenths (4.9) mills each year for police and fire safety protection for five (5) years, after the expiration of the tax levy of the additional four and nine-tenths (4.9) mills authorized on August 2, 2016, and continuing through the December 2021 tax levy. Provided further that the City shall have the power to continue to levy an additional four and nine-tenths (4.9) mills each year to police and fire safety protection for five (5) years, beginning with the July 2022 tax levy and ending though the July 2026 tax levy. [Exhibit 7 hereto].

- 50. Application of the Charter provision here confirms that the City has no ability to impose the Excess Taxes in the absence of authority under Act 345 (which the City does not have). The City's voters have not authorized any increase in the 9.5-mill charter limitation. See Exhibit 5 hereto.
- 51. Moreover, because of annual "Headlee rollbacks," the City's charter tax limitation for operating purposes is now just 8.4592 mills. The City is levying 8.4592 mills the maximum allowable millage levy. See Id. and Exhibit 4 hereto at p. 18. Therefore, the City cannot squeeze the Excess

The term "Headlee Rollback" became part of municipal finance lexicon in 1978 with the passage of the Headlee Amendment. In a nutshell, Headlee requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a consequence, the local unit's millage rate gets "rolled back" so that the resulting growth in property tax revenue, community-wide, is no more than the rate of inflation.

Taxes into the City's charter limitation for general operating purposes.

52. Notably, the City is among only a handful of municipalities with Act 345 pension plans that are abusing their taxing authority under Act 345. Many other municipalities with Act 345 pension plans comply with the dictates of the Act and impose only taxes that are sufficient to fund their annual contributions to their respective Act 345 pension plans. Included among the compliant municipalities are the cities of Sterling Heights, Oak Park, Trenton, Midland, Jackson and Traverse City.

CLASS ALLEGATIONS

- 53. Plaintiffs bring this action as a class action, pursuant to MCR 3.501, individually and on behalf of a proposed class consisting of all persons or entities who/which have incurred and/or paid the Excess Taxes during the relevant class period.
- 54. The members of the Class are so numerous that joinder of all members is impracticable.
- 55. Plaintiffs' claims are typical of the claims of members of the Class. Plaintiffs are members of the Class they seek to represent, and Plaintiffs were injured by the same wrongful conduct that injured the other members of the Class.
 - 56. The City has acted wrongfully in the same basic manner as to the entire class.
- 57. There are questions of law and fact common to all Class Members that predominate over any questions, which, if they exist, affect only individual Class Members, including:
 - a. Whether the Excess Taxes are authorized by Act 345;
 - b. Whether the Excess Taxes were "authorized by law or charter" at the time the Headlee Amendment was ratified in 1978;
 - c. Whether the taxes authorized by Act 345 are limited to taxes necessary to cover the City's actual contributions to the Police and Fire Pension Plan; and
 - d. Whether the City should be forced to disgorge the improperly collected Excess Taxes.

- 58. Plaintiffs will fairly and adequately protect the interests of the Class, and Plaintiffs have no interests antagonistic to those of the Class. Plaintiffs are committed to the vigorous prosecution of this action and has retained competent and experienced counsel to prosecute this action.
- 59. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. The prosecution of separate actions would create a risk of inconsistent or varying adjudications. Furthermore, the prosecution of separate actions would substantially impair and impede the ability of individual class members to protect their interests. In addition, since individual refunds may be relatively small for most members of the class, the burden and expense of prosecuting litigation of this nature makes it unlikely that members of the class would prosecute individual actions. At the same time, it is probable that the amount which may be recovered by individual class members will be large enough in relation to the expense and effort of administering the action to justify a class action. Plaintiffs anticipate no difficulty in the management of this action as a class action.

COUNT I

VIOLATION OF THE HEADLEE AMENDMENT

- 60. Plaintiffs incorporate Paragraphs 1 through 59 of this Complaint, inclusive, as if fully set forth herein.
- 61. The City is bound by the Michigan Constitution of 1963, including those portions commonly known as the Headlee Amendment.
- 62. In particular, the City may not impose a tax in violation of Article 9, § 31 of the Michigan Constitution of 1963.
- 63. The Excess Taxes are unlawful taxes because they were not authorized by law or charter at the time the Headlee Amendment was ratified in 1978 and they were not approved by a majority of the City's voters.

- 64. The City has violated the Headlee Amendment by imposing and collecting the Excess Taxes.
- 65. As a direct and proximate result of the City's improper conduct, the City has collected millions of dollars to which it is not entitled.
- 66. As a direct and proximate result of the City's assessment of the Excess Taxes, Plaintiffs and the Class have been harmed.
- 67. The City should be required to disgorge the Excess Taxes it has collected and refund these amounts to Plaintiffs and the Class.

PRAYER FOR RELIEF

Plaintiffs request that the Court grant the following relief:

- A. Certify this action to be a proper class action with Plaintiffs certified as Class Representatives and Kickham Hanley PLLC and The Head Law Firm, PLC designated as Class Counsel;
- B. Define the Class to include all persons or entities who/which have paid Excess Taxes to the City or incurred Excess Taxes to the City at any time in the one year preceding the filing of this lawsuit and/or who/which pay Excess Taxes to the City or incur the Excess Taxes during the pendency of this action (the "Class Period");
 - C. Enter judgment in favor of Plaintiffs and the Class and against the City;
- D. Order and direct the City to disgorge and refund all Excess Taxes collected during the Class Period and to pay into a common fund for the benefit of Plaintiffs and all other members of the Class the total amount of Excess Taxes to which Plaintiffs and the Class are entitled;
- E. Find and declare that the Excess Taxes are unlawful taxes imposed in violation of the Headlee Amendment;

- F. Permanently enjoin the City from imposing or collecting any Excess Taxes, unless those Taxes receive voter approval in conformance with the Headlee Amendment to the Michigan Constitution;
- G. Award Plaintiffs and the Class the costs and expenses incurred in this action, including reasonable attorneys', accountants', and experts' fees; and
 - H. Grant any other appropriate relief.

KICKHAM HANLEY PLLC

Gregory D. Hanley (P51204) Jamie Warrow (P61521)

Edward F. Kickham Jr. (P70332)

32121 Woodward Avenue, Suite 300

Royal Oak, Michigan 48073

(248) 544-1500

Attorneys for Plaintiffs and the Class

/s/ Shawn Head

Shawn Head (P72599) Marco C. Masciulli (P77502) The Head Law Firm, PLC 34705 W 12 Mile Rd Ste 160

Farmington Hills, MI 48331

(248) 939-5405

Co-Counsel for Plaintiffs and the Class

Date: June 30, 2022

4872-2700-1127, v. 1

EXHIBIT - 1

FIRE FIGHTERS AND POLICE OFFICERS RETIREMENT ACT Act 345 of 1937

AN ACT to provide for the establishment, maintenance, and administration of a system of pensions and retirements for the benefit of the personnel of fire and police departments employed by cities, villages, or municipalities having full paid members in the departments, and for the spouses and children of the members; to provide for the creation of a board of trustees to manage and operate the system; to authorize appropriations and deductions from salaries; to prescribe penalties and provide remedies; and to repeal all acts and parts of acts inconsistent therewith.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1989, Act 7, Imd. Eff. May 3, 1989;
—Am. 1998, Act 200, Eff. Mar. 23, 1999.

Popular name: Act 345

The People of the State of Michigan enact:

38.551 Fire and police department pension and retirement system; retirement board, members, election, appointment, terms.

Sec. 1. The retirement board, also referred to in this act as the pension board, created hereunder shall be known as "The retirement board" and shall be a corporate body, consisting of 5 members, which shall consist of:

(1) The treasurer of the city, village or municipality, so affected hereby.

- (2) Two additional members, 1 of whom shall be an active member of and elected by a majority vote of the members of the fire department, and 1 of whom shall be an active member of and elected by a majority vote of the members of the police department under such rules and regulations as the retirement board shall adopt to govern such election. Each such member shall serve for a term of 4 years, except that in the first instance, the member elected by the police department shall serve for a term of 2 years. If in the first instance only the fire department or only the police department is included in the retirement plan, the 2 additional members shall be elected from that department and the candidate receiving the highest number of votes shall be elected for the 4-year term and the candidate receiving the second highest number of votes shall be elected for the 2-year term.
- (3) Two additional members shall be appointed by the legislative body or another person or body authorized by the city or village charter to appoint administrative officials in any city or village affected by the provisions of this act.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—Am. 1947, Act 229, Imd. Eff. June 17, 1947;
—CL 1948, 38.551;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1959, Act 105, Eff. Mar. 19, 1960.

Popular name: Act 345

38.551a Short title.

Sec. 1a. This act shall be known and may be cited as the "fire fighters and police officers retirement act".

History: Add. 1989, Act 7, Imd. Eff. May 3, 1989.

Popular name: Act 345

38.552 Retirement board; powers and duties.

Sec. 2. The retirement board created under this act shall perform the following:

- (1) Make rules and regulations necessary to the proper conduct of the business of the retirement system.
- (2) Retain legal, medical, actuarial, clerical, or other services as may be necessary for the conduct of the affairs of the retirement system and make compensations for the services retained.
- (3) Cause amounts as established by law to be deducted from the salaries of active members of the retirement system and be paid into the treasury of the retirement system.
- (4) Certify to the governing body of the city, village, or municipality the amount to be contributed by the city, village, or municipality as provided in this act.
- (5) Cause the examination of each disability pensioner or beneficiary less than 55 years of age to be made at least once a year for the first 5 years following the pensioner's retirement, and at least once each 3 years after the 5 year period, until the pensioner has reached 55 years of age.
- (6) Keep records of its meetings and proceedings. The board shall hold meetings at least once each month. The business which the retirement board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the Rendered Friday, June 24, 2022

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manner required by Act No. 267 of the Public Acts of 1976. A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

- (7) The board shall annually elect a president and secretary from among its members.
- (8) Disburse the pensions and other benefits payable under this act.
- (9) A member of the board shall not receive additional compensation for services as a board member.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—Am. 1947, Act 229, Imd. Eff. June 17, 1947; -CL 1948, 38.552;--Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;--Am. 1977, Act 209, Imd. Eff. Nov. 17, 1977.

Constitutionality: The authority delegated to the retirement board by MCL 38.552 of the Michigan Compiled Laws does not constitutionally abrogate the taxation, budgeting, and legislative responsibilities of the township. Retirement Bd v Shelby Twp, 438 Mich 247; 475 NW2d 249 (1991).

Popular name: Act 345

38.552a Compliance with requirements under protecting local government retirement and benefits act.

Sec. 2a. A retirement board under this act, a retirement system under this act, and a city, village, or municipality that is the custodian of funds of a retirement system under this act shall comply with any applicable requirements under the protecting local government retirement and benefits act.

History: Add. 2017, Act 211, Imd. Eff. Dec. 20, 2017.

Popular name: Act 345

38.553 Retirement system funds; treasurer as custodian; bond; disbursement of funds; execution of voucher or warrant; authorization.

Sec. 3. The treasurer of the city, village, or municipality shall be the custodian of all funds of the retirement system and shall be required to give a good and sufficient bond to the retirement board for the faithful performance of his or her duties and the safekeeping of all money collected under this act. The bond shall be paid by the city, village, or municipality. The treasurer shall issue warrants for the disbursement of the funds of the retirement system upon the receipt of a voucher signed by at least 2 members of the retirement board other than the treasurer. The treasurer shall not execute a voucher or warrant unless the voucher or warrant has been previously authorized by resolution adopted by the board.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—Am. 1947, Act 229, Imd. Eff. June 17, 1947; -CL 1948, 38.553;-Am. 1989, Act 7, Imd. Eff. May 3, 1989.

Popular name: Act 345

38.554 Credit for prior service.

Sec. 4. All service performed by members prior to the enactment of this act by any city, village or township, including service performed for predecessor townships, shall be computed to the credit of each member so affected.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1947, Act 229, Imd. Eff. June 17, 1947; --CL 1948, 38.554;---Am. 1957, Act 52, Eff. Sept. 27, 1957;---Am. 1958, Act 159, Eff. Sept. 13, 1958.

Popular name: Act 345

38.555 Retirement board; quasi-judicial body; review of actions by writ of certiorari.

Sec. 5. The board shall be a quasi-judicial body, and its actions shall be reviewable by writ of certiorari only.

History: 1937, Act 345, Eff. Oct. 29, 1937; -- CL 1948, 38.555.

Popular name: Act 345

38.556 Age and service retirement benefits.

Sec. 6. (1) Age and service retirement benefits payable under this act are as follows:

(a) A member who is 55 years of age or older and who has 25 or more years of service as a police officer or fire fighter in the employ of the municipality affected by this act may retire from service upon written application to the retirement board stating a date, not less than 30 days or more than 90 days after the execution and filing of the application, on which the member desires to be retired. The retirement board shall grant the benefits to which the member is entitled under this act, unless the member continues employment. If the member continues employment, the member's pension shall be deferred with service years of credit until actual retirement. Upon the approval of the legislative body or the electors of a municipality under this act, a

member under 50 years of age who has 25 or more years of service, or without the necessity for approval, a member 50 years of age or more who has 25 or more years of service, may leave service and receive the full retirement benefits payable throughout the member's life as provided in subdivision (e).

- (b) A member who is 60 years of age or older shall be retired by the retirement board upon the written application of the legislative body, or board or official provided in the charter of the municipality as head of the department in which the member is employed. Upon retirement, the retirement board shall grant the benefits to which the member is entitled under this act, unless the member continues employment. If the member continues employment, the member's pension shall be deferred with service years of credit until actual retirement.
- (c) A member who is 65 years of age shall be retired by the retirement board on the first day of the month following attainment of 65 years of age.
- (d) A member who has 10 or more years of service shall have vested retirement benefits that are not subject to forfeiture on account of disciplinary action, charges, or complaints. If the member leaves employment before the date the member would have first become eligible to retire as provided in subdivision (a) for any reason except the member's retirement or death, the member is entitled to a pension that shall begin the first day of the calendar month immediately after the month in which the member's written application for the pension is filed with the retirement board that is on or after the date the member would have been eligible to retire had the member continued in employment. The retirement board shall grant the member the benefits to which the member is entitled under this act, unless the member resumes service. If the member resumes service, the member's pension shall be further deferred with service years of credit until the member actually retires.
- (e) Upon retirement from service as provided in this subsection, a member shall receive a regular retirement pension payable throughout the member's life of 2% of the member's average final compensation multiplied by the first 25 years of service credited to the member, plus 1% of the member's average final compensation multiplied by the number of years, and fraction of a year, of service rendered by the member in excess of 25 years. A municipality under this act, upon approval of the legislative body or the electors of the municipality, may increase the percentage of the payment from 2% up to a maximum of 2.5%. If an increase is approved, the increase shall not be reduced for members under the system at the time of the increase. The legislative body may also increase the percentage of employee contributions. If a retired member dies before the total of regular pension payments received by the member equals the total of the member's contributions made to the retirement system, the difference between the member's total contributions and the total of the member's regular retirement pension payments received shall be paid in a single sum to the person or persons the member nominates by written designation duly executed and filed with the retirement board. If there is not a person or persons surviving the retired member, the difference, if any, shall be paid to the retired member's legal representative or estate.
- (f) As used in this section, "average final compensation" means the average of the highest annual compensation received by a member during a period of 5 consecutive years of service contained within the member's 10 years of service immediately preceding the member's retirement or leaving service. However, if so provided in a collective bargaining agreement entered into between a municipality under this act and the appropriate recognized bargaining agent, average final compensation may mean the average of the 3 years of highest annual compensation received by a member during the member's 10 years of service immediately preceding the member's retirement or leaving service. If the member has less than 5 years of service, average final compensation means the annual average compensation received by the member during his or her total years of service.
- (g) A member shall be given service credit for time spent in the military, naval, marine, or other armed service of the United States government during time of war, or other national emergency recognized by the board, if the member was employed by the municipality at the time of entry into the armed service, and is or was reemployed by the municipality as a police officer or fire fighter within 6 months after the date of termination of his or her required enlistment or assignment in the armed service. A municipality by a 3/5 vote of its governing body or by a majority vote of the qualified electors may provide service credit for not more than 6 years of active military service to the United States government to a member who is employed subsequent to this military service upon payment to the retirement system of 5% of the member's full-time or equated full-time compensation for the fiscal year in which payment is made multiplied by the years of service that the member elects to purchase up to the maximum. Service is not creditable if it is or would be creditable under any other federal, state, or local publicly supported retirement system. However, this restriction does not apply to those persons who have or will have acquired retirement eligibility under the federal government for service in the reserve. A member shall be given service credit for the time the member is absent from active service without full pay on account of sickness or injury. If the absence from active Rendered Friday, June 24, 2022 Page 3 Michigan Compiled Laws Complete Through PA 105 of 2022

service is due to nonservice connected sickness or injury, not more than 60 days of the absence shall be credited as service in any 1 calendar year, as determined by the retirement board.

- (h) Before the effective date of the member's retirement as provided in this subsection, but not after the effective date of the member's retirement, a member may elect to receive his or her benefit in a pension payable throughout the member's life, called a regular retirement pension, or the member may elect to receive the actuarial equivalent, computed as of the effective date of retirement, of the member's regular retirement pension in a reduced retirement pension payable throughout the member's life, and nominate a survivor beneficiary, under an option provided in this subdivision. Upon the death of a retirant who retires on or after July 1, 1975, and who is receiving a regular retirement pension, his or her spouse, if living, shall receive a pension equal to 60% of the regular retirement pension the deceased retirant was receiving. Benefits shall not be paid under this subdivision on account of the death of a retirant if the member elected to receive his or her pension under an option provided in this subdivision. As used in this subsection, "spouse" means the person to whom the retirant was legally married on both the effective date of retirement and the date of death. Except as otherwise provided in this act, if a member fails to elect an option before the effective date of retirement, then the pension shall be paid as a regular retirement pension. A member may elect 1 of the following options:
- (i) Option I. Upon the death of a retired member, his or her reduced retirement pension shall be continued throughout the life of and paid to the person, having an insurable interest in the retired member's life, that the member nominated by written designation executed and filed with the retirement board before the effective date of the member's retirement.
- (ii) Option II. Upon the death of a retired member, 1/2 of his or her reduced retirement pension shall be continued throughout the life of and paid to the person, having an insurable interest in the retired member's life, that the member nominated by written designation executed and filed with the retirement board before the effective date of the member's retirement.
- (i) If a member continues in service on or after the date of acquiring 20 years of service credit, does not have an option I election provided for in subdivision (j) in force, and dies while in service of the municipality before the effective date of the member's retirement, leaving a surviving spouse, the spouse shall receive a pension computed in the same manner as if the member had retired effective the day preceding the date of the member's death, elected option I provided for in subdivision (h), and nominated the spouse as survivor beneficiary. Upon the death of the spouse the pension shall terminate. A pension shall not be paid under this subdivision on account of the death of a member if benefits are paid under subsection (2) on account of the member's death.
- (j) A member who continues in service on or after the date of acquiring 25 years of service credit may, at any time before the effective date of the member's retirement, by written declaration executed and filed with the board in the manner and form prescribed by the board, elect option I provided for in subdivision (h) and nominate a survivor beneficiary whom the board finds to be dependent upon the member for at least 50% of the beneficiary's support. If a member who has an option I election provided for in this subdivision in force dies while in service before the effective date of the member's retirement, the member's survivor beneficiary shall immediately receive the same pension that the survivor beneficiary would have been entitled to receive under option I if the member had retired pursuant to this act effective the day preceding the date of the member's death, notwithstanding that the member may not have attained 55 years of age. If a member who has an option I election provided for in this subdivision in force subsequently retires pursuant to this act, the member, within 90 days immediately preceding the effective date of the member's retirement, but not after the effective date of the member's retirement, may elect an option provided for in subdivision (h). The option election is effective as of the effective date of the member's retirement. A pension shall not be paid under this subdivision on account of the death of a member if benefits are paid under subsection (2) on account of the member's death.
- (k) If a retirant receiving a reduced retirement pension under subdivision (h)(i) or (ii) is divorced from the spouse who had been named the retirant's survivor beneficiary under subdivision (h)(i) or (ii), the election of a reduced retirement pension payment option shall be considered void by the retirement system if the judgment of divorce or award or order of the court, described in section 9 and dated after June 27, 1991 provides that the election of a reduced retirement pension payment option under subdivision (h)(i) or (ii) is to be considered void by the retirement system and the retirant provides a certified copy of the judgment of divorce or award or order of the court, or an amended judgment of divorce or award or order of the court, to the retirement system. If the election of a reduced retirement pension payment option under subdivision (h)(i) or (ii) is considered void by the retirement system under this subsection, the retirant's retirement pension shall revert to a regular retirement pension, including postretirement adjustments, if any, subject to an award or order of the court as described in the public employee retirement benefit protection act. The retirement pension shall revert to a regular retirement pension Rendered Friday, June 24, 2022

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under this subdivision effective the first day of the month after the date the retirement system receives a certified copy of the judgment of divorce or award or order of the court. This subdivision does not supersede a judgment of divorce or award or order of the court in effect on June 27, 1991. This subdivision does not require the retirement system to distribute or pay retirement assets on behalf of a retirant in an amount that exceeds the actuarially determined amount that would otherwise become payable if a judgment of divorce had not been rendered.

(2) Disability and service connected death benefits payable under this act are as follows:

(a) To a surviving spouse, a duty death pension of the same amount each week as that which has been paid the surviving spouse under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, to become due and payable on the termination of the payments to the surviving spouse by a municipality under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, and to continue for the surviving spouse's life.

(b) If death results to a member in the line of duty, and the member leaves surviving children, the children shall be paid a pension of the same amount as that which has been paid to them as a weekly benefit under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, to become due and payable upon termination of the payments under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, and to continue to each surviving child until he or she attains 18 years of age, or until his or her marriage or death before attaining 18 years of age.

(c) If death results to a member in the line of duty and the member leaves other surviving dependents, the dependents shall receive a pension of the same amount as that which has been paid to them as a weekly benefit under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, to become due and payable upon termination of the payments under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, and to continue until the time the retirement board determines that the need for a pension no longer exists.

(d) Upon the application of a member or the member's department head, a member who becomes totally incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of the member's employment by the municipality shall be retired by the retirement board. The member shall be given a medical examination by a medical committee consisting of a physician named by the retirement board, a physician named by the member claiming benefits, and a third physician designated by the first 2 physicians named. The medical committee, if determined by a majority opinion, shall certify in writing that the member is mentally or physically incapacitated for the further performance of duty as a police officer or fire fighter in the service of the municipality; that the incapacity is likely to be permanent; and that the member should be retired. Upon retirement for disability as provided in this subdivision, a member who has not attained 55 years of age shall receive a disability retirement pension of 50% of the member's average final compensation, which shall be determined according to subsection (1)(f), and shall be payable until the member becomes 55 years of age. Upon becoming 55 years of age, the disabled member shall receive a disability retirement pension computed according to subsection (1)(e). In computing the disability retirement pension, the member shall be given service credit for the period of receipt of a disability retirement pension before attainment of 55 years of age. If a member retired after attaining 55 years of age on account of disability, as provided in this subdivision, the member shall receive a disability retirement pension computed according to subsection (1)(e), notwithstanding that the member may not have 25 years of service credit. The disability retirement pension provided for in this subdivision is subject to subdivisions (f) and (g).

(e) Upon the application of a member or the member's department head, a member in service who has 5 or more years of service credit and who becomes totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the result of causes arising outside the course of the member's employment by the municipality may be retired by the retirement board. The member shall be given a medical examination by a medical committee consisting of a physician named by the retirement board, a physician named by the member claiming benefits, and a third physician designated by the first 2 physicians named. The medical committee, if determined by a majority opinion, shall certify in writing that the member is mentally or physically incapacitated for the further performance of duty as a police officer or fire fighter in the service of the municipality, that the incapacity is likely to be permanent, and that the member should be retired. Upon retirement for disability, as provided in this subdivision, a member who has not attained 55 years of age shall receive a disability retirement pension until the member becomes 55 years of age, recovers, or dies, whichever occurs first, of 1.5% of the member's average final compensation multiplied by the number of years of service credited to the member. Upon becoming 55 years of age, the member's disability retirement pension shall be increased to 2% of the member's average final compensation multiplied by the number of years of service credited to the member at the time of his or her retirement. Upon retirement for Rendered Friday, June 24, 2022 Page 5 Michigan Compiled Laws Complete Through PA 105 of 2022 disability as provided in this subdivision, a member who is 55 years of age or older shall receive a disability retirement pension computed according to subsection (1)(e). This subdivision is subject to subdivisions (f) and (g).

- (f) At least once each year during the first 5 years after the retirement of a member with a disability retirement pension and at least once in every 3-year period after disability retirement, the retirement board may, and upon the retired member's application shall, require a retired member who has not attained 55 years of age to undergo a medical examination. The medical examination shall be given by or under the direction of a physician, designated by the retirement board, at the place of residence of the retired member or other place mutually agreed upon. If a retired member who has not attained 55 years of age refuses to submit to the medical examination in the period, the member's disability retirement pension may be discontinued by the retirement board. If the member's refusal continues for 1 year, all the member's rights to his or her disability retirement pension may be revoked by the retirement board. If upon a medical examination of the retired member the physician reports to the retirement board that the retired member is physically capable of resuming employment in the classification held by the member at the time of retirement, the member shall be restored to active service in the employ of the municipality and payment of the disability retirement pension shall cease if the report of the physician is concurred in by the retirement board. A retired member restored to active service shall again become a member of the retirement system from the date of return to service. The member shall contribute to the retirement system after restoration to active service in the same manner as before the member's disability retirement. Service credited to the member at the time of disability retirement shall be restored to full effect. The member shall be given service credit for the period the member was receiving a duty disability retirement pension provided for in subdivision (d), but shall not be given service credit for the period the member was receiving a nonduty disability retirement pension provided for in subdivision (e). Amounts paid under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, to a retired member shall be offset against and payable in place of benefits provided under this act. If the benefits under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, are less than the benefits payable under this act, the amount to be paid out of the funds of the retirement system shall be the difference between the benefits provided under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, and the benefits provided in this act. Upon the termination of benefits under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, the benefits shall be paid pursuant to this act.
- (g) Within 60 days before a member becomes 55 years of age, or before retirement from service if retirement occurs after the member becomes 55 years of age, a disabled member who is retired as provided in subdivision (d) or (e) may elect to continue to receive a disability retirement pension as a benefit terminating at death, to be known as a regular disability pension, or may elect to receive the actuarial equivalent, at that time, of a regular disability pension in a reduced disability pension payable throughout life pursuant to an option provided in subsection (1)(h). If a disabled member fails to elect an option, as provided in this subdivision, before becoming 55 years of age or before retirement, the member's retirement pension shall be paid to the member as a regular disability pension terminating at death. If a disabled member who has not elected an option provided in subsection (1)(h) dies before the total of the member's regular disability pension payments received equals or exceeds the total of the member's contributions made to the retirement system, the remainder, if any, shall be paid in a single sum to the person or persons nominated by the member by written designation duly executed and filed with the board. If there is not a designated person or persons surviving, then the remainder, if any, shall be paid to the retired member's legal representative or estate.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—Am. 1947, Act 229, Imd. Eff. June 17, 1947;—CL 1948, 38.556;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1954, Act 173, Eff. Aug. 13, 1954;—Am. 1955, Act 263, Imd. Eff. June 29, 1955;—Am. 1956, Act 169, Imd. Eff. Apr. 16, 1956;—Am. 1959, Act 224, Eff. Mar. 19, 1960;—Am. 1961, Act 201, Eff. Sept. 8, 1961;—Am. 1965, Act 137, Imd. Eff. July 12, 1965;—Am. 1967, Act 256, Eff. Nov. 2, 1967;—Am. 1970, Act 230, Imd. Eff. Nov. 25, 1970;—Am. 1975, Act 147, Imd. Eff. July 9, 1975;—Am. 1976, Act 118, Imd. Eff. May 14, 1976;—Am. 1976, Act 321, Eff. Mar. 31, 1977;—Am. 1989, Act 7, Imd. Eff. May 3, 1989;—Am. 1991, Act 54, Imd. Eff. June 27, 1991;—Am. 2002, Act 98, Imd. Eff. Mar. 27, 2002;—Am. 2003, Act 8, Imd. Eff. May 20, 2003.

Popular name: Act 345

38.556a Municipality having population of 80,000 or more; applicability of MCL 38.556(1)(h) to certain members.

Sec. 6a. In a municipality having a population of 80,000 or more, section 6(1)(h) shall be applicable to any member who continues in service on or after the date he or she acquires 15 years of service credit.

History: Add. 1963, Act 57, Eff. Sept. 6, 1963;—Am. 1982, Act 145, Imd. Eff. Apr. 28, 1982;—Am. 2003, Act 8, Imd. Eff. May 20, 2003.

38.556b Remarriage of surviving spouse; applicability of subsection (1) to municipality.

Sec. 6b. (1) Notwithstanding section 6 or any predecessor to section 6, the remarriage of a surviving spouse shall not render the surviving spouse ineligible to receive a pension described in section 6(1)(i) or a duty death pension described in section 6(2)(a). A surviving spouse whose pension described in section 6(1)(i) or duty death pension described in section 6(2)(a) was terminated due to the surviving spouse's remarriage shall be eligible to receive that pension or duty death pension beginning on the first day of the month following the month in which written application for reinstatement is filed with the board, but shall not be eligible to receive the pension or duty death pension attributable to any month beginning before the month of reinstatement under this section.

(2) Beginning on the effective date of the amendatory act that amended this subsection, the provisions of subsection (1) that apply to a surviving spouse who is eligible to receive a pension described in section 6(1)(i) shall apply to a municipality upon approval by resolution of the governing body of the municipality.

(3) Beginning on the effective date of the amendatory act that added this subsection, a surviving spouse who is eligible to receive a duty death pension described in section 6(2)(a) and who remarries after the effective date of the amendatory act that added this subsection shall not be denied a duty death pension described in section 6(2)(a) by a municipality because of the remarriage of the surviving spouse.

History: Add. 1986, Act 30, Imd. Eff. Mar. 10, 1986; -- Am. 2003, Act 8, Imd. Eff. May 20, 2003.

Compiler's note: Former MCL 38.556b, pertaining to vested rights in pensions and benefits, was repealed by Act 321 of 1976.

Popular name: Act 345

38.556c Service credit for employment in transitional public employment program; payment of contributions and regular interest; payroll deduction; amount in reserve; payment of contributions by current employer; accident, disability, or other benefits.

Sec. 6c. (1) If a person who participated in a transitional public employment program becomes a member of a retirement system established under this act within 12 months after the date of termination as a participant in a transitional public employment program, service credit shall be given for employment in the transitional public employment program for purposes of determining a retirement allowance upon the payment by the person and the person's employer under the transitional public employment program from funds provided under the comprehensive employment and training act, 29 U.S.C. 801 to 992, as funds permit, to the retirement system of the contributions, plus regular interest, the person and the employer would have paid had the employment been rendered in a position covered by this act. During the person's employment in the transitional public employment program, the person's employer shall provide an opportunity by payroll deduction for the person to make his or her employee contribution to the applicable pension system. To provide for the eventual payment of the employer's contribution, the person's employer shall during this same period place in reserve a reasonable but not necessarily an actuarially determined amount equal to the contributions which the employer would have paid to the retirement system for those employees in the transitional public employment program as if they were members under this act, but only for that number of employees which the employer determined would transfer from the transitional public employment program into positions covered by this act. If the funds provided under the comprehensive employment and training act are insufficient, the remainder of the employer contributions shall be paid by the person's current employer.

(2) The provisions of subsection (1) shall not exclude the participant in a transitional public employment program from the accident, disability or other benefits available to members of the retirement system covered by this act.

History: Add. 1978, Act 421, Imd. Eff. Sept. 30, 1978.

Popular name: Act 345

38.556d Postretirement adjustments increasing retirement benefits.

Sec. 6d. A municipality, by ordinance or in another manner provided by law, may adopt from time to time benefit programs providing for postretirement adjustments increasing retirement benefits. Such benefit programs may provide for 1-time postretirement percentage increases in retirement benefits; annual or other periodic postretirement percentage increases in retirement benefits; lump sum postretirement distributions; or any other method considered appropriate by the municipality. The retirement benefit payable after making an adjustment pursuant to the benefit program adopted shall be the new retirement benefit payable until the next adjustment, if any, is made.

History: Add. 1987, Act 145, Imd. Eff. Oct. 26, 1987.

Popular name: Act 345 Rendered Friday, June 24, 2022

38.556e Mandatory subjects of bargaining.

Sec. 6e. Notwithstanding any other provisions of this act, any matter relating to the retirement system provided by this act, including, but not limited to, postretirement adjustment increases, applicable to current employees represented by a collective bargaining agent is a mandatory subject of bargaining under the public employment relations act, Act No. 336 of the Public Acts of 1947, being sections 423.201 to 423.216 of the Michigan Compiled Laws.

History: Add. 1987, Act 145, Imd. Eff. Oct. 26, 1987.

Popular name: Act 345

38.557 "An act of duty,""municipality" and "transitional public employment program" defined.

Sec. 7. As used in this act:

- (a) "An act of duty" means an act performed by a fire fighter or police officer arising out of and in the course of employment, or the performance of an act pertinent or incidental to the work of a fire fighter or police officer, regardless of time or place.
 - (b) "Municipality" includes a county, township, charter township, city, or incorporated village.
- (c) "Transitional public employment program" means a public service employment program in the area of environmental quality, health care, education, public safety, crime prevention and control, prison rehabilitation, transportation, recreation, maintenance of parks, streets and other public facilities, solid waste removal, pollution control, housing and neighborhood improvements, rural development, conservation, beautification, veterans' outreach, or any other area of human betterment and community improvement as part of a program of comprehensive manpower services authorized, undertaken, and financed pursuant to the comprehensive employment and training act of 1973, 29 U.S.C. 801 to 992.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—CL 1948, 38.557;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1968, Act 210, Imd. Eff. June 24, 1968;—Am. 1978, Act 421, Imd. Eff. Sept. 30, 1978.

Popular name: Act 345

38.558 Refunds of salary contributions.

Sec. 8. Refunds of salary contributions:

- (1) If a fire fighter or police officer dies before being placed on pension, the total amount of the member's salary deductions, with interest as the board may determine, but not to exceed 2% per annum, shall be payable to the person or persons that the member nominated by written designation duly executed and filed with the board. If there is no designated person or persons surviving, then the total of the member's salary deductions shall be paid to the member's legal representative or estate.
- (2) If a fire fighter or police officer becomes separated from the service before being eligible for retirement, the member shall be paid the total of the member's contributions together with interest as the board may determine, but not to exceed 2% per annum credited to the member upon his or her written request for a refund. If the person again becomes employed by the city, village, or municipality as a police officer or fire fighter, he or she shall, within 1 year following his or her reemployment, repay to the retirement system the amount previously withdrawn together with interest at 2% per year.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1947, Act 229, Imd. Eff. June 17, 1947;
—CL 1948, 38.558;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1957, Act 52, Eff. Sept. 27, 1957;—Am. 1989, Act 7, Imd. Eff. May 3, 1989.

Popular name: Act 345

38.559 Contributions of member; rate; deduction from salary; appropriations to maintain actuarially determined reserves; payment of deductions and appropriations into retirement system; prorating pensions and other benefits; expenses; pensions as obligations of retirement system.

Sec. 9. (1) The contributions of a member to the retirement system shall be 5% of the salary paid to the member by the municipality. The officer responsible for making up the payroll shall cause the contributions provided for in this subsection to be deducted from the salary of each member on each payroll for each payroll period so long as he or she remains an active member in the employ of the municipality. The amounts deducted shall be paid into the funds of the retirement system. The members' contributions provided for in this act shall be made notwithstanding that the minimum salary provided for by law is changed by the members' contributions. Every member shall be considered to consent and to agree to the deductions made and provided for in this act and shall receipt for his or her full salary and payment of his or her salary less the

deduction, which is a full and complete discharge and acquittance of all claims and demands for the services rendered by the member during the period covered by the payment, except as to benefits provided by this retirement system.

- (2) For the purpose of creating and maintaining a fund for the payment of the pensions and other benefits payable as provided in this act, the municipality, subject to the provisions of this act, shall appropriate, at the end of such regular intervals as may be adopted, quarterly, semiannually, or annually, an amount sufficient to maintain actuarially determined reserves covering pensions payable or that might be payable on account of service performed and to be performed by active members, and pensions being paid to retired members and beneficiaries. The appropriations to be made by the municipality in any fiscal year shall be sufficient to pay all pensions due and payable in that fiscal year to all retired members and beneficiaries. The amount of the appropriation in a fiscal year shall not be less than 10% of the aggregate pay received during that fiscal year by members of the retirement system unless, by actuarial determination, it is satisfactorily established that a lesser percentage is needed. All deductions and appropriations shall be payable to the treasurer of the municipality and he or she shall pay the deductions and appropriations into the retirement system. Except in municipalities that are subject to the 15 mill tax limitation as provided by section 6 of article IX of the state constitution of 1963, the amount required by taxation to meet the appropriations to be made by municipalities under this act shall be in addition to any tax limitation imposed upon tax rates in those municipalities by charter provisions or by state law subject to section 25 of article IX of the state constitution of 1963.
- (3) If, at the beginning or during any fiscal year, it has been satisfactorily determined by the retirement board that the accumulated funds of the retirement system plus the municipality's contribution of 10% of the aggregate pay received during that fiscal year by members of the retirement system plus members' contributions of 5% of payroll, are insufficient to pay all pensions and other benefits due and payable in that year out of funds of the retirement system, then all pensions and other benefits payable shall be prorated for the remainder of the fiscal year by the retirement board.
- (4) Any clerical, legal, actuarial, or medical expenses required by the retirement board, or any other necessary expense for the operation of the retirement system, shall be provided for by the municipality or shall be paid from the investment income of the retirement system, as determined by the governing body of the municipality. The retirement board shall submit expenses periodically to the governing body of the municipality. If use of investment income to pay these expenses causes an actuarial insufficiency in the assets of the retirement system used to pay pensions, the insufficiency shall be made up by the municipality.
- (5) All pensions allowed and payable to retired members and beneficiaries under this act shall become obligations of and be payable from the funds of the retirement system.
- (6) The right of a person to a pension, to the return of member contributions, to any optional benefits, or any other right accrued or accruing to a member or beneficiary under this act and the money belonging to the retirement system is subject to the public employee retirement benefit protection act.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—Am. 1947, Act 229, Imd. Eff. June 17, 1947;—CL 1948, 38.559;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1985, Act 36, Imd. Eff. June 13, 1985;—Am. 1987, Act 145, Imd. Eff. Oct. 26, 1987;—Am. 1991, Act 54, Imd. Eff. June 27, 1991;—Am. 2002, Act 98, Imd. Eff. Mar. 27, 2002.

Popular name: Act 345

38.560 Investments; transfer and disposition of certain assets.

Sec. 10. Any and all cash assets and funds on hand not necessary for immediate payment of pensions or benefits under this act shall be invested subject to all the terms, conditions, limitations, and restrictions imposed by the statutes of this state upon life insurance companies in making and disposing of their investments, and as provided by law relating to investment authority of public employee retirement systems under Act No. 314 of the Public Acts of 1965, being sections 38.1132 to 38.1140i of the Michigan Compiled Laws, and any and all assets of every description of the pension or retirement fund created by any city, village, or municipality under this act shall be transferred and deposited to the credit of the newly created retirement system under this act.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1947, Act 229, Imd. Eff. June 17, 1947;—CL 1948, 38.560;—Am. 1965, Act 33, Eff. Mar. 31, 1966;—Am. 1989, Act 7, Imd. Eff. May 3, 1989.

Popular name: Act 345

38.561 Referendum; township or charter township.

Sec. 11. At any time after this act shall become effective, any city, village or municipality having a paid or part paid fire or police department, may come under the provisions of this act and create a pension board hereunder by submitting the same to the electors of any such city, village or municipality at any regular or

special election for adoption, in the manner provided by law for amending charters: Provided, That this act shall not become effective until the beginning of the next succeeding fiscal year after such adoption of the provisions of this act by any city, village or municipality: Provided further, That where no provision is made in the charter of the city, village or municipality for amending said charters, this act may be submitted for adoption in accordance with any law authorizing the amending of the charters of cities: Provided further, That in case of a township or charter township, this act shall be submitted to the qualified electors of such township or townships by the township board on the filing of a petition requesting the submission, signed by 10 per cent of the registered and qualified electors in such township or charter township, at any general election or special election called for that purpose by the township board, in accordance with the laws of this state, and this act shall be in force and effect in any such township or charter township if a majority of the electors voting on such proposition, as determined by the canvass of votes cast, shall vote in favor thereof.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1945, Act 256, Eff. Sept. 6, 1945;—CL 1948, 38.561;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951.

Popular name: Act 345

38.561a Violation of MCL 168.1 to 168.992 applicable to petitions; penalties.

Sec. 11a. A petition under section 11, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

History: Add. 1998, Act 200, Eff. Mar. 23, 1999.

Popular name: Act 345

38.562 Membership of retirement system.

Sec. 12. (1) The membership of the retirement system created by a municipality affected by this act shall include each police officer and fire fighter employed by a municipality. A police officer or fire fighter, who is a member of the retirement system and who is transferred from the classification of a police officer or fire fighter to a civilian position within the police or fire department or who is transferred from the police or fire department of the municipality to another department of the municipality by an officer or body of the municipality authorized to make the transfer, shall continue as a member of this retirement system covering the police officers and fire fighters, and shall be subject to the provisions of the retirement system. If the officers and employees of the department to which the person is transferred are covered by an annuity pension or retirement system to which the municipality makes contributions and the person transferred becomes entitled to membership in that system, the person shall cease to be a member of this police officer and fire fighter retirement system.

(2) The membership of the retirement system shall not include a volunteer fire fighter, a privately employed police officer or fire fighter, a person temporarily employed during an emergency, a civilian employee of a police and fire department, or a person participating in a transitional public employment program, except as provided in subsection (1) and section 6c.

History: 1937, Act 345, Eff. Oct. 29, 1937;—Am. 1939, Act 210, Eff. Sept. 29, 1939;—Am. 1947, Act 229, Imd. Eff. June 17, 1947; —CL 1948, 38.562;—Am. 1951, Act 16, Imd. Eff. Mar. 30, 1951;—Am. 1978, Act 421, Imd. Eff. Sept. 30, 1978.

Popular name: Act 345

EXHIBIT - 2



CITY OF WARREN, MICHIGAN

Fiscal Year Ended June 30, 2021 Annual Comprehensive Financial Report



Note 1 - Nature of Business and Significant Accounting Policies

City of Warren, Michigan (the "City"), formerly Warren Township, was incorporated on January 1, 1957 under provisions of Act 279, P.A. 1909, as amended (Home Rule Act). The City is administered by a mayor, a council of seven members, a treasurer, and a clerk, all of whom are elected for four-year terms. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, recreation, library, planning and zoning, and general administrative services.

Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units do not issue their own financial statements. Although blended component units are legally separate entities, in substance, they are part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

Blended Component Units

The following entity is considered a blended component unit of the City due to the authority existing for the exclusive benefit of the City itself:

The City of Warren Building Authority was incorporated, pursuant to the provisions of Act 31, Public Acts of Michigan, 1948, as amended, and approved by the Warren City Council for the purpose of acquiring, furnishing, and equipping and maintaining buildings, structures, and sites for use by the City. The authority is governed by a commission consisting of three members who are appointed by the mayor and the City Council. All contracts entered into by the authority must be approved by the City Council. The City has pledged its full faith and credit for payment of annual lease payments to the authority in order to satisfy principal and interest requirements from issuance of Building Authority Bonds. The City of Warren Building Authority is reported within the enterprise and Capital Projects funds. Additional information can be obtained from the council office at 5460 Arden, Warren, MI 48092.

Discretely Presented Component Units

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) of City of Warren, Michigan was established pursuant to Act 450 of the Michigan Public Acts of 1980 and approved by the Warren City Council to prevent urban deterioration and to encourage economic development and historic preservation within a defined geographic area of City of Warren, Michigan. The authority is governed by a board of directors consisting of eight members who are appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Tax Increment Finance Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

Downtown Development Authority

The Downtown Development Authority (DDA) of City of Warren, Michigan was established pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended, and approved by the Warren City Council to prevent property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible, and improve economic growth in the business district of the City. The authority is governed by a board of directors, which consists of the mayor plus eight members appointed by the mayor subject to the approval of the City Council. The City has pledged its full faith and credit for payment of principal and interest requirements from issuance of Downtown Development Authority bonds. Additional information can be obtained from the mayor's office at One City Square, Suite 215, Warren, MI 48093-6726.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (the "Brownfield Authority") was established pursuant to Act 381 of the Public Acts of Michigan, 1996, as amended. The act allows municipalities to establish the authority, adopt brownfield redevelopment financing plans, and capture incremental local and school property taxes from redeveloped properties to pay for the environmental costs associated with those properties. The act, as amended in 2000, expanded the definition of brownfield properties to include not only contaminated properties but also blighted or functionally obsolete properties and also expanded eligible activities to include infrastructure improvements, demolition, lead and asbestos abatement, and site preparation. The authority is governed by a board of directors consisting of five members who are appointed by the mayor subject to the approval of the City Council. The City is also responsible for any cost overruns. Additional information can be obtained from the planning department at One City Square, Suite 315, Warren, MI 48093-5283.

Fiduciary Component Units

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

The City Employees' Retirement Health, Life and Disability Benefits Plan and Trust is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees who are members of and elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Employees' Retirement System

The Employees' Retirement System is governed by a five-member pension board that includes the mayor, a trustee appointment by the mayor, one member of the City Council, and two trustees elected by the City Employees' Retirement System membership at large. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

Police and Fire Retirement Health, Life and Disability Plan and Trust

The Police and Fire Retirement Health, Life and Disability Plan and Trust is governed by a six-member pension board: two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

Police and Fire Retirement System

The Police and Fire Retirement System is governed by a six-member pension board: two elected by plan members, two appointed by the mayor, the city treasurer by default, and an ex officio city council member. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retirement system board and the plan imposes a financial burden on the City.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the City:

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Grant Fund is used to account for the proceeds of specific grant revenue that is restricted to expenditures for specified purposes.
- The Capital Project Fund is used to record bond proceeds or other revenue and the disbursement of
 invoices specifically designed for acquiring new buildings, equipment, and technology upgrades and
 for remodeling and repairs. The funds operate until the purpose for which they were created is
 accomplished.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The City reports the following fund as a major enterprise fund:

 The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the City's programs. Activities that are reported as fiduciary include the following:

- The pension and other employee benefits trust funds account for the activities of the police and fire
 employees' health and retirement system and general employees' health and retirement system,
 which accumulate resources for pension benefit payments to qualified employees.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Interfund Activity

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

The City does not allocate indirect expenses. An administrative service fee is charged by the General Fund to other funds to recover direct costs, such as finance, personnel, purchasing, legal costs, etc. incurred by the General Fund. This reimbursement is eliminated by reducing corresponding revenue and expenses in the General Fund.

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories and prepaid items are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The Capital Projects Fund has \$21,722,466 set aside and classified as restricted assets related to unspent bond proceeds to be spent on capital projects.

The Water and Sewer Fund has \$59,141,846 set aside and classified as restricted assets. Of this amount, \$51,299,494 related to unspent bond proceeds to be spent on water main replacements and the detention basin. In addition, the Water and Sewer Fund's revenue bonds have a covenant that requires the fund to maintain certain reserve levels, which amounted to \$1,847,505 at June 30, 2021. Net position of \$11,701,581 has been restricted for future debt service payments, which include the required reserve levels as discussed, and is made up of the remaining excess of revenue over expenditures.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Infrastructure, intangibles, buildings, and equipment are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Buildings and improvements	40 to 60
Utility systems	50
Machinery and equipment	5 to 25
Land improvements	20
Infrastructure	12 to 50

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is the deferred outflows of resources related to the OPEB and defined benefit pension plans, as indicated in Notes 8 and 10, respectively.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first is the deferred inflows of resources related to unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from many sources: property taxes, circuit court revenue, grants, special assessments, and various other sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred outflows of resources related to the OPEB and defined benefit pension plans, as indicated in Notes 8 and 10, respectively.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city controller to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Property taxes are levied on each July 1 and December 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2020 tax is levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

Property taxes are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes are due without penalty during the period from July 1 through August 31 with the final collection date of February 28 before they are added to the county tax rolls.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The 2020 taxable valuation of the City totaled \$3.64 billion (a portion of which is abated and a portion of which is captured by the TIFA, the DDA, and the Brownfield Authority). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	8.5421 \$	29,636,000
Emergency medical service	0.2843	986,000
Library charter and operating	1.0757	3,731,000
Rubbish services	2.5550	8,859,000
Police/Fire pension and retiree health care	4.9848	17,421,000
Police operating	0.9531	3,306,000
Fire operating	0.9531	3,306,000
Recreation operating	0.9488	3,292,000
Police and fire operating	4.7953	16,602,000
Road repairs	2.0549 _	7,115,000
Total	\$	94,254,000

Pension

The City offers defined benefit pension plans to its employees through the City of Warren Employees' Retirement System and the Police and Fire Retirement System. For each plan, the City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the pension plans' fiduciary net positions have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers retiree health care benefits to retirees through the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust and the City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust. For each plan, the City receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, other postemployment benefit (OPEB) costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the City reports the full accrual cost equal to the current year required contribution, adjusted for interest and adjustment to the ARC on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits.

All full-time employees of the City earn 1 sick leave day for each month of service rendered, not to exceed 12 days in any calendar year. Employees are allowed to accumulate anywhere from 27 days to 225 days depending upon their hire date, union affiliation, and pension plan participation. Upon retirement, most employees are paid 80 percent of their accumulated sick bank.

Each year, employees earn a number of vacation days based on total years of service. Vacation days are not allowed to accumulate and must be used in the year in which they are earned.

Employees are allowed to accumulate compensatory time in lieu of receiving overtime pay. Compensatory time is allowed to accumulate to a maximum of 80 hours. Compensated absences and compensatory time, inclusive of associated payroll taxes and benefits, are accrued in the government-wide financial statements.

Note 7 - Long-term Debt (Continued)

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The City's outstanding installment purchase agreements are secured with collateral of the financed equipment.

Note 8 - Other Postemployment Benefit Plan

Plan Description

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Established by city ordinance and collective bargaining agreements, the City of Warren City Employees' Retirement Health, Life and Disability Benefits Plan and Trust (the "Trust") is a single-employer public employee voluntary employee benefit association (VEBA) trust administered by the City of Warren Employees' Retirement System board of trustees.

The Trust is created for the exclusive purpose of funding health, life, and disability benefits for those retirees and beneficiaries eligible to receive such retirement benefits under the City of Warren Employees' Retirement System and the defined contribution plan.

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Police and Fire Retirement Health, Life and Disability Plan and Trust

The City of Warren Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust is a single-employer public employee voluntary employee benefit association trust administered by the City of Warren Police and Fire Retirement System.

The trust is created for the exclusive purpose of funding health, life, and disability benefits for substantially all police and fire retirees of the City.

The plan issues a separate stand-alone financial statement, which can be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

The financial statements of each OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested in the pension board, which consists of five members - two trustees appointed by the mayor; the city treasurer, who is required by city ordinance; and one elected by the police and fire employees.

Note 8 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The City's postemployment health and dental benefits are administered under a combination of premium-based, self-insurance, and/or Medicare coverage plans. In general, if a retiree or members of his or her immediate family are entitled to retirement benefits under the City of Warren Employees' Retirement System or the Police and Fire Retirement System, then they are entitled to the postretirement health and dental insurance benefits. Currently, the City provides 100 percent of the cost of health insurance and either 50 percent or 100 percent of dental coverage dependent upon the coverage selected. Some collective bargaining agreements include language that employees will pay either 50 percent or 25 percent of their health insurance upon retirement dependent on age and years of service. There are currently no retirees under the provisions of these contracts. Recent collective bargaining agreements have included retirement health savings account provisions for new hires. During employment, the City will contribute 2 percent of the employee's wages, and the employee will contribute 2 percent to 5 percent of wages into the plans. At retirement, the employee will not be provided retiree health insurance under any of the City's existing plans.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Date of member count	December 31, 2018	December 31, 2019
Inactive plan members or beneficiaries currently receiving	500	507
benefits	562	567
Inactive plan members entitled to but not yet receiving benefits	41	6
Active plan members	169	122
Total plan members	772	695

Contributions

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2021, the City contributed \$9,309,098, which is \$500,000 more than the actuarial determined calculation. There were no provisions in the collective bargaining agreements for additional contributions and no required employee contributions.

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

According to Section 25-401 of the Code of Ordinances, the City shall pay to the trust an amount consistent with actuarial valuations and calculations and shall adhere to any funding provisions contained in the collective bargaining agreements. The board of trustees shall adopt rules and procedures for all payments made to the trust and shall conform with all tax provisions of the City Charter and state law. For the year ended June 30, 2021, the City contributed \$10,390,007, which is \$500,000 more than the actuarial determined calculation. There were no required employee contributions.

Note 8 - Other Postemployment Benefit Plan (Continued)

Net OPEB Liability

The City chooses a date for each OPEB plan to measure its net OPEB liability. This is based on the measurement date of each OPEB plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Measurement date used for the City's net OPEB liability Based on a comprehensive actuarial valuation as of		December 31, 2020 December 31, 2019

Changes in the net OPEB liability during the measurement year were as follows:

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

	Increase (Decrease)							
Changes in Net OPEB Liability		Total OPEB Liability		Plan Net Position		Net OPEB Liability		
Balance at December 31, 2019	\$	147,038,521	\$	70,835,146	\$	76,203,375		
Changes for the year:								
Service cost		1,393,370		-		1,393,370		
Interest		10,486,925		-		10,486,925		
Changes in actuarial assumptions		3,977,930				3,977,930		
Contributions - Employer		-		8,654,612		(8,654,612		
Net investment income		-		8,928,872		(8,928,872		
Benefit payments, including refunds		(7,704,095)		(7,704,095)		-		
Administrative expenses	_	-	_	(142,878)	_	142,878		
Net changes	_	8,154,130	_	9,736,511	_	(1,582,381		
Balance at December 31, 2020	\$	155,192,651	\$	80,571,657	\$	74,620,994		
	_							

The plan's fiduciary net position represents 51.9 percent of the total OPEB liability.

Note 8 - Other Postemployment Benefit Plan (Continued)

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

		Ir	ncre	ease (Decrease)	,		
Changes in Net OPEB Liability		Total OPEB Liability		Plan Net Position		Net OPEB Liability	
Balance at December 31, 2019	\$	175,076,791	\$	57,821,887	5	117,254,904	
Changes for the year:							
Service cost		1,173,699		-		1,173,699	
Interest		12,718,529		-		12,718,529	
Differences between expected and actual							
experience		1,681,689		_		1,681,689	
Changes in assumptions		(11,540,029)		-		(11,540,029)	
Contributions - Employer		-		10,445,000		(10,445,000)	
Net investment income		-		9,101,392		(9,101,392)	
Benefit payments, including refunds		(9,958,488)		(9,958,488)		-	
Administrative expenses	_			(22,129)		22,129	
Net changes	_	(5,924,600)	_	9,565,775		(15,490,375)	
Balance at December 31, 2020	\$	169,152,191	\$	67,387,662	\$	101,764,529	
	_		_		_		

The plan's fiduciary net position represents 39.8 percent of the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense of \$5,254,937 for the general employees' plan and \$2,043,277 for the police and fire plan.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	_	Deferred Outflows of Resources - General Employees'	_	Deferred Inflows of Resources - General Employees'		Deferred Outflows of Resources - olice and Fire		Deferred Inflows of Resources - olice and Fire
Difference between expected and actual experience	\$	_	\$		\$	840.845	\$	_
Changes in assumptions	*	1,988,963	*		*	-	*	(5,770,015)
Net difference between projected and actual earnings on OPEB plan investments		-		(5,825,565)		_		(6,541,301)
Employer contributions to the plan subsequent to the measurement		4 654 520				4.045.003		, , , , , , , , ,
date	_	4,654,520	_	-	_	4,945,003	_	
Total	\$	6,643,483	\$	(5,825,565)	\$	5,785,848	\$	(12,311,316)

Note 8 - Other Postemployment Benefit Plan (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending June 30		General Employees'	P	olice and Fire
2022	\$	344,360	\$	(6,821,467)
2023		(938,858)		(1,313,295)
2024		(2,489,292)		(2,368,825)
2025	_	(752,812)	_	(966,884)
Total	\$	(3,836,602)	\$	(11,470,471)

The balances related to the OPEB plans are recorded within the primary government and discretely presented component units as follows:

	Н	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust		Police and Fire Retirement Her Life and Disability Benefits Pl and Trust			Benefits Plan	
		Primary Government	_	Component Units	_	Primary Government	_	Component Units
Deferred outflows related to OPEB	\$	6,616,143	\$	27,340	\$	5,785,848	\$	-
Net OPEB liability		74,313,905		307,089		101,764,529		-
Deferred inflows related to OPEB		5,801,591		23,974		12,311,316		-

Actuarial Assumptions

The total OPEB liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust
Medical inflation	8.5% for the first year, decreasing 0.25% per year to 4.5%	8.25% for the first year, decreasing 0.25% per year to 4.5%
Salary increases (including inflation)	N/A	N/A
Investment rate of return (net of investment expenses)	7.20%	7.35%
Healthcare cost trend rate	0	Publication 2010 Public Safety
Mortality rates	RP-2014 Mortality Table	RP-2000 Mortality Table, with adjustments for mortality improvements based on Scale AA

Note 8 - Other Postemployment Benefit Plan (Continued)

Discount Rate

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions will be made equal to the benefit payout. Based on these assumptions, the 7.20 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

The discount rate used to measure the total OPEB liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that plan contributions would be made equal to the benefit payout. Based on these assumptions, the 7.35 percent discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values.

Investment Rate of Return

The following were the asset allocation policies as of December 31, 2020 for each plan:

City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	35.00 %	5.28 %
International equity	20.00	6.13
Fixed income	25.00	3.61
Alternative assets	20.00	3.61

Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	5.37 %
International equity	15.00	6.23
Domestic bonds	19.00	3.44
Real estate	10.00	4.41
Alternative assets	11.00	3.67

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liabilities of the city employees' and the police and fire plans, calculated using the discount rate of 7.20 percent for the city employees' plan and 7.35 percent for the police and fire plan, as well as what the net OPEB liabilities would be if they were calculated using discount rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease		Current Discount Rate		1 Percentage Point Increase
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust Net OPEB liability of the Police and Fire Retirement	\$ 92,956,725	\$	74,620,994	\$	59,323,208
Health, Life and Disability Benefits Plan and Trust	122,738,931		101,764,529		84,388,846

Note 8 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liabilities of the city employees' and the police and fire plans, calculated using the health care cost trend rate of 8.50 percent for the city employees' plan and 8.25 percent for the police and fire plan, as well as what the net OPEB liabilities would be if they were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease		Current Health Care Cost Trend Rate	1 Percentage Point Increase		
Net OPEB liability of the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust	\$ 56,363,406	\$	74,620,994	\$	96,600,509	
Net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust	82,533,360		101,764,529		124,933,550	

Assumption Changes

For the current year, the medical inflation rates were changed for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust, and the rate of return for the General Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed from 7.25 percent to 7.20 percent.

Note 9 - Aggregate OPEB-related Balances

The following table presents the aggregate balances for the net OPEB liability, deferred inflows related to the OPEB plans, deferred outflows related to the OPEB plans, and the OPEB expense for the year ended June 30, 2021. Detailed information for each OPEB plan can be found in Note 8.

	_	Total OPEB Liability	_	Plan Net Position	_	Net OPEB Liability	Deferred Outflows				_	Deferred Inflows	_	OPEB Expense
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust Police and Fire Retirement Health, Life and Disability Benefits Plan	\$	155,192,651	\$	80,571,657	\$	74,620,994	\$	6,643,483	\$	5,825,565	\$	5,254,937		
and Trust	_	169,152,191	_	67,387,662	_	101,764,529	_	5,785,848	_	12,311,316	_	2,043,277		
Total	\$	324,344,842	\$	147,959,319	\$	176,385,523	\$	12,429,331	\$	18,136,881	\$	7,298,214		

Note 10 - Pension Plans

Plan Description

Employees' Retirement System

The City of Warren Employees' Retirement System Defined Benefit Pension Plan is the administrator of a single-employer public employees' retirement system that covered all full-time employees, except police and fire personnel, hired prior to the close of the plan. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Effective upon the ratification of collective bargaining agreements in February 2000, the plan was closed to new members. Current members at that time were given the option of remaining in the plan or transferring to the defined contribution plan.

The plan issues a publicly available financial report that may be obtained by writing to the City of Warren Employees' Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Note 10 - Pension Plans (Continued)

Management of the plan is vested in the pension board, which consists of six total members - two elected by plan members, the city mayor, one appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio city council member have voting privileges.

Police and Fire Retirement System

The system's pension board administers the Police and Fire Retirement System Defined Benefit Pension Plan (the "Plan"), a single-employer defined benefit pension plan that provides pensions for substantially all permanent full-time police and fire employees of the City. Benefit terms have been established based on the Fire Fighters and Police Officers Retirement Act 345 of 1937 and subsequent amendments by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

The Plan issues a publicly available financial report that may be obtained by writing to the City of Warren Police and Fire Retirement System at One City Square, Suite 415, Warren, MI 48093-5287.

Management of the Plan is vested in the pension board, which consists of six total members - two elected by plan members, two appointed by the city mayor, the city treasurer by default, and an ex officio city council member. All members except the ex officio member have voting privileges.

Benefits Provided

Employees' Retirement System

The pension plan provides retirement, disability, and death benefits. Regular retirement benefits are payable upon retirement at any age with 30 years of service, attainment of age 50 with 25 years of service, or attainment of age 60 with 8 years of service. Before reaching the age of 62, benefits are computed as credited years of service times 2.50 percent of final average compensation (FAC). FAC is computed as the average of the highest 2 years of service. At age 62, benefits are computed as credited years of service times the sum of (a) 1.1 percent of the first \$4,200 of FAC plus (b) 2.50 percent of FAC in excess of \$4,200.

Deferred retirement benefits vest after 8 years of credited service. For members of UAW Local 412 - Unit 59, GELC (formerly AFSCME) Local 1917, GELC 227 (formerly AFSCME Local 1250), 37th Judicial District Court employees, and nonunion employees, deferred retirement benefits are payable beginning at age 55. For members of UAW Local 412 - Unit 35, deferred retirement benefits are payable at age 45. Benefits are based on years of credited service and FAC at the time employment is terminated.

Police and Fire Retirement System

The Plan provides retirement, disability, and death benefits. Employees may receive cost of living adjustments as a percentage of their base amounts, pursuant to the collective bargaining agreement or employment agreement in effect at their date of retirement.

Note 10 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Date of member count	December 31, 2019	December 31, 2019
Retirees and beneficiaries Inactive plan members entitled to but not yet receiving benefits Active plan members	504 16 53	579 6 317
Total employees covered by the plan	573	902

Contributions

Employees' Retirement System

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. The normal cost and actuarial accrued liability were determined using an aggregate actuarial funding method. For the year ended June 30, 2021, the City contributed \$9,131,944, which equals the actuarial determined calculation. Employees are not required to contribute to the system. Any amounts shown as employee contributions represent purchase of prior service credit. Administrative costs are financed through investment earnings.

Police and Fire Retirement System

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions. For the year ended June 30, 2021, the City contributed \$11,884,923, which equals the actuarial determined calculation, and the average active member contribution rate was 3.0 to 5.0 percent of annual pay determined by date of hire. The City is required to contribute at an actuarially determined rate.

Net Pension Liability

Employees' Retirement System

The City has chosen to use December 31, 2020 as its measurement date for the net pension liability. The December 31, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

Note 10 - Pension Plans (Continued)

Police and Fire Retirement System

The City has chosen to use December 31, 2020 as its measurement date for the net pension liability. The December 31, 2020 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of December 31, 2019, which used update procedures to roll forward the estimated liability to December 31, 2020.

Changes in the net pension liability during the measurement year were as follows:

Employees' Retirement System

	Increase (Decrease)								
Changes in Net Pension Liability		Fotal Pension Liability		Plan Net Position		Net Pension Liability			
Balance at December 31, 2019	\$	189,301,186	\$	136,526,144	\$	52,775,042			
Changes for the year:									
Service cost		931,363		-		931,363			
Interest		13,180,404		-		13,180,404			
Differences between expected and actual									
experience		1,678,023		-		1,678,023			
Changes in assumptions		766,546		-		766,546			
Contributions - Employer				8,758,414		(8,758,414			
Net investment income				14,145,524		(14,145,524			
Benefit payments, including refunds		(16,867,737)		(16,867,737)		-			
Administrative expenses		-		(244,278)		244,278			
Miscellaneous other charges	_		_	14,133	_	(14,133			
Net changes	_	(311,401)		5,806,056	_	(6,117,457			
Balance at December 31, 2020	\$	188,989,785	\$	142,332,200	\$	46,657,585			

The plan's fiduciary net position represents 75.3 percent of the total pension liability.

Police and Fire Retirement System

	Increase (Decrease)								
Changes in Net Pension Liability		Total Pension Liability	_	Plan Net Position		Net Pension Liability			
Balance at December 31, 2019	\$	410,689,210	\$	294,995,395	\$	115,693,815			
Changes for the year:									
Service cost		4,691,927		(-)		4,691,927			
Interest		29,283,778		-		29,283,778			
Differences between expected and actual									
experience		1,639,804				1,639,804			
Contributions - Employer		-		11,287,917		(11,287,917)			
Contributions - Employee		-		1,577,142		(1,577,142)			
Net investment income		-		40,956,241		(40,956,241)			
Benefit payments, including refunds		(33,924,776)		(33,924,776)		-			
Administrative expenses	_	-	_	(472,081)	_	472,081			
Net changes	_	1,690,733	_	19,424,443	_	(17,733,710)			
Balance at December 31, 2020	\$	412,379,943	\$	314,419,838	\$	97,960,105			
	_		_						

The plan's fiduciary net position represents 76.2 percent of the total pension liability.

Note 10 - Pension Plans (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the City recognized pension expense of \$4,531,359 for the Employees' Retirement System and pension recovery of \$9,350,936 for the Police and Fire Retirement System.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources - Employees' Retirement	Deferred Inflows of Resources - Employees' Retirement			Deferred Outflows of Resources - Police and Fire Retirement	Deferred Inflows of Resources - Police and Fire Retirement	
Difference between expected and								
actual experience	\$	-	\$	-	\$		\$	
Changes in assumptions		-		-		3,121,408		(5,553,879)
Net difference between projected and actual earnings on pension plan investments				(7,042,022))			(24,899,540)
Employer contributions to the plan subsequent to the measurement				(*,-,-,,				(=:,===,=
date	_	4,815,962	_	-	_	5,942,463	_	
Total	\$	4,815,962	\$	(7,042,022)	\$	11,717,460	\$	(30,453,419)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	_	P	olice and Fire Retirement System	
2022	\$	(1,952,313)	\$	(10,268,491)
2023		(412,490)		(1,329,733)
2024		(3,767,281)		(9,395,084)
2025		(909,938)		(3,685,114)
2026		-		•
Thereafter	_	-	_	-
Total	\$	(7,042,022)	\$	(24,678,422)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	City of Warren Employees' Retirement System Defined Benefit Pension Plan	Police and Fire Retirement System Defined Benefit Pension Plan
Inflation	3.5%	3.5%
Salary increases (including inflation)	4.0% - 7.8%	3.50% - 6.50%
Investment rate of return (net of investment expenses, including		
inflation)	7.20%	7.35%
Mortality rates	RP-2014 Healthy Annuitant	Pub-2010 Public Safety

Note 10 - Pension Plans (Continued)

Discount Rate

Employees' Retirement System

The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Police and Fire Retirement System

The discount rate used to measure the total pension liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that system contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Employees' Retirement System

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2020 for each major asset class included in the plan's target asset allocation.

Police and Fire Retirement System

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The table below outlines the board's adopted asset allocation policy and the best estimates of geometric real rates of return as of December 31, 2020 for each major asset class included in the Plan's target asset allocation.

Pension Plan Investments - Policy and Rate of Return

Employees' Retirement System and Police and Fire Retirement System

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of their members. It is the policy of the pension boards to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Note 10 - Pension Plans (Continued)

The following were the asset allocation policies as of December 31, 2020 for each plan:

Employees' Retirement System

	Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity		35.00 %	5.28 %
International equity		20.00	6.13
Fixed income		25.00	3.61
Alternative assets		20.00	3.61
	Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity		45.00 %	5.37 %
International equity		15.00	6.23
Domestic bonds		19.00	3.44
Alternative assets		11.00	3.67
Real estate		10.00	4.41

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liabilities of the City, calculated using the current discount rates, as well as what the City's net pension liabilities would be if they were calculated using discount rates that are 1 percentage point lower (6.20 percent and 6.35 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) or 1 percentage point higher (8.20 percent and 8.35 percent for the Employees' Retirement System and Police and Fire Retirement System, respectively) than the current rates:

	1 Percentage Point Decrease		 Current Discount Rate	1 Percentage Point Increase
Net pension liability of the City Employees' Retirement System Defined Benefit Pension Plan	\$	63,229,993	\$ 46,657,585	\$ 32,316,449
Net pension liability of the Police and Fire Retirement System Defined Benefit Pension Plan		139,322,073	97,960,105	62,653,388

Pension Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued financial reports. For the purpose of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plans' fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

Employees' Retirement System

For the Employees' Retirement System, in the current year, the investment rate of return was changed from 7.25 percent to 7.20 percent.

Note 10 - Pension Plans (Continued)

Pension Plan Reserves

In accordance with state law, the following reserves are required to be set aside within the pension plans:

Employees' Retirement System

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her but not in excess of 2.0 percent per annum; for those who stay until retirement, the balances are transferred into the retiree reserve.

The employer reserve account is composed of accumulated city contributions, net of amounts transferred for the payment of pensions to the reserve for retirees' benefit payments plus interest thereon.

The undistributed income reserve is composed of net investment income less expenditures for other services and charges and interest transferred to the employee reserve, employer reserve, and retirees' benefit payments reserve.

The retirees' benefit payments reserve is actuarially determined to provide sufficient resources for annuity payments. Upon retirement of an employee, expected future benefit payments are computed and transfers are then made into this reserve from the employee reserve and employer reserve. This account is credited annually with interest from the undistributed income reserve.

Police and Fire Retirement System

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments. The reserve is funded by actuarially determined transfers from the employer.

The employee reserve is credited as employee contributions are received throughout the year; the system maintains a record of the amount contributed by each employee and credits interest annually at a rate of 2.0 percent. For any employee who terminates before vesting in the pension plan, his or her balance is returned to him or her but not in excess of 2.0 percent per annum, with interest; for those who stay until retirement, the balances are transferred into the retiree reserve.

The balances of the reserve accounts at December 31, 2020 are as follows:

		Required Reserve - Employees' Retirement	mount Funded - Employees' Retirement	R	Required eserve - Police and Fire Retirement	Amount Funded - Police and Fire Retirement	
Retiree reserve Employee reserve Employer reserve	\$	146,620,877 26,696	\$ 142,305,503 26,696	\$	261,066,882 18,665,000 34,687,956	\$	261,066,882 18,665,000 34,687,956

Note 11 - Aggregate Pension-related Balances

The following table presents the aggregate balances for the net pension liability, deferred inflows related to pensions, deferred outflows related to pensions, and pension expense for the year ended June 30, 2021. Detailed information for each pension plan can be found in Note 10.

	1	Total Pension Liability	_	Plan Net Position		Net Pension Liability	_	Deferred Outflows	_	Deferred Inflows	_	Pension Expense (Recovery)
City of Warren Employees' Retirement System Defined Benefit												
Pension Plan	\$	188,989,785	\$	142,332,200	\$	46,657,585	\$	4,815,962	\$	7,042,022	\$	4,531,359
Police and Fire Retirement System												
Defined Benefit Pension Plan	_	412,379,943	_	314,419,838	_	97,960,105	_	11,717,460	_	30,453,419	_	(9,350,936)
Total	\$	601,369,728	\$	456,752,038	\$	144,617,690	\$	16,533,422	\$	37,495,441	\$	(4,819,577)

Note 12 - Defined Contribution Plan

Plan Description

The defined contribution plan was approved by the Warren City Council at its meeting on April 8, 1997. The plan is administered by the International City Management Association Retirement Corporation (ICMA). Participation in the plan is extended to all full-time employees, other than police and fire personnel. Employees were allowed to transfer the actuarially determined value of prior service credit from the City of Warren Employees' Retirement System to the defined contribution plan upon adoption of the plan and settlement of respective collective bargaining agreements. Employees hired after ratification of the respective collective bargaining agreements are automatically enrolled in the defined contribution plan. There were 338 active participants in the plan as of June 30, 2021. The City contributed approximately \$2.6 million for the year ended June 30, 2021.

Funding Policy

For employees transferring from the defined benefit pension plan to the defined contribution plan, the City contributes 15.0 percent of payroll, and the employee contributes 3.0 percent. For employees hired after ratification of their respective union contracts, the City contributes 10.0 percent of payroll, and the employee contributes 4.0 percent.

Note 13 - Other Retirement Plans

Qualified Excess Benefit Arrangement (QEBA) Trust

Plan Description

The City of Warren Employees' Retirement System provides retirement benefits to its participants. Because of statutory limitations on benefits set forth in Section 415(b) of the Internal Revenue Code, certain participants do not receive their full benefits under the City of Warren Employees' Retirement System. Congress has recognized that governmental employers who sponsor tax-qualified retirement plans have contractual obligations to provide full retirement benefits to their employees, regardless of the limitations of Section 415(b). Thus, pursuant to Section 415(m), a governmental plan may include a qualified excess benefit arrangement that allows the payment of the full benefit to plan participants without jeopardizing the tax-qualified status of the governmental plan. The benefits provided by the QEBA shall equal the excess benefit of the participants. The excess benefit of a participant shall equal the difference between (i) the annual benefit that would be payable to the participant pursuant to the terms of the City of Warren Employees' Retirement System without application of Section 415(b) limitations and (ii) the annual benefit actually paid to the participant by the City of Warren Employees' Retirement System in accordance with the limitations of Section 415(b).

Notes to Financial Statements

June 30, 2021

Note 13 - Other Retirement Plans (Continued)

Summary of Significant Accounting Policies

The City of Warren Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Employer contributions and benefit payments are recognized as revenue or expense in the period when due.

Investments are reported at fair value.

Funding Policy

No benefits payable under the QEBA shall be paid from the City of Warren Employees' Retirement System; rather, the amounts due under the QEBA shall be paid directly by the City in an amount sufficient to pay the excess benefits when due.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In accordance with the provision of IRC Section 457, Subsection (g), plan assets are held for the exclusive benefit of employees in a trust or qualifying insurance contract in an amount equal to the fair value of the deferred account maintained with respect to each participant.

The City's primary responsibility is to process employee payroll withholdings and remit the withheld funds to the plan administrators. The City does not perform any investing function. Accordingly, due to the absence of fiduciary responsibility with respect to these funds, deferred compensation plan assets are not reported in the accompanying financial statements.

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

					Y	Last Fo ears Ended		Plan Years ecember 31
		2020		2019		2018		2017
Total OPEB Liability Service cost Interest Differences between expected and actual	\$	1,393,370 10,486,925	\$	1,860,535 11,573,427	\$	1,852,338 10,665,881	\$	1,920,562 10,711,662
experience Changes in assumptions Benefit payments, including refunds	_	3,977,930 (7,704,095)	_	(16,391,907) (5,033,563) (7,346,347)		896,114 6,436,284 (7,327,343)	_	(5,938,551) - (7,254,730)
Net Change in Total OPEB Liability		8,154,130		(15,337,855)		12,523,274		(561,057)
Total OPEB Liability - Beginning of year		147,038,521	_	162,376,376	_	149,853,102	_	150,414,159
Total OPEB Liability - End of year	\$	155,192,651	\$	147,038,521	\$	162,376,376	\$	149,853,102
Plan Fiduciary Net Position Contributions - Employer Net investment income (loss) Administrative expenses Benefit payments, including refunds	\$	8,654,612 8,928,872 (7,704,095) (142,878)		8,768,498 12,840,448 (137,215) (7,346,347)		10,631,555 (3,474,216) (140,508) (7,327,343)		14,900,078 6,909,968 (61,216) (7,254,730)
Net Change in Plan Fiduciary Net Position		9,736,511		14,125,384		(310,512)		14,494,100
Plan Fiduciary Net Position - Beginning of year		70,835,146	_	56,709,762	_	57,020,274	_	42,526,174
Plan Fiduciary Net Position - End of year	\$	80,571,657	\$	70,835,146	\$	56,709,762	\$	57,020,274
Net OPEB Liability - Ending	\$	74,620,994	\$	76,203,375	\$	105,666,614	\$	92,832,828
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		51.92 %		48.17 %		34.92 %		38.05 %
Covered-employee Payroll	\$	10,369,664	\$	11,200,842	\$	13,518,450	\$	14,008,732
Net OPEB Liability as a Percentage of Covered-employee Payroll		719.61 %		680.30 %		781.65 %		662.68 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust

Last Four Plan Years

					Y	ears Ended		ecember 31
		2020		2019		2018		2017
Total OPEB Liability								
Service cost	\$	1,173,699	\$	1,424,167	\$		\$	1,539,652
Interest		12,718,529		12,665,563		13,045,589		13,250,035
Differences between expected and actual experience		1,681,689		(2,349,801)		(10,623,910)		(8,704,524)
Changes in assumptions		(11,540,029)		(2,346,037)		(10,023,910)		(0,704,324)
Benefit payments, including refunds	_	(9,958,488)	_	(9,522,588)		(8,532,131)		(9,140,410)
Net Change in Total OPEB Liability		(5,924,600)		(128,696)		(4,594,179)		(3,055,247)
Total OPEB Liability - Beginning of year	_	175,076,791	_	175,205,487	_	179,799,666	_	182,854,913
Total OPEB Liability - End of year	\$	169,152,191	\$	175,076,791	\$	175,205,487	\$	179,799,666
Plan Fiduciary Net Position								
Contributions - Employer	\$	10,445,000	\$	10,500,000	\$	11,810,718	\$	20,903,170
Net investment income (loss)		9,101,392		10,477,904		(1,829,637)		5,389,014
Administrative expenses		(22,129)		(24,529)		(26,665)		(8,600)
Benefit payments, including refunds	_	(9,958,488)	_	(9,522,588)	_	(8,532,131)	-	(9,140,410)
Net Change in Plan Fiduciary Net Position		9,565,775		11,430,787		1,422,285		17,143,174
Plan Fiduciary Net Position - Beginning of								10 200 070
year	_	57,821,887	_	46,391,100	_	44,968,815	_	27,825,641
Plan Fiduciary Net Position - End of year	\$	67,387,662	\$	57,821,887	\$	46,391,100	\$	44,968,815
Net OPEB Liability - Ending	\$	101,764,529	\$	117,254,904	\$	128,814,387	\$	134,830,851
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		39.84 %		33.00 %		26.48 %		25.01 %
Covered-employee Payroll	\$	12,776,733	\$	13,778,852	\$	15,109,196	\$	14,805,884
Net OPEB Liability as a Percentage of Covered-employee Payroll		796.48 %		851.30 %		852.56 %		910.66 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

City of Warren, Michigan

Required Supplemental Information Schedule of OPEB Contributions City Employees' Retirement Health, Life and Disability Benefits Plan and Trust

Last Ten Fiscal Years Years Ended June 30

	1	2021	.,	2020		2019		2018	2017	2016	i	2015	2014	2(2013	2012	1
Actuarially determined contribution contributions in relation to the	↔	8,809,098	∞ ↔	,500,000	\$	9,522,397	S	10,235,695 \$	11,017,933	\$ 11,80	0,171 \$	\$ 8,809,098 \$ 8,500,000 \$ 9,522,397 \$ 10,235,695 \$ 11,017,933 \$ 11,800,171 \$ 12,848,781 \$ 10,260,333 \$ 6,463,705 \$ 6,800,483	10,260,333	\$ 6,4	463,705 \$	6,800,	483
actuarially determined contribution		9,309,098		8,500,000		9,000,000	-	9,000,000 16,300,170	9,469,637	12,78	5,064	9,469,637 12,785,064 9,539,261 7,303,623 7,111,844 7,170,906	7,303,623	7,	111,844	7,170,	906
Contribution Excess (Deficiency)	4	500,000	4	,	اامه	(522,397)	49	6,064,475 \$	(1,548,296)	\$ 98	4,893 \$	\$ (522,397) \$ 6,064,475 \$ (1,548,296) \$ 984,893 \$ (3,309,520) \$ (2,956,710) \$ 648,139 \$ 370,423	(2,956,710)	\$	548,139	370,	423
Covered-employee Payroll	\$	11,073,661	\$ 11	,541,121	€9	12,405,998	69	3,773,397 \$	15,036,127	\$ 15,98	4,491 \$	\$ 11,073,661 \$ 11,541,121 \$ 12,405,998 \$ 13,773,397 \$ 15,036,127 \$ 15,984,491 \$ 16,250,648 \$ 16,496,331 \$ 18,708,867 \$ 20,751,208	16,496,331	\$ 18,7	\$ 798,807	20,751,	208
Contributions as a Percentage of Covered-employee Payroll		84.07 %		73.65 %	.0	72.55 %		118.35 %	62.98 %		79.98 %	58.70 %	44.27 %		38.01 %	34.5	34.56 %
Notes to Schedule of Contributions	ons																

Actuarial valuation information relative to the determination of contributions:

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Methods and assumptions used to determine contribution rates: Actuarial cost method Amortization method

Remaining amortization period Asset valuation method Health care cost trend rates Investment rate of return Mortality Salary increase

Entry age Level dollars - Open 30 years Market 8.0 percent (7.0 percent for Medicare) the first year, decreasing 0.25 percent per year to 4.5 percent N/A 7.25 percent - Net of plan investment expense RP-2014 Mortality Table

City of Warren, Michigan

Required Supplemental Information Schedule of OPEB Contributions Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust Last Ten Fiscal Years Years Ended June 30

	2021		2020		2019	2018		2017	2016	2015	2014	i	2013	2012
Actuarially determined contribution Contributions in relation to the	30'068'6 \$	\$ 10	10,500,000	\$ 10	,850,363	12,945,557	89	3,850,911 \$	13,621,425	9,890,007 \$ 10,500,000 \$ 10,850,363 \$ 12,945,557 \$ 13,850,911 \$ 13,621,425 \$ 13,403,167 \$ 13,010,345 \$ 9,504,398 \$ 6,417,289	\$ 13,01	0,345 \$	9,504,398	\$ 6,417,28
actuarially determined contribution	10,390,00	70	10,390,007 10,500,000	10	000,000,	21,121,428		3,184,908	10,500,036	10,000,000 21,121,428 13,184,908 10,500,036 9,500,004 7,249,990 7,572,515	7,24	066'6	7,572,515	5,341,056
Contribution Excess (Deficiency)	\$ 500,000	ااھ ااھ		€	(850,363)	8,175,871	S	(666,003) \$	(3,121,389)	\$ (850,363) \$ 8,175,871 \$ (666,003) \$ (3,121,389) \$ (3,903,163) \$ (5,760,355) \$ (1,931,883) \$ (1,076,233)	\$ (5,76	0,355) \$	(1,931,883)	\$ (1,076,23
Covered-employee Payroll	\$ 13,784,65	54 \$	13,491,514	\$ 14	,682,360	14,951,474	8	5,054,199 \$	16,093,212	\$ 13,784,654 \$ 13,491,514 \$ 14,682,360 \$ 14,951,474 \$ 15,054,199 \$ 16,093,212 \$ 17,025,976 \$ 18,124,982 \$ 19,411,665 \$ 21,889,785	\$ 18,12	4,982 \$	19,411,665	\$ 21,889,78
Contributions as a Percentage of Covered-employee Payroll	75.37 %	%	77.83 %		68.11 %	141.27 %	.0	87.58 %	65.25 %	55.80 %	40	40.00 %	39.01 %	24.40 %
Motor to School of Contributions	94													

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

December 31, 2018 Valuation date

Methods and assumptions used to determine contribution rates:

Entry age
Level dollars - Open
30 years
Market
8.5 percent (7.0 percent for Medicare) the first year, decreasing 0.25 percent per year to 4.5 percent
7.35 - Net of plan investment expense
Publication 2010 Public Safety Mortality Tables Remaining amortization period Asset valuation method Health care cost trend rates Actuarial cost method Amortization method

Investment rate of return Mortality Salary increase

Required Supplemental Information Schedule of OPEB Investment Returns

Last Four Plan Years Years Ended December 31

	2020	2019	2018*	2017*
City Employees' Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	11.75 %	20.81 %	- %	- %
Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust - VEBA - Annual money-weighted rate of return - Net of investment expense	14.01 %	20.87 %	(3.68)%	15.53 %

^{*}The annual money-weighted rate of return is not available for the General Employees' other postemployment benefits - VEBA.

City of Warren, Michigan

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Employees' Retirement System Defined Benefit Pension Plan

								×	Last Seven Plan Years Years Ended December 31	Plan Years cember 31
		2020		2019	2018	80	2017	2016	2015	2014
Total Pension Liability Service cost Interest	69	931,363 13,180,404	€9	887,102 \$ 13,192,507		1,012,891 \$	1,128,729 \$	1,248,269 \$ 13,312,456	1,182,428 \$ 13,100,633	1,227,820
Differences between expected and actual experience Changes in assumptions Benefit payments, including refunds		1,678,023 766,546 (16,867,737)		2,040,186	(16, 5, 2	2,626,423 5,403,963 16,346,649)	292,886	(3,319,419)	747,834 3,842,234 (15,912,254)	(963) 3,134,370 (15,879,218)
Net Change in Total Pension Liability		(311,401)		(561,559)	Ϋ́	5,506,600	(1,852,878)	(4,815,147)	2,960,875	1,811,968
Total Pension Liability - Beginning of year	ı	189,301,186		189,862,745	184	84,356,145	186,209,023	191,024,170	188,063,295	186,251,327
Total Pension Liability - End of year	4	188,989,785	49	189,301,186 \$		189,862,745 \$	184,356,145 \$	186,209,023 \$	191,024,170 \$	188,063,295
Plan Fiduciary Net Position Contributions - Employer Net investment income (loss) Administrative expenses Benefit payments, including refunds Other	€	8,758,414 (14,145,524 (244,278) (16,867,737)	↔	8,737,667 \$ 22,826,658 (241,814) (16,681,354)		8,888,571 \$ (7,078,254) (251,092) (16,346,649)	18,721,115 \$ 16,452,990 (255,718) (16,227,323)	9.254.969 \$ 11,663.608 (259.188) (16,056,453)	9,301,612 \$ (2,521,195) (295,700) (15,912,254)	9,587,638 7,307,119 (307,881) (15,879,218)
Net Change in Plan Fiduciary Net Position		5,806,056		14,641,157	(14,	(14,787,424)	18,691,064	4,602,936	(9,427,537)	707,658
Plan Fiduciary Net Position - Beginning of year	ا	136,526,144		121,884,987	136,	136,672,411	117,981,347	113,378,411	122,805,948	122,098,290
Plan Fiduciary Net Position - End of year	49	142,332,200	69	136,526,144 \$		121,884,987 \$	136,672,411 \$	117,981,347 \$	113,378,411 \$	122,805,948
City's Net Pension Liability - Ending	₩.	46,657,585	4	52,775,042 \$		67,977,758 \$	47,683,734 \$	68,227,676 \$	77,645,759 \$	65,257,347
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		75.31 %		72.12 %		64.20 %	74.13 %	63.36 %	59.35 %	65.30 %
Covered Payroll	69	4,405,934	€9	5,549,146 \$		5,384,080 \$	6,064,836 \$	6,773,574 \$	7,398,730 \$	7,302,759
City's Net Pension Liability as a Percentage of Covered Payroll	*	1,058.97 %		951.00 %	£.	1,262.60 %	786.20 %	1,107.30 %	1,049.40 %	% 09:868

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Police and Fire Retirement System Defined Benefit Pension Plan

							Last Seven Plan Years Years Ended December 31	Plan Years cember 31
		2020	2019	2018	7107	2010	6102	4102
Total Pension Liability Service cost Interest	49	4,691,927 \$ 29,283,778	4,967,302 \$28,822,160	\$ 4,815,882 \$ 28,627,916	7,276,212 \$ 26,517,999	8,417,461 \$ 25,346,092	7,077,600 \$ 25,830,279	7,157,955
Differences between expected and actual experience Changes in assumptions Benefit payments, including refunds		1,639,804	990,094 5,722,581 (33,635,851)	2,098,602	2,223,032 (61,092,666) (31,176,529)	1,435,610 (27,905,225) (31,148,538)	(2,546,396) 42,956,365 (30,567,324)	(1,257,514)
Net Change in Total Pension Liability		1,690,733	6,866,286	3,191,859	(56,251,952)	(23,854,600)	42,750,524	2,153,261
Total Pension Liability - Beginning of year		410,689,210	403,822,924	400,631,065	456,883,017	480,737,617	437,987,093	435,833,832
Total Pension Liability - End of year	69	412,379,943 \$	410,689,210	\$ 403,822,924 \$	400,631,065 \$	456,883,017 \$	480,737,617 \$	437,987,093
Plan Fiduciary Net Position Contributions - Employer Contributions - Member Net investment income (loss) Administrative expenses Benefit payments, including refunds Other	69	11,287,917 \$ 1,577,142 40,956,241 (472,081) (33,924,776)	10,963,884 (1,448,475 (1,448,475 (1,495,991 (1,480,236) (1,33,635,851) (28,929	\$ 10,917,187 \$ 1,238,075 (13,770,465) (514,140) (32,350,541) 55,410	10,477,176 \$ 1,192,568 40,082,680 (456,239) (31,176,529) 7,8,359	10,481,016 \$ 1,138,678 20,689,791 (426,933) (31,148,538) 113,244	10,604,562 \$ 1,033,752 2,222,576 (454,638) (30,567,324) 85,387	10,830,419 1,089,202 18,413,945 (397,298) (29,482,283) 156,405
Net Change in Plan Fiduciary Net Position		19,424,443	28,821,192	(34,424,474)	20,198,015	847,258	(17,075,685)	610,390
Plan Fiduciary Net Position - Beginning of year	ا	294,995,395	266,174,203	300,598,677	280,400,662	279,553,404	296,629,089	296,018,699
Plan Fiduciary Net Position - End of year	60	314,419,838 \$	294,995,395	\$ 266,174,203 \$	300,598,677 \$	280,400,662 \$	279,553,404 \$	296,629,089
City's Net Pension Liability - Ending	ω.	97,960,105 \$	115,693,815	\$ 137,648,721 \$	100,032,388 \$	176,482,355 \$	201,184,213 \$	141,358,004
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		76.25 %	71.83 %	65.91 %	75.03 %	61.37 %	58.15 %	67.73 %
Covered Payroll	69	28,181,237 \$	27,825,961	\$ 27,750,304 \$	26,762,823 \$	24,703,698 \$	24,413,784 \$	25,839,293
City's Net Pension Liability as a Percentage of Covered Payroll	+	347.61 %	415.78 %	496.03 %	373.77 %	714.40 %	824.06 %	547.07 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

City of Warren, Michigan

Required Supplemental Information Schedule of Pension Contributions Employees' Retirement System Defined Benefit Pension Plan

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		2021		2020		2019	2018		2017		2016	2015		2014	2013	13	2(2012
Actuarially determined contributions in relation to the	69	\$ 9,131,944 \$ 8,384,920	69		69	8,487,619 \$	8,646,0	\$ 98	\$ 8,487,619 \$ 8,646,086 \$ 8,888,916 \$ 9,026,914 \$ 9,051,558 \$ 9,322,232 \$ 7,932,939 \$ 6,644,279	9	,026,914 \$	9,051,558	69	9,322,232 \$	7,93	32,939 \$	9,9	544,279
actuarially determined contribution		9,131,944 8,384,920		8,384,920		8,590,327 15,283,957	15,283,9	57	12,076,073	8	8,977,954	9,125,268		9,570,000	6,14	6,146,678	6,5	6,590,296
Contribution Excess (Deficiency)	49		S		49	102,708 \$	6,637,8	17	102,708 \$ 6,637,871 \$ 3,187,157 \$ (48,960) \$ 73,710 \$ 247,768 \$ (1,786,261) \$	49	(48,960) \$	73,710	6	247,768 \$	(1,78	36,261) \$		(53,983)
Covered Payroll	69	\$ 4,045,311 \$ 5,315,590	69	5,315,590	69	5,463,312 \$	5,704,3	55 \$	5,463,312 \$ 5,704,355 \$ 6,096,441 \$ 6,551,962 \$ 7,140,447 \$ 7,447,625 \$ 7,941,280 \$	8	,551,962 \$	7,140,447	69	7,447,625 \$	7,94	11,280 \$	6	9,369,920
Contributions as a Percentage of Covered Payroll		225.74 %		157.74 %		157.24 %	267.93 %	%	198.08 %		137.03 %	127.80 %		128.50 %	7.	77.40 %		70.33 %
					i													

Notes to Schedule of Pension Contributions - Employees' Retirement System Defined Benefit Pension Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of December 31, one and a half years prior to the beginning of the fiscal year in which contributions are reported. Covered payroll is as of December 31 of the current fiscal year. 4.00 percent 7.8 percent - 4.0 percent, including inflation 7.50 percent for actuarial valuations 2012 and prior, declining 0.5 percent for five years to 7.25 percent RP-2014 Healthy Annuitant Expected future working lifetime Four years smoothed market Methods and assumptions used to determine contribution rates: Aggregate Aggregate Remaining amortization period Asset valuation method Actuarial cost method Amortization method Salary increase

Investment rate of return

Mortality

City of Warren, Michigan

Required Supplemental Information Schedule of Pension Contributions Police and Fire Retirement System Defined Benefit Pension Plan

								≺נ`	Last Ten Fiscal Years Years Ended June 30	June 30
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 11,884,92	\$ 11,884,923 \$ 10,690,911		10,697,182	\$ 10,417,316 \$	10,472,692	\$ 10,596,241	\$ 10,940,536 \$ 10,697,182 \$ 10,417,316 \$ 10,472,692 \$ 10,596,241 \$ 10,774,439 \$ 9,857,744 \$	9,857,744 \$	8,289,280
actuarially determined contribution	11,884,923	10,690,911	11,236,872	10,596,888	10,357,464	10,604,568	10,604,556	10,945,481	9,164,153	7,808,430
Contribution Excess (Deficiency)	• •	· •	\$ 296,336	296,336 \$ (100,294) \$		(59,852) \$ 131,876 \$		8,315 \$ 171,042 \$ (693,591) \$	(693,591) \$	(480,850)
Covered Payroll	\$ 31,231,100	\$ 31,231,103 \$ 27,558,831		3 27,558,822	\$ 26,165,748 \$	25,312,366	\$ 25,569,223	\$ 27,786,619 \$ 27,558,822 \$ 26,165,748 \$ 25,312,366 \$ 25,569,223 \$ 25,067,238 \$ 24,468,383 \$ 24,315,039	24,468,383 \$	24,315,039
Contributions as a Percentage of Covered Payroll	38.05 %	38.79 %	6 40.44 %	38.45 %	39.58 %	41.89 %	41.47 %	43.66 %	37.45 %	32.11 %

Notes to Schedule of Pension Contributions - Police and Fire Retirement System Defined Benefit Pension Plan

Actuarial valuation information relative to the determination of contributions:

Actuarially determined contribution rates are calculated as of December 31, one and a half years prior to the beginning of the fiscal year in which contributions are reported. Covered payroll is as of December 31 of the current fiscal year. 22 years closed
Four years smoothed market
3.50 percent
6.50 percent - 3.50 percent, including inflation
7.35 percent - Net of pension plan investment expense, including inflation
Publication 2010 Public Safety Mortality Tables Entry age Level percentage of payroll - Open Methods and assumptions used to determine contribution rates: Remaining amortization period Investment rate of return Asset valuation method Actuarial cost method Amortization method Salary increase Valuation date Mortality

Required Supplemental Information Schedule of Pension Investment Returns

Last Seven Plan Years Years Ended December 31

	2020	2019	2018*	2017*	2016	2015*	2014*	
Employees' Retirement System Defined Benefit Pension Plan - Annual money-weighted rate of return - Net of investment expense	11.63 %	19.43 %	(5.99)%	14.20 %	13.40 %	10.60 %	6.30 %	
Police and Fire Retirement System Defined Benefit Pension Plan - Annual money- weighted rate of return - Net of investment expense	13.39 %	20.49 %	- %	- %	8.18 %	- %	- %	

^{*}For the fiscal years ended December 31, 2018, 2017, 2015, and 2014, management of the City omitted the disclosure of the money-weighted rate of return of the Police and Fire Retirement System Defined Benefit Pension Plan.

Notes to Required Supplemental Information

June 30, 2021

Budgetary Information

Annual balanced budgets are adopted for the General, special revenue, and debt service funds, as required by Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act. Budgets were not formally adopted for the Tax Increment Finance Authority, the Building Authority, or special assessment debt service funds. Although not required, budgets were formally adopted for the Water and Sewer Fund and Senior Citizen Housing Funds, as well as the 37th District Court Building Renovation and Energy Efficiency and Conservation Block Grant capital projects funds to assist management in monitoring operations.

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than the second Monday in April of each year, the mayor shall submit to the City Council a recommended budget for the next fiscal year.
- The recommended budget of the mayor, together with his supporting schedules, information, and messages, shall be reviewed by the City Council.
- A public hearing on the budget shall be held no less than one week before its final adoption.
- No later than the third Monday in May of each year, the City Council shall, by resolution, adopt a budget at the
 department level for the ensuing fiscal year in accordance with the Michigan Uniform Budgeting and
 Accounting Act.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles, except that nonreciprocal interfund activity, including expenditure reimbursements between funds, is budgeted as revenue rather than as reductions of expenditures. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund, function, department, and line items.

Encumbrances

Budgets in governmental funds and proprietary funds are encumbered upon issuance of purchase orders, contracts, or other forms of legal commitments. Appropriations for the fiscal year lapse every June 30. However, management does restrict unreserved fund balance designated for the subsequent year's expenditures by the amount of material expenditures for goods and services that were ordered, budgeted, and appropriated at year end but that had not been received or completed at that date. The City Council, by separate resolution, reappropriates funds in the subsequent year to complete these transactions.

A reconciliation of the budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

	lotal Revenue		Total Expenditures	
Amounts per operating statement Nonreciprocal interfund activity budgeted as revenue	\$	122,037,026 5,300,420		104,821,073 5,300,420
Amounts per budget statement	\$	127,337,446	\$	110,121,493

Notes to Required Supplemental Information

June 30, 2021

During the year, the City of Warren, Michigan adopted the budget on a line-item basis. The following line items were over budget:

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
	(Unaudited)	(Unaudited)		(Unaudited)
General Fund:				
101-1336-92000 Public Utilities	\$ 125,000	\$ 125,000	\$ 133,464	\$ (8,464)
101-1371-86300 Vehicle Maintenance	28,000	28,000	29,937	(1,937)
101-1421-85300 Telephone & Radio	415	510	626	(116)
101-1426-92000 Public Utilities	1,200	1,200	1,215	(15)
Major Streets Fund:			3.00	
202-2479-71900 Employee Insurances	12,667	13,867	14,006	(139)
202-2479-71906 Suppl Life Insurance Exp	27	27	52	(25)
202-2483-72100 Longevity	3,882	3,882	4,754	(872)
Local Streets Fund:				, , , ,
203-3463-70600 Permanent Employees	666,077	735,525	785,285	(49,760)
203-3463-71905 H.S.A. Expense	2,040	2,040	2,537	(497)
203-3463-71906 Suppl Life Insurance Exp	390	390	857	(467)
203-3463-72100 Longevity	30,092	30,092	34,849	(4,757)
203-3463-72401 Uniforms	3,032	3,032	3,364	(332)
203-3474-70600 Permanent Employees	66,734	70,734	71,507	(773)
203-3474-71905 H.S.A. Expense	205	205	209	(4)
203-3474-71906 Suppl Life Insurance Exp	27	27	74	(47)
203-3479-70600 Permanent Employees	65,915	40,990	44,619	(3,629)
203-3479-71900 Employee Insurances	12,712	15,912	16,157	(245)
203-3479-71906 Suppl Life Insurance Exp	27	27	59	(32)
203-3483-72100 Longevity	3,882	3,882	4,754	(872)
Recreation Fund - 208-9208-86300 Vehicle				
Maintenance	25,000	25,000	27,964	(2,964)
Library Fund - 271-9271-80130 Library Coop Indirect				
Aid	55,000	55,000	58,134	(3,134)

Pension Information

Changes in Assumptions

For the 2014 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.45 percent from 7.50 percent.

For the 2015 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.40 percent.

For the 2015 plan year, the Police and Fire Retirement System had multiple changes in assumptions: the discount rate was changed from 6.06 to 5.40 percent, and the mortality tables were changed from the RP Combined Mortality Table to the RP Combined Healthy Mortality Table projected to 2014.

For the 2016 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.35 percent.

For the 2016 plan year, the discount rate for the Police and Fire Retirement System was changed to 5.96 percent.

For the 2017 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.30 percent.

For the 2017 plan year, the discount rate for the Police and Fire Retirement System was changed to 7.40 percent.

Notes to Required Supplemental Information

June 30, 2021

For the 2018 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan changed to 7.25 percent.

For the 2019 plan year, the Police and Fire Retirement System had multiple changes in assumptions: inflation was changed from 4.0 to 3.5 percent, the investment rate of return was changed to 7.35 percent, and the mortality table used for the net pension liability calculation was updated to the Pub-2010 Public Safety Mortality Table.

For the 2020 plan year, the discount rate for the Employees' Retirement System Defined Benefit Pension Plan was changed to 7.20 percent.

OPEB Information

Changes in Assumptions

For the 2018 plan year, the mortality table used for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was updated from the RP-2000 Combined Healthy Table to the RP-2014 Mortality Table.

For the 2019 plan year, the medical inflation rates were changed for both plans, the rate of return for the Police and Fire Retirement Health, Life and Disability Benefits Pension Plan and Trust was changed from 7.40 to 7.35 percent, and the mortality table used for the net OPEB liability of the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust calculation was updated from the RP-2014 Mortality Table to the Publication 2010 Mortality Table.

For the 2020 plan year, the discount rate for the City Employees' Retirement Health, Life and Disability Benefits Plan and Trust was changed to 7.20 percent.

For the 2020 plan year, the medical inflation rate for the Police and Fire Retirement Health, Life and Disability Benefits Plan and Trust was changed to 8.25 percent.

EXHIBIT - 3

City of Warren, Michigan BUDGET

AS ADOPTED BY COUNCIL



FISCAL YEAR

July 1, 2022 through June 30, 2023

Fiscal 2023 General Fund Revenues

PROPERTY TAXES:

The property tax is a local tax. All property tax revenues are collected, administered, and spent at the local level. Every property owner in Michigan is subject to property tax by at least four units of government - the County, the school district, intermediate school districts, and the City or Township in which the property is located. Villages, special authorities, and community colleges may also levy taxes on that property. The property tax is determined by two factors: The tax rate and assessment on property as finally equalized by the State. The unit of measurement for the property tax, the "mill", is defined as \$1,000 of Taxable Value.

Tax Rate Levy	8.3263 \$ 32,048,278	~ +	0.2770 1,066,185 0.9289 3,575,375 0.9289 3.575,375	20.1200 \$ 77,442,725	0.4622 1,779,027 0.8065 3,104,252 2.7750 10,681,092 0.9247 3,559,209 2.0029 7,709,246 6.9713 \$ 26,832,826
Estimated <u>Taxable Value</u>	\$ 3,849,042,000	3,849,042,000 3,849,042,000	3,849,042,000 3,849,042,000 3,849,042,000		3,849,042,000 3,849,042,000 3,849,042,000 3,849,042,000 3,849,042,000
Funds:	Charter Millage	Special Levies: Police & Fire Pension Police & Fire Operating	Emergency Medical Service Police Fire	Total General Fund Operating Levy	Special Revenue: Library (Charter) Library (Voted) Sanitation Parks & Recreation 2011 Local Street Repair & Maintenance Total Special Revenue Fund Levy

GENERAL FUND APPROPRIATIONS ACTUAL, ESTIMATED, REQUESTED AND APPROVED

FY 2023	Adopted	By Council	\$ 239,339	20,000	5,200		21,509	61,190	47,108	7,720	008'9	1,500	009	92,806		10,500,000	1,000,000	5,218		5,016	24,000	1,800,000	530	3,500	8,000	20,000	3,400	1,000	\$ 13,879,436	(2,379,436)	(11,500,000)	₩
FY 2023	Recommended	By Mayor	\$ 239,339	20,000	5,200		21,509	61,190	47,108	7,720	6,800	1,500	009	92,806		10,500,000	1,000,000	5,218		5,016	24,000	1,800,000	230	3,500	8,000	20,000	3,400	1,000	\$ 13,879,436	(2,379,436)	(11,500,000)	₽
FY 2023	Departmental	Request	\$ 239,339	20,000	5,200		21,509	61,190	47,108	7,720	008'9	1,500	009	908'26		10,500,000	1,000,000	5,218		5,016	24,000	1,800,000	530	3,500	8,000	20,000	3,400	1,000	\$ 13,879,436	(2,379,436)	(11,500,000)	·
	Ψ.	POLICE & FIRE RETIREMENT	Personnel Services: Permanent Employees		_	Employee Benefits:	Social Security				Longevity		Clothing	Retirement Fund	Retiree Benefits:	Retiree Insurance	Medicare Reimbursement	Office Supplies	Other Services and Charges:	Postage	-	Contractual Services	Service Contracts	Disability Physicals	Travel and Conferences	Insurance and Bonds	Printing & Publishing	Telephone	Total Police & Fire Retirement		Charges Reimbursable via VEBA Trust	Net Police & Fire Retirement
FY 2022	Amended Budget	December 31	\$ 156,161		5,200		14,393	40,077	80,733		6,800	1,200	•	92,796		10,000,000	721,000	5,218		5,016	24,000	1,800,000	530	3,500	8,000	20,000	3,400	1,000	\$ 13,009,024	-	(10,721,000)	·
FY 2022	Estimated	To June 30	\$ 156,161		5,200		14,393	40,077	80,733	•	6,800	1,500	300	92,796		10,000,000	721,000	5,218		5,016	•	•	•	1	•	1	1	1,000	\$ 11,150,194	(429,194)	(10,721,000)	\$
FY 2022	Actual to	December 31	\$ 80.963		4,350		7,103	24,580	36,252		3,400	1,500	300	47,378	•	4,397,507	367,062	100		130	1	•	1	•	1	•	1	294	\$ 4,974,562	(209,993)	(4,764,569)	٠ ج
FY 2021	Actual	Year	\$ 161.017		21,372		14,399	44,551	76,618	•	6,800	1,200	•	98,267		9,722,335	703,054	•		631	•	1	•	•	•	•	•	594	\$ 10,850,838	(425,449)	(10,425,389)	·

FIRE DEPARTMENT

The operation of the department is based on its authority and responsibilities granted within home rule charter and divided into seven The primary purpose of the Fire Department is to protect the lives and property of the citizens and business owners of the City of Warren. categories.

of the annual budget. Monitors the use of apparatus, equipment, supplies and all assets of the department and reviews contracts. Maintains etc. Responsible for the preparation and submission of bi-weekly, monthly and annual reports, as well as preparation and administration all incident reports, correspondence, records, files, operating procedures, resource manuals, orders and directives. Provides supervision ADMINISTRATION: Executes and directs the research, planning and development of all department assignments, rules, and procedures, and direction to all divisions within the department. FIREFIGHTING DIVISION: The primary role of the firefighting division is to protect lives and property of residents, business owners and visitors to our community from products of combustion generated by fires. Fire fighters are also trained to respond to a wide range of incidents beyond their firefighting duties, including responding to hazardous materials and technical rescue incidents, natural or man-made disasters, chemical, biological, radiological or nuclear incidents.

is to provide advanced and basic medical response, treatment and transport of the sick and injured. Patients are treated and transported EMERGENCY MEDICAL DIVISION: The primary role of cross-trained fire fighters/paramedics, who are licensed by the State of Michigan, to the most appropriate medical facilities inside and outside the city. FIRE PREVENTION DIVISION: The primary role of this division is the prevention of fires through inspection of building occupancies of all types with an emphasis on public gathering facilities including theaters, restaurants and bars. Review of site plans focus in the areas of fire protection systems and egress pathways for new or renovated facilities. Public fire safety education is also a responsibility of this HAZARDOUS MATERIALS TEAM: The primary role of this specialized team within the firefighting division is to respond to and mitigate hazardous materials incidents. All fire fighters receive training while team members receive advanced specialized training to the technician level of certification. Team members are also responsible for maintaining an extensive inventory of specialized equipment and supplies necessary to mitigate and contain an incident. Team members are also part of the Macomb County Hazardous Materials Team providing response capabilities for larger scale incidents. TECHNICAL RESCUE TEAM: The primary role of this specialized team within the Firefighting Division is to respond to and mitigate incidents in the areas of rescue from confined spaces, rescue from building collapse, rescue from heights, rescue from water incidents, and rescue from machine entrapments. Team members are also part of the Macomb County Technical Rescue Team providing response capabilities for larger scale incidents.

TACTICAL MEDIC TEAM: The primary function of this specialized team within the Firefighting Division is to respond to and provide medical support, treatment and or transport to the police department's special response team.

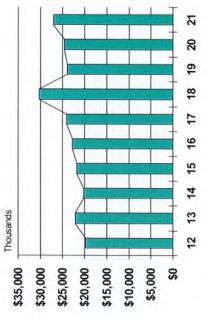
FIRE DEPARTMENT

Fiscal 2023 Performance Objectives

- 1. To collaborate with at least one other community to streamline the delivery of fire and EMS services to both communities or a group of communities, creating cost and delivery efficiencies.
- To develop a strategy to refurbish, rebuild or replace fire stations and ancillary facilities that has the support of administration and approval of City Council. ri
- To implement a replacement schedule for all apparatus, squad utility trucks and staff vehicles that has the support of the administration and the approval of City Council. ŝ
 - To implement technology advances that create work place efficiencies and further transition department towards a paperless environment. To continue to modernize and transform the department to meet the challenges of the 21st century. 4. 3

Performance Indicators	Fiscal 2021	Fiscal 2022	Fiscal 2022	Fiscal 2023
	Actual	Budget	Estimated	Budget
Incident reports reviewed	20,407	5,000	21,000	21,500
Fire station/apparatus/equipment inspections	52	72	09	09
Total incident responses	20,407	20,000	21,000	21,000
Total equipment responses	38,763	40,000	40,000	40,00
Mutual aid rendered and received	62	6,012	30	30
On duty injuries	28	25	30	30
Lost work hours from on duty injuries	4,910	5,000	4,000	4,000

Expenditure History Fire Department



900

900

576 576 192

448 448 480

7

Fire Department vehicle accidents

Hours of medical training

Hours of fire training

Hours of haz-mat training Hours of tech rescue training

Hours of SRT training

900

500

10

10

9,000

9,000

8,320

8,320

8,320 3,000 4,000

2,080

Hours of hydrant maintenance

4,379

8,894

GENERAL FUND PERSONNEL

	Present	ţu.		Requested(a)	ed(a)		Recommended By Mayor(a)	anded (a)	Adopted Bv Council(a)	ted	(e)
FIRE DEPARTMENT	S S	Rate	ΦI	9	Rate	뾔	No.	Rate	No.	<u> </u>	Rate
Fire Commissioner	_	\$ 137	137,963	←		140,723	₽	140,723	~	€9	140,723
Administrative Chief of Operations	_	129	129,374	-	131	131,315	-	131,315	_	•-	131,315
Deputy Chief	-	123	123,493	-	125	125,345	_	125,345	_	,-	125,345
Special Operations Chief	_	117	117,613	_	118	19,378	_	119,378	_	Υ-	119,378
Battalion Chief	က	117	117,613	က	118	19,378	က	119,378	ო	•	119,378
Fire Marshal	_	117	117,613	~	118	19,378	-	119,378	_	•	119,378
Chief of E.M.S.	_	117	117,613	.	118	19,378	_	119,378	_		119,378
Captain	9	117	117,613	9	118	19,378	9	119,378	9		119,378
Chief of Training	_	117	117,613	.	115	119,378	_	119,378	_	•	119,378
Training Coordinator			1	1 (p)	108	108,525	1 (b)	108,525	-	•	108,525
EMS Coordinator	_	106	106,921	(р		•	(p) -	•	•		•
Lieutenant	15	106	106,921	15	108	108,525	15	108,525	15		108,525
M.I.S. Specialist			1	1 (b)	75	75,000	1 (p)	75,000	1 (e)	•	108,525
Fire Inspector	က	97	97,199	4 (b)	86	98,656	4 (b)	98,656	4 (b)		98,656
Sergeant	9	97	97,199	9	86	98,656	9	98,656	9		98'626
Fire Fighter	69	88	88,363	69	<u>8</u>	889,688	69	89,688	72 (b)		89,688
Fire Fighter Engine & Ladder	21	8	83,945	21	80	85,203	21	85,203	21		85,203
Cadet Firefighters	•		•	30 (p)	53	23,296	30 (b)	23,296	27 (d)		23,296
Office Coordinator - Fire	_	∞	81,270	-	85	82,895	-	82,895	-		82,895
Administrative Clerk Technician	_	26	59,888	_	6	61,086	-	61,086	_		61,086
EMS Billing Clerk	-	33	55,799	-	26	56,915	-	56,915	-		56,915
Overtime - Fire Fighters Overtime - Clerical		1,200,000	2,500		1,000,000 5,000	5,000	ļ	1,000,000		1,0	1,000,000 5,000
Total Personnel	134		II	166		II	166		166		

(a) Wage rates include holiday pay and are based on Local 1383 contract that expires 6/30/24 and Local 412 Unit 35 and Local 227 contracts that expire 6/30/23.
(b) New position.
(d) Position deleted.
(e) Reflects additional wage increase of \$27,605 and inclusion to Local 1383 union.

GENERAL FUND APPROPRIATIONS ACTUAL, ESTIMATED, REQUESTED AND APPROVED

FY 2023 Adopted <u>By Council</u>	\$ 133,566 11,787,180 631,445 201,679	5,000 1,000,000 150,000 28,000	30,050 21,600 280,740 685,064	3,045,640 3,877,871 15,110	5,116,994 123,000 88,200	563,500 210,000 135,000	656,050 420,000 187,000 17,100	59,500 135,000 30,000 60,000 29,870 50,700
FY 2023 Recommended <u>By Mayor</u>		5,000 1,000,000 150,000 27,000	29,550 22,400 287,691 669,049	2,982,082 3,873,368 15,110	5,113,349 120,000 87,100	563,500 210,000 135,000	656,050 420,000 187,000 17,100	59,500 135,000 30,000 60,000 29,870 50,700
FY 2023 Departmental <u>Request</u>	\$ 133,566 11,508,507 701,606 278,101	5,000 1,000,000 150,000 27,000	29,550 22,400 287,691 669,049	2,982,082 3,873,368 15,110	106, 101 5,113,349 120,000 87,100	563,500 210,000 135,000	656,050 420,000 187,000 17,100	59,500 135,000 30,000 60,000 29,870 50,700
PUBLIC SAFETY FIRE DEPARTMENT Personnel Services	Appointed Official Fire Fighter Wages Cadet Firefighters Civilians & Clerical	Overtime - Clerical Overtime - Fire Fighters Shift Premium A.E.M.T. Premium Employee Benefits:	Educational Allowance Cleaning/Clothing Allowance Social Security Holiday Pay	Employee Insurance Retiree Health Insurance Bonus/Sick Redemption	Longevity Retirement Fund Food Allowance Uniforms	Operating Supplies EMS Medical Supplies Gasoline & Diesel Oil Other Services and Charges:	Contractual Services Building Maintenance Instruction Medical Services	Telephone and Radio Public Utilities Hydrant Installation & Repairs Public Fire Protection (Water) Memberships & Dues Fire Prevention Week
FY 2022 Amended Budget December 31	-	2,500 1,200,000 150,000 96,000	99,000 9,100 213,853 592,939	2,871,225	•	-	563,100 227,000 75,000 14,000	55,000 125,000 30,000 60,000 15,850 50,700
FY 2022 Estimated To June 30	\$ 129,011 10,095,861 202,290 189,499	2,500 1,200,000 150,000 96,000	99,000 8,400 227,884 587,637	2,853,306	193,052 4,679,846 122,000 76,700	482,000 185,000 100,000	563,100 227,000 75,000 14,000	55,000 125,000 30,000 60,000 15,850 50,700
FY 2022 Actual to December 31	\$ 67,471 4,815,686 37,632 98,195	5,100 1,270,927 25,284 44,000	24,267 12,201 109,699 270,114	1,391,018 2,198,392	96,258 2,341,876 51,285 38,062	167,143 45,068 64,224	205,351 41,833 35,902	17,972 47,560 15,000 30,000 3,270 6,410
FY 2021 Actual <u>Year</u>	\$ 132,290 9,136,434 187,094	8,022 2,728,066 114,755 82,000	24,050 8,118 206,452 503,043	2,505,031 4,199,005	168,368 4,454,638 103,351 73,162	352,583 143,710 77,852	412,270 149,875 85,817 9,834	48,930 133,464 30,000 60,000 2,725 23,867

(Continued)

GENERAL FUND APPROPRIATIONS ACTUAL, ESTIMATED, REQUESTED AND APPROVED

FY 2023	By Council	4,628,000 457,500	35,028,500
FY 2023	By Mayor	3,228,000 \$ 3,228,000 \$ 457,500 6,000,000	\$ 39,408,800 \$ 39,408,800 \$ 35,028,500
FY 2023	Request	\$ 3,228,000 457,500 6,000,000	\$ 39,408,800
VERT	December 31 FIRE DEPARTMENT (CONTINUED)	Capital Improvements and Vehicles Fire Equipment ARPA Expenditures	\$ 27,041,160 \$ 13,751,936 \$ 28,186,306 \$ 28,076,672 Total Fire Department
FY 2022	December 31	\$ 270,000 780,600	\$ 28,076,672
FY 2022	To June 30	\$ 281,499	\$ 28,186,306
FY 2022	December 31	\$ 35,865 138,871	\$ 13,751,936
FY 2021	Year Year	\$ 846,546 29,808	\$ 27,041,160

POLICE DEPARTMENT

The primary purpose of the Police Department is to protect life and property. To accomplish this goal, police officers enforce the criminal laws of the State of Michigan and our City Ordinances.

Organizationally, the Police Department's operations are divided into three bureaus: Administrative, Patrol and Investigative.

The Administrative Services Bureau is responsible for the operation of the Training Division, Technical Services Division, Communications Division, Computer Services Division, along with Technical Systems Management and Emergency Services Division. The Administrative Bureau develops and maintains the department's budget, distributes personnel as needed, plans, directs and implements the departments of the departments overall goals and mission. The Bureau's Emergency Services Division is responsible for development and implementation of emergency operation plans that would account for any possible hazardous or emergency situations that could occur equipment needs, maintains the good order and condition of the departments building and infrastructure, and ensures the accomplishment throughout the City. The Patrol Services Bureau is responsible for the first response to the majority of calls for service. Included in the Patrol Bureau is the Patrol Support Division is responsible for ensuring safe driving practices by the public on both major arteries and residential streets. To traffic investigator. Patrol Services is also responsible for jail operations, neighborhood watch, and interaction with prisoner processing accomplish this, the division has a traffic enforcement unit, a traffic engineer, an abandoned officer unit, an animal control unit, and a fatal Uniform Patrol Division, which concentrates on crimes against persons and property, with the ultimate goal of arresting offenders. through the 37th District Court.

The Investigative Services Bureau is responsible for the investigation of all crimes after the initial contact by uniformed patrol officers. This takes responsibility for all crimes perpetrated by persons over the age of 16, and the Family Investigations Division, which handles incidents Investigations Division to assist them as a school liaison. Also included in this bureau is the Evidence/Property Unit, which is responsible includes prosecution of offenders through the entire court process. The two major divisions are the Criminal Investigations Division, which of crime perpetrated by juveniles, child abuse, and criminal sexual conduct cases. The School Resource Officer Unit falls under the Family for the storage and disposition of all property coming into the possession of the Police Department.

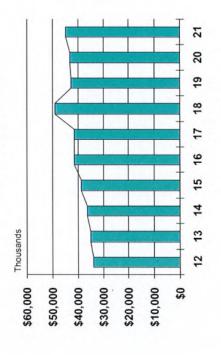
POLICE DEPARTMENT

Fiscal 2023 Performance Objectives

- To continue to disrupt and dismantle drug networks/trafficking in and around Macomb with the DEA and FANTOM.
 - To dedicate officers to assist in the manning of the Civic Center South mini station.
- To continue to grow and expand the Community Policing Unit and further expand Neighborhood Watch programs and initiatives.
 - To launch a cooperative effort with US Marshalls to apprehend sex offenders and wanted felons.
 - To update the forensic lab to protect the integrity of evidence. 7.65
- To research, test and purchase body cameras for our patrol officers.
- To continue to complete essential infrastructure repairs to Police headquarters

	Fiscal	Fiscal	Fiscal	Fiscal
Performance Indicators	2021	2022	2022	2023
	Actual	Budget	Estimated	Budget
Calls for police service	62,925	99,750	99,750	99,750
Part A crimes	1,279	8,610	1,400	1,550
Burglary incidents	332	402	420	475
Auto theft incidents	365	525	400	450
Narcotic and drug incidents	390	1,207	200	009
License investigations (Liquor, Gambling, etc.)	208	205	225	250
Traffic citations	27,483	32,025	30,000	33,000
OUIL arrest	86	346	120	140
Traffic accidents	3,321	5,250	3,800	4,200
Juveniles arrest	244	152	150	170
Total arrests	3,643	5,250	4,000	4,400
Abandoned autos process/auctioned	1,049	1,312	1,000	1,100
Fingerprint requests	5,410	10,500	000'6	10,000
Guns registered	4,658	5,250	4,800	5,200
Neighborhood watch programs		141	120	140
Citizens Police Academy	•	4	2	3
Crime prevention/security survey	,	157	120	130
SRT training days	10	12	12	12
High risk incidents	9	16	10	12
Environmental investigations	6	17	12	14
SID/SOU Search Warrants Executed	142	157	150	170
Union Detectives Out		4	0	~

Expenditure History Police Department



GENERAL FUND PERSONNEL

	Present	ţ	Rednested(a)	ed(a)	Recommended By Mayor(a)	iended r(a)	By C	Adopted By Council(a)
POLICE DEPARTMENT	No.	<u>Rate</u>	S.	Rate	No.	Rate	No.	Rate
Police Commissioner		\$ 142,563	-	145,415	-	\$ 145,415	~	\$ 145,415
Deputy Police Commissioner	~	138,167	_	141,621	γ-	141,621	_	141,621
Captain	ო	125,606	က	128,746	က	128,746	ო	128,746
Lieutenant	10	114,187	10	117,042	10	117,042	10	117,042
Sergeant	17	103,807	17	106,403	17	106,403	17	106,403
Corporal	27	94,370	30 (p)	96,729	30 (p)	96,729	30 (p)	96,729
Police Officer	168	85,790	168	87,935	168	87,935	173 (b)	87,935
Sub-Total Police Personnel	227		230		230		235	
Crime M.I.S. Specialist	_	97,810	-	99,766	~	99,766	_	99,766
Assistant Crime M.I.S. Specialist	2	67,748	2	69,103	2	69,103	7	69,103
Forensic Technologist	~	77,724	-	79,278	τ-	79,278	_	79,278
Office Coordinator	-	81,270	-	82,895	-	82,895	_	82,895
Administrative Secretary	-	62,615	-	63,867	_	63,867	_	63,867
Police Asset Forfeiture Spec	-	69,452	-	70,841	-	70,841		70,841
Dispatch Supervisor	ო	74,191	ო	76,046	က	76,046	ღ	76,046
Dispatcher	20	64,513	21 (b)	66,126	21 (b)	66,126	21 (b)	66,126
Senior Clerk	_	62,615	_	63,867	-	63,867	_	63,867
Fire Arms Specialist		60,014	-	61,214	~	61,214	-	61,214
Administrative Clerical Technician	ო	59,888	ო	61,086	ო	61,086	က	61,086
Administrative Clerk	_	55,799	۳	56,915	_	56,915	_	56,915
Office Assistant	2	40,174	7	40,977	2	40,977	2	40,977
Sub-Total Civilian Personnel	38		39		39		39	
Temporary/Co-op Permanent Part-time - Crossing Guards Overtime - Police		85,748 150,000 950,000		140,776 151,775 1,066,646		140,776 151,775 1,066,646		140,776 151,775 1,066,646
Overume - Civilians Total Personnel	265	500	269	2	269) - - -	274	

(a) Wage rates include holiday pay and are based on W.P.C.O.A. and W.P.O.A. contracts that expire 6/30/23 and 6/30/24 respectively and Local 412 Unit 35, Warren Supervisors, and Local 227 contracts that expire 6/30/23.

⁽b) New position.

GENERAL FUND APPROPRIATIONS ACTUAL, ESTIMATED, REQUESTED AND APPROVED

FY 2023 Adopted By Council	\$ 138,523 19,960,551 2,438,221	151,775	140,776 1 066 646	151,913	300,000		223,250	53,000	148,800	587,499	1,150,619	5,943,570	6,701,711	33,061	350,584	9,912,549	241,447		60,765	103,459	•	300,000		15,000	94,742	15,000	143,250	902,678	2,000	62,000	17,500	128,266	35,000	
FY 2023 Recommended <u>By Mayor</u>	\$ 138,523 19,541,716 2,438,221	151,775	140,776 1 066 646	151,913	300,000		218,500	53,000	145,800	580,989	1,128,154	5,835,555	6,692,731	33,061	350,584	9,912,549	238,697		60,765	103,459	ı	300,000		15,000	94,742	15,000	143,250	902,678	2,000	000'59	17,500	128,266	35,000	
FY 2023 Departmental <u>Request</u>	\$ 138,523 19,541,716 2,438,221	151,775	140,776 1.066,646	151,913	300,000		218,500	53,000	145,800	580,989	1,128,154	5,835,555	6,692,731	33,061	350,584	9,912,549	238,697		60,765	103,459	•	300,000		15,000	94,742	15,000	143,250	902,678	7,000	62,000	17,500	128,266	35,000	
PUBLIC SAFETY POLICE DEPARTMENT Personnel Services:	Appointed Official Police Officers Civilians & Clerical	Crossing Guards	Temporary/Co-op	Overtime - Civilians	Shift Premium	Employee Benefits:	Gun Allowance	Education Allowance	Cleaning/Clothing Allowance	Social Security	Holiday Pay	Employee Insurance	Retiree Health Insurance	Bonus/Sick Redemption	Longevity	Retirement Fund	Uniforms	Supplies:	Office Supplies	Operating Expense	2020 DOJ Coronavirus CESF Grant	Gasoline & Diesel Oil	Other Services and Charges:	Prisoners' Food	Capital Equipment Lease Payment	Crime Prevention	Building Maintenance	Contractual Services	Postage	Instruction	911 Dispatch Training Expense	Telephone and Radio	Vehicle Maintenance	129
FY 2022 Amended Budget <u>December 31</u>	\$ 133,799 17,809,228	150,000	85,748	19.500	330,000		215,650	28,600	143,100	530,761	1,031,223	5,600,856	7,634,880	•	353,029	8,892,341	215,150		70,000	96,200	•	300,000		15,000	94,742	15,000	330,300	469,746	7,000	65,000	17,500	115,000	35,000	
FY 2022 Estimated <u>To June 30</u>	\$ 133,799 17,473,938	150,000	85,748	19,500	279,000		210,900	26,600	140,100	521,595	1,013,238	5,495,684	7,626,600	•	353,029	8,892,341	199,900		70,000	96,200	111,798	300,000		15,000	94,742	15,000	330,300	488,646	7,000	65,000	17,500	115,000	35,000	
FY 2022 Actual to December 31	\$ 76,153 8,321,341	51,825	27,304	75,758	63,830		156	49,600	105,187	237,940	330,428	2,592,439	3,902,110	•	175,206	4,437,118	92,746		29,221	45,590	•	148,198		4,648	94,742	•	65,013	227,963	2,232	31,005	6,985	38,833	6,719	
FY 2021 Actual <u>Year</u>	\$ 137,199 16,174,708	59,139	76,999	61,278	253,051		187,353	52,558	125,659	461,441	885,025	4,641,142	7,529,186	•	323,572	8,581,020	153,765		43,697	72,805	26,867	181,769		9,970	94,742		51,323	411,225	4,147	54,531	2,213	111,415	32,559	(Continued)

GENERAL FUND APPROPRIATIONS ACTUAL, ESTIMATED, REQUESTED AND APPROVED

_	FY 2021 Actual	FY 2022 Actual to	FY 2022 Estimated	FY 2022 Amended Budget	PUBLIC SAFETY	FY 2023 Departmental	FY 2023 Recommended	FT 2023 Adopted	
ξ ≻I	Year	December 31	To June 30	December 31	POLICE DEPARTMENT (CONTINUED) Other Services and Charges:	Request	By Mayor	By Council	
	4,759	\$ 7,381	\$ 8,000	\$ 8,000	Community Promotion	\$ 8,000	000'8 \$ 0	\$ 8,000	
	7.338	2,072	10,000	10,000	Youth Athletic League	10,000	10,000	10,000	
	5,999	1,660	5,000	5,000	CERT	7,500	7,500	7,500	
	•		8,000	8,000	Wellness Program	8,000	8,000	8,000	
	•	•	5,000	5,000	Explorers	5,000	5,000	2,000	
	191,878	86,500	200,000	200,000	Public Utilities	200,000	200,000	200,000	
	8,000		10,000	10,000	Special Investigations	10,000	10,000	10,000	
					Capital Outlay:				
	49,809	141,728	281,528	135,000	Capital Improvements	152,730	152,730	152,730	
	189,133	•	568,622	224,636	Police Equipment	251,142	251,142	251,142	
	31,474	7,941	56,784	56,784	Office Equipment	87,766	992,766	87,766	
	6,281	•	15,000	15,000	911 Equipment	2,000	5,000	2,000	
	11,920	ı	ı	•	U.S. Dept of Justice Assistance Grant-2017		•	•	
	1	12,697	25,394	1	U.S. Dept of Justice Assistance Grant-2018		•	•	
	55,815	14,192	23,995	•	U.S. Dept of Justice Assistance Grant-2019		•	•	
	42,535	4,445	29,787	•	U.S. Dept of Justice Assistance Grant-2020		•	•	
		•	•	•	U.S. Dept of Justice Assistance Grant-2021	•	•	•	
	1	•	81,628	81,628	U.S. Dept of Justice Assistance Grant-2022	•	1	•	
	9,100	•	2,606	•	Bulletproof Vest Partnership Grant		•	•	
	7,038	•	•	•	Homeland Security Grant - 2019	•	•	•	
	63,815	18,479	38,500		OHSP - Ped Bike Enforcement				
ļ		1	1	1	ARPA Expenditures	1,000,000	1,000,000	1	
44	\$ 44,774,713	\$ 23,103,763	\$ 49,069,293	\$ 48,879,692	Total Police Department	\$ 52,751,988	\$ 52,751,988	\$ 52,327,293	
,	> ' ' - -		2,000,00	ı					

EXHIBIT - 4

City of Warren, Michigan BUDGET

AS ADOPTED BY COUNCIL



FISCAL YEAR

July 1, 2021 through June 30, 2022

Fiscal 2022 General Fund Revenues

PROPERTY TAXES:

The property tax is a local tax. All property tax revenues are collected, administered, and spent at the local level. Every property owner in Michigan is subject to property tax by at least four units of government - the County, the school district, intermediate school districts, and the City or Township in which the property is located. Villages, special authorities, and community colleges may also levy taxes on that property. The property tax is determined by two factors: The tax rate and assessment on property as finally equalized by the State. The unit of measurement for the property tax, the "mill", is defined as \$1 per \$1,000 of Taxable Value.

Funds:	Estimated <u>Taxable Value</u>	Tax Rate	Levy
General Fund: Charter Millage	\$ 3,627,515,000	8.4600	\$ 30,688,777
Special Levies: Police & Fire Pension Dolice & Eire Occurring	3,627,515,000	4.9848	18,082,437
Force at the Operating Emergency Medical Service	3,627,515,000	0.2815	1,021,145
Police Fire	3,627,515,000 3,627,515,000	0.9439 0.9439	3,424,011 3,424,011
Total General Fund Operating Levy		20.3633	\$ 73,868,176
Special Revenue: Library (Charter)	3,627,515,000	0.4697	1,703,844
Library (Voted)	3,627,515,000	0.6014	2,181,588
Sanitation	3,627,515,000	2.8196	10,228,141
Parks & Recreation	3,627,515,000	0.9396	3,408,413
2011 Local Street Repair & Maintenance	3,627,515,000	2.0351	7,382,356
Total Special Revenue Fund Levy		6.8654	\$ 24,904,341
Total Levy		27.2287	\$ 98,772,518

EXHIBIT - 5

4 REVISES 0-13-2021

Michigan Department of Treasury 614 (Rev. 01-21)

2021 Tax Rate Request (This form must be completed and submitted on or before September 30, 2021)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2. COPY TO: Each township or city clerk

ORIGINAL TO: County Clerk(s) COPY TO: Equalization Department(s)

For LOCAL School Districts: 2021 Taxable Value excluding Principal Residence, Qualified Agricuttural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 2021 Taxable Value of ALL Properties in the Unit as of 5-24-2021 3,791,266,318 (Excludes REZ This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory, Penalty applies County(ies) Where the Local Government Unit Levies Taxes Local Government Unit Requesting Millage Levy CITY OF WARREN MACOMB

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2021 tax roll.

	10	9-13-200	Date		irector	Title of Preparer Budget Director		Telephone Number (586) 574-4593	Telep (58		Battle	Prepared by Kristina K Battle
1	8/2038		0.9438	0.9438	1,0000 \	0.9438	.9903	0.9531 🗸	0.9676	8/2018	Fire Oper	Voted
	8/2038		0.9438 V	0.9438 V	1.0000 /	0.9438	.9903	0.9531	0.9676	8/2018	Police Oper	Voted
	"N/A"		4.9848	4.9848	1.0000	"N/A"	.9903	"N/A"	4.9848		Act 345	State Statut
	"N/A"		2.8193 /	2.8193 /	1.0000	2.8193 /	.9903	2.8470 🗸	3.0000 🗸		Rubbish	State Statut
	8/2030		0.6014	0.8194 /	1.0000	0.8194	. 9903	0.8275	0.8500	8/2010	Library Operating 8/2010	Voted
	"N/A"		0.4696	0.4696	1.0000	0.4696	.9903	0.4743 🗸	0.5000 /	1956	Ubrary OPerating	Charter
	'N/A'		0.2815 /.	0.2815	1.0000 /	0.2815	.9903	0.2843 🇸	0.3000 V	1979	EMS	Voted
	'N/A'		8.4592 V.	8.4592	1.0000 /	8.4592 V	.9903	8.5421 V	9.0000	1956	Operating	Charter
	(12) Expiration Date of Millage Authorized	(10) (11) Millage Millage Requested to be Requested to be Levied July 1 Levied Dec. 1	(10) Millage Requested to be Levied July 1	(9) Maximum Allowable Millage Levy *	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(7) 2021 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2021 Current Year "Headlee" Millage Reduction Fraction	(5) *** 2020 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(4) Original Millage Authorized by Election Charter, etc.	(3) Date of Election	(2) Purpose of Millage	(1) Source

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax tevy rates have been to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3). Total School District Operating

Clerk Secretary	Signatura Con Je	Print Name Sonja Buffa, Clerk	91331
N CARROLL TO President	Signalure	Print Name James R. Fouts, Mayor	Oale 04.3-21
T. Hodge Truth in T	I lades Trails in Transity, Mr. Seating 24194s the moverning both may decide to levy a rate which will not exceed the maximum authorized rate	decide to levy a rate which will not exceed the ma	eximum authorized rate

"Under Truth in Taxafon, Mrt. Section 211.24e, ine governing body may becue to key a rate which kill by a section in authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating lavy which is larger than the base lax rate but not larger than the rate in column 9.

** IMPORTANT: See instructions on page 2 regarding where to find the millage rate used in column (5)

12/21 Just 3/21

Rate

Rates to be Levied (HH/Supp

and NH Oper ONLY)

For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal

For Commercial Personal

For all Other

\$ [W] Sed 9-13-2021

W 13

Michigan Department of Treasury 614 (Rev. 01-21)

2021 Tax Rate Request (This form must be completed and submitted on or before September 30, 2021)

Carefully read the instructions on page 2.

ORIGINAL TO: County Clerk(s) COPY TO: Equalization Department(s) COPY TO: Each township or city clerk

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory, Penalty applies

For LOCAL School Districts: 2021 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties. 2021 Taxable Value of ALL Properties in the Unit as of 5-24-2021 3.791,266,318 (Excludes REZ County(ies) Where the Local Government Unit Levies Taxes Local Government Unit Requesting Millage Levy CITY OF WARREN MACOMB

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under IMCL Sec 211.119. The following tax rates have been authorized for levy on the 2021 tax roll.

		-									
(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage (3) Authorized by Date of Election Election Charter, etc.	Original 2020 Millage Rate Millage Permanently Authorized by Reduced by MCL Election 211.34d Charter, etc. "Headtee"	(6) 2021 Current Year "Headlee" Millage Reduction Fraction	(7) 2021 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(10) (11) Millage Millage Requested to be Requested to be Levied July 1 Levied Dec. 1	(12) Expiration Date of Millage Authorized
Voted	Rec Oper	8/1992	1.0000 /	0.9488	0.9903 🗸	0.9395 🗸	1.0000	0.9395	0.9395 V.		"N/A"
Voted	P&F Oper	8/2016	4.9000 /	4.7953 V	0.9903 V	4.7487 ✓	1.0000 🗸	4.7487	4.7487 /.		8/2022
voted	Road Repair	8/2021	2.0349 ~	2.0349	1.0000 /	2.0349 V	1.0000 /	2.0349 V		2.0349 🗸.	8/2025
Prepared by	-		Telep	Telephone Number		Tille of Preparer	liroofor		Date O	9-13-3031	17
Aristina A Battle	A Battle) (2)	(200) 274-4293		a lafana	All ector				

Local School District Use Only, Complete if requesting willings to be levied, See STC Bulletin 2 of 2021 for instructions on completing this section, Total School District Operating CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessa to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

Rate

For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal Rates to be Levied (HH/Supp For Commercial Personal and NH Oper ONLY) " Under Truth in Taxation, MCL/Section 21124e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate 9/13/2021 9/13/2021 Date James R Fouts, Mayor Sonja Buffa, Clerk Print Name Print Name Signature So Table Secretary President Clerk X

allowed in column 9. The regulirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

** IMPORTANT: See instructions on page 2 regarding where to find the millage rate used in column (5)

An 202 Went after

For all Other

EXHIBIT - 6

[No. 16.]

AN ACT to amend the title and sections 1, 2, 6, 7, 8, 9, 11 and 12 of Act No. 345 of the Public Acts of 1937, entitled "An act to provide for the establishment, maintenance and administration of a system of pensions and retirements for the benefit of the personnel of fire and police departments, employed by cities, villages or municipalities having full paid members in such departments, and for the widows and children of such members, and to provide for the creation of a board of trustees to manage and operate same; to authorize appropriations and deductions from salaries; and to repeal all acts and parts of acts inconsistent therewith," as amended, being sections 38.551, 38.552, 38.556, 38.557, 38.558, 38.559, 38.561 and 38.562, respectively, of the Compiled Laws of 1948.

The People of the State of Michigan enact:

Title and sections amended.

Section 1. The title and sections 1, 2, 6, 7, 8, 9, 11 and 12 of Act No. 345 of the Public Acts of 1937, as amended, being sections 38.551, 38.552, 38.556, 38.557, 38.558, 38.559, 38.561 and 38.562, respectively, of the Compiled Laws of 1948, are hereby amended to read as follows:

TITLE

An act to provide for the establishment, maintenance and administration of a system of pensions and retirements for the benefit of the personnel of fire and/or police departments, employed by cities, villages or municipalities having full paid members in such departments, and for the widows and children of such members, and to provide for the creation of a board of trustees to manage and operate same; to authorize appropriations and deductions from salaries; and to repeal all acts and parts of acts inconsistent therewith.

- 38.551 Fire and police department pension system; retirement board; members, election, appointment, term. [M.S.A. 5.3375(1)]
- Sec. 1. The retirement board (also referred to in this act as the pension board) created hereunder shall be known as "The retirement board" and shall be a corporate body, consisting of 5 members, which shall consist of:
 - (1) The treasurer of the city, village or municipality, so affected hereby.
- (2) Two additional members, 1 of whom shall be elected by a majority vote of the members of the fire department, and 1 of whom shall be elected by a majority vote of the members of the police department under such rules and regulations as the retirement board shall adopt to govern such election. Each such member shall serve for a term of 4 years, except that in the first instance, the member elected by the police department shall serve for a term of 2 years and thereafter 1 member shall be so elected every 2 years, the police and fire departments alternating: Provided, That if in the first instance only the fire department or only the police department are included in the retirement plan, the 2 additional members shall be elected from that department and the candidate receiving the highest number of votes shall be elected for the 4 year term and the candidate receiving the second highest number of votes shall be elected for the 2 year term.
- (3) Two additional members shall be appointed by the legislative body or another person or body authorized by the city or village charter to appoint administrative officials in any city or village affected by the provisions of this act.
- 38.552 Powers and duties of board. [M.S.A. 5.3375(2)]
- Sec. 2. The retirement board created hereunder shall have power, and it shall be its duty to:
- (1) Make all rules and regulations necessary to the proper conduct of the business of the retirement system under the provisions of the law.
- (2) Retain such legal, medical, actuarial, clerical, or other service as may be necessary for the conduct of the affairs of the retirement system; and make compensations for such services.

- (3) Cause such amounts as may be set forth in the law to be deducted from the salaries of active members of the retirement system and paid into the treasury of the retirement system.
- (4) Certify to the governing body of the city, village or municipality the amount to be contributed by the city, village or municipality as provided in this act.
- (5) Cause the examination of every disability pensioner or beneficiary under age 55 years to be made at least once a year for the first 5 years following his retirement, and at least once every 3 years thereafter, until his attainment of age 55 years.
- (6) Keep all records of its meetings and proceedings, and shall hold meetings at least once each month, which shall be open to the public.
- (7) The board shall elect 1 of its members to be president and 1 of its members to be secretary thereof, annually.
 - (8) Disburse the pensions and other benefits payable under this act.
- (9) No member of the board shall receive any additional compensation for his services as a board member.
- 38.556 Pensions and benefits payable; options. [M.S.A. 5.3375(6)]
 - Sec. 6. Pensions and benefits payable under this act shall be as follows:
 - (1) Age and service retirement:
- (a) Any member aged 55 years or older who has 25 or more years of service as a policeman or fireman in the employ of the city, village or municipality affected by the provisions of this act, may retire from service upon his written application to the board setting forth at what time, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he desires to be retired and the board shall grant him the benefits to which he may be entitled under the provisions of this act.
- (b) Any member aged 60 years or older shall be retired by the retirement board upon the written application of the legislative body, or board or official provided in the charter of the city, village or municipality as head of the department in which the said member is employed. Upon his retirement, the retirement board shall grant him the benefits to which he may be entitled under the provisions of this act.
- (c) Any member who has attained age 65 years shall be retired by the board on the 1st day of the month following his attainment of age 65 years or January 1, 1948, whichever date is later.
- (d) Upon retirement from service as provided in subsection (1) of this section, a member shall receive a regular retirement pension payable for life of 2 per cent of his average final compensation multiplied by the number of years of service credited to him, not to exceed 25 years: Provided, That in no event shall the amount of any member's pension exceed \$1,800.00 per annum. In event a retired member dies before the total of his regular pension payments received by him equals or exceeds the total of his contributions made to the retirement system, the remainder, if any, shall be paid in a single sum to such person or persons as he shall have nominated by written designation duly executed and filed with the board. If there be no such designated person or persons surviving, then such remainder, if any, shall be paid to the retired member's legal representative.
- (e) "Average final compensation" shall mean the average of the highest annual compensation received by a member during a period of 5 consecutive years of service contained within his 10 years of service immediately preceding his retirement. If he has less than 5 years of service, then average final compensation shall mean the annual average compensation received by him during his total years of service.
- (f) When computing a member's service credit he shall be given credit for time spent in the military, naval, marine or other armed service of the United States government during time of war, or other national emergency recognized by the board: Provided, (1) That he was employed by the city, village or municipality at the time of his entry into such armed service, and (2) that he is or was reemployed by the city, village or municipality as a policeman or fireman within 6 months following the date of termination of his required enlistment or assignment in such armed service. A member shall be given service credit for the time he is absent from active service without full pay on account of sickness or injury:

Provided, That in event his absence from active service is due to non-service connected sickness or injury, no more than 60 days of such absence shall be credited as service in any 1 calendar year, as determined by the board.

(g) Prior to the effective date of his retirement as provided in subsection (1) of this section, but not thereafter, any member may elect to receive his benefit in a pension payable throughout life (to be known as a regular retirement pension); or he may elect to receive the actuarial equivalent, at that time, of his regular retirement pension in a reduced retirement pension payable throughout life in accordance with the provisions of option I or II as hereinafter set forth. In event a member fails to elect an option prior to the effective date of his retirement, then his pension shall be paid to him as a regular retirement pension.

Option I. Upon the death of a retired member who elected this option his reduced retirement pension shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the board prior to his retirement; or

Option II. Upon the death of a retired member who elected this option, ½ his reduced retirement pension shall be continued throughout the life of and paid to such person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the board prior to his retirement.

- (2) Disability and service-connected death benefits:
- (a) To widows, a duty death pension of the same amount each week as that which has been paid her under the provisions of the workmen's compensation act, to become due and payable on the termination of the payments to her by said municipality under the provisions of the workmen's compensation act, and to continue for her life or until her remarriage.
- (b) In the event that death results to a member in line of duty, who shall leave surviving children, said children shall be paid a pension of the same amount as that which has been paid to them as a weekly benefit under the workmen's compensation act, to become due and payable upon termination of the payments under the provisions of the workmen's compensation act, and to continue to each surviving child until he or she attains age 18 years, or his or her marriage or death prior to age 18 years.
- (c) In the event that death results to a member in line of duty who shall leave surviving him other dependents, such dependents shall receive a pension of the same amount as that which has been paid to them as a weekly benefit under the workmen's compensation act, to become due and payable upon termination of the payments under the workmen's compensation act and to continue until such time as the board shall determine that the need for pension or pensions no longer exists.
- (d) Upon the application of a member, or his department head, a member who becomes totally incapacitated for duty by reason of a personal injury or disease occurring as the natural and proximate result of causes arising out of and in the course of his employment by the city, village or municipality shall be retired by the retirement board: Provided, That after a medical examination of said member made by a medical committee, consisting of a physician named by the retirement board, a physician named by the member claiming benefits, and a third physician designated by the first 2 physicians so named, the said medical committee, by a majority opinion, certifies in writing (1) that the said member is mentally or physically incapacitated for the further performance of duty as a policeman or fireman in the service of the city, village or municipality, and (2) that such incapacity is likely to be permanent, and (3) that said member should be retired. Upon retirement for disability as provided in this paragraph, a member who has not attained age 55 years shall receive a disability retirement pension of 50 per cent of his average final compensation; said average final compensation to be determined according to the provisions of subsection (1), paragraph (e) of this section; a member who has attained age 55 years shall receive a disability pension of 2 per cent of his average final compensation multiplied by the number of years of service credited to him, not to exceed 25 years: Provided, That in no event shall the amount of any member's pension exceed \$1,800.00 per annum. The disability pension provided for in this paragraph shall be subject to the provisions of paragraphs (f) and (g) of this subsection (2).

- (e) Upon the application of a member, or his department head, a member in service who has 10 or more years of service credit becomes totally and permanently incapacitated for duty by reason of a personal injury or disease occurring as the result of causes arising outside the course of his employment by the city, village or municipality may be retired by the retirement board: Provided, That after a medical examination of said member made by a medical committee, consisting of a physician named by the retirement board, a physician named by the member claiming benefits, and a third physician designated by the first 2 physicians so named, the said medical committee, by a majority opinion certifies in writing (1) that the said member is mentally or physically incapacitated for the further performance of duty as a policeman or fireman in the service of the city, village or municipality, and (2) that such incapacity is likely to be permanent, and (3) that said member should be retired. Upon retirement for disability, as provided in this paragraph, a member who has not attained age 55 years shall receive a disability retirement pension to his attainment of age 55 years, or prior recovery or death, of 1.5 per cent of his average final compensation multiplied by the number of years of service credited to him, not to exceed 25 years; upon attaining age 55 years his disability retirement pension shall be increased to 2 per cent of his average final compensation multiplied by the number of years of service credited to him at the time of his retirement, not to exceed 25 years. Upon retirement for disability as provided in this paragraph, a member who has attained age 55 years shall receive a disability pension of 2 per cent of his average final compensation multiplied by the number of years of service credited to him not to exceed 25 years. In no event shall the amount of any retired member's pension payable under this paragraph exceed \$1,800.00 per annum. The provisions of this paragraph shall be subject to the provisions of paragraphs (f) and (g) of this subsection (2).
- (f) At least once each year during the first 5 years following the retirement of a member with a disability retirement pension and at least once in every 3 year period thereafter, the board may, and upon the retired member's application shall, require any retired member who has not attained age 55 years to undergo a medical examination to be made by or under the direction of a physician, designated by the board, at the place of residence of the said retired member or other place mutually agreed upon. Should any retired member who has not attained age 55 years refuse to submit to such medical examination in any such period, his disability retirement pension may be discontinued by the board and should such refusal continue for 1 year all his rights in and to his disability retirement pension may be revoked by the board. If upon such medical examination of said retired member the said physician reports to the board that the said retired member is physically able and capable of resuming employment in the classification held by him at the time of his retirement, he shall be restored to active service in the employ of the city, village or municipality and payment of his disability pension shall cease: Provided, The report of the physician is concurred in by the board. A retired member so restored to active service shall from the date of his return to service again become a member of the retirement system and he shall contribute to the retirement system thereafter in the same manner as prior to his disability retirement. Any service credited to him at the time of his disability retirement shall be restored to full force and effect. He shall be given service credit for the period he was receiving a duty disability pension provided for in paragraph (d) of this subsection (2); he shall not be given service credit for the period he was receiving a non-duty disability pension provided for in paragraph (e) of this subsection (2). Any amounts paid under the provisions of the workmen's compensation act of the state of Michigan, to a retired member shall be offset against and payable in lieu of any benefits provided under the provisions of this act. In the event the benefits under the compensation act are less than the benefits payable under this act, then the amount to be paid out of the funds of the retirement system shall be the difference between the benefits provided under the compensation act and the benefits herein provided. Upon the termination of benefits under the compensation act, then and thereafter benefits shall be paid in full accordance with the provisions of this act.
 - (g) Within 60 days prior to his attainment of age 55 years, or prior to his retirement

from service if his retirement occurs after his attainment of age 55 years, a disabled member who is retired as provided in paragraph (d) or (e) of this subsection (2) may elect to continue to receive his disability retirement pension as a benefit terminating at death (to be known as a regular disability pension), or he may elect to receive the actuarial equivalent, at that time, of his regular disability retirement pension in a reduced disability retirement pension payable throughout life in accordance with the provisions of option I or II provided in paragraph (g) of subsection (1) of this section. In event a disabled member fails to elect an option, as herein provided, prior to his attainment of age 55 years or prior to his retirement if his retirement occurred after his attainment of age 55 years, then his disability retirement pension shall be paid to him as a regular disability pension terminating at his death. In event a disabled member who has not elected option I or II dies before the total of his regular disability pension payments received by him equals or exceeds the total of his contributions made to the retirement system, the remainder, if any, shall be paid in a single sum to such person or persons as he shall have nominated by written designation duly executed and filed with the board. If there be no such designated person or persons surviving, then such remainder, if any, shall be paid to the retired member's legal representative.

38.557 Act of duty defined; municipality, definition. [M.S.A. 5.3375(7)]

Sec. 7. "An act of duty" shall be defined:

"Any act performed by a fireman or policeman arising out of and in the course of his employment as such, or the performance of any act pertinent or incidental to the work of a fireman or policeman, regardless of time or place."

The term "municipality" shall be construed to include townships, charter townships, cities and incorporated villages.

38.558 Refunds of salary contributions. [M.S.A. 5.3375(8)]

Sec. 8. Refunds of salary contributions:

- (1) Should a fireman or policeman die before being placed on pension, the total amount of his salary deductions, with simple interest as the board may determine, but not to exceed 2 per cent per annum, shall be payable to such person or persons as he shall have nominated by written designation duly executed and filed with the board; if there be no such designated person or persons surviving, then the total of his salary deductions shall be paid to his legal representative.
- (2) Should a fireman or policeman become separated from the service before being eligible for retirement, he shall be paid the total of his contributions together with simple interest as the board may determine, but not to exceed 2 per cent per annum credited to him upon his written request for such refund. Should such an individual again become employed by the city, village or municipality as a policeman or fireman he shall, within 1 year following his reemployment, repay to the retirement system the amount previously withdrawn by him together with simple interest at 2 per cent per year.

38.559 Revenues and accumulations of an adequate reserve. [M.S.A. 5.3375(9)] Sec. 9. Revenues and accumulations of an adequate reserve:

(1) The contributions of a member to the retirement system shall be 5 per cent of the salary paid to him by the city, village or municipality. The officer or officers responsible for making up the payroll shall cause the contributions provided for in this paragraph to be deducted from the salary of each member on each and every payroll for each and every payroll period so long as he remains an active member in the employ of the city, village or municipality and each of said amounts when deducted shall be paid into the funds of the retirement system. The members' contributions provided for herein shall be made notwithstanding that the minimum salary provided for by law shall be changed thereby. Every member shall be deemed to consent and to agree to the deductions made and provided for herein and shall receipt for his full salary and payment of his salary less said deduction which shall be a full and complete discharge and acquittance of all claims and demands for the services rendered by such member during the period covered by such payment, except as to benefits provided by this retirement system.

- (2) For the purpose of creating and maintaining a fund for the payment of the pensions and other benefits payable hereunder, the said city, village or municipality, subject to the provisions of this act, shall appropriate, at the end of such regular intervals as may be adopted, quarterly, semi-annually, or annually, an amount sufficient to maintain actuarially determined reserves covering pensions payable or which might be payable on account of service performed and to be performed by active members and pensions being paid retired members and beneficiaries: Provided, That the appropriations to be made by the said city, village or municipality in any fiscal year shall be sufficient to pay all pensions due and payable in that fiscal year to all retired members and beneficiaries: Provided further, That in no event shall the amount of such appropriation in any fiscal year be less than 10 per cent of the aggregate pays received during the said fiscal year by members of the retirement system unless by actuarial determination it is satisfactorily established that a lesser percentage is needed. All such deductions and appropriations shall be payable to the treasurer of said city, village or municipality and by him to be paid into the retirement system hereunder. Except in cities which are subject to the 15 mill tax limitation as provided by article 10, section 21 of the state constitution, the amount required by taxation to meet the appropriations to be made by cities, villages and municipalities under the provisions of this act shall be in addition to any tax limitation imposed upon tax rates in such cities, villages and municipalities by charter provisions or by state law.
- (3) If, at the beginning or during any fiscal year, it has been satisfactorily determined by the retirement board that the accumulated funds of the retirement system plus the city's, village's or municipality's contribution of 10 per cent of the aggregate pays received during the said fiscal year by members of the retirement system plus members' contributions of 5 per cent of payroll, be insufficient to pay all pensions and other benefits due and payable in said year out of funds of the retirement system, then all pensions and other benefits payable shall be prorated for the remainder of the fiscal year by the board.
- (4) Any clerical, legal, actuarial, or medical expenses required by the board, or any other necessary expense for the operation of the retirement system, shall be provided for by the city, village or municipality.
- (5) All pensions allowed and payable to retired members and beneficiaries under the provisions of Act No. 345 of the Public Acts of 1937, as amended, being sections 38.551 to 38.562, inclusive, of the Compiled Laws of 1948, shall become obligations of and be payable from the funds of the retirement system.
- (6) The right of any person to a pension, to the return of contributions, any optional benefits, any other right accrued or accruing to any member or beneficiary under the provisions of this act and the moneys belonging to the retirement system shall be unassignable and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, except as is specifically provided in this act.

38.561 Referendum; township or charter township. [M.S.A. 5.3375(11)]

Sec. 11. At any time after this act shall become effective, any city, village or municipality having a paid or part paid fire or police department, may come under the provisions of this act and create a pension board hereunder by submitting the same to the electors of any such city, village or municipality at any regular or special election for adoption, in the manner provided by law for amending charters: Provided, That this act shall not become effective until the beginning of the next succeeding fiscal year after such adoption of the provisions of this act by any city, village or municipality: Provided further, That where no provision is made in the charter of the city, village or municipality for amending said charters, this act may be submitted for adoption in accordance with any law authorizing the amending of the charters of cities: Provided further, That in case of a township or charter township, this act shall be submitted to the qualified electors of such township or townships by the township board on the filing of a petition requesting the submission, signed by 10 per cent of the registered and qualified electors in such township or charter township, at any general election or special election called for that purpose by the township board, in accordance with the laws of this state, and this act shall be in force and effect

in any such township or charter township if a majority of the electors voting on such proposition, as determined by the canvass of votes cast, shall vote in favor thereof.

- 38.562 Membership of retirement system; inclusions, exclusions. [M.S.A. 5.3375(12)]
- Sec. 12. (1) The membership of the retirement system created by the city, village or municipality so affected by this act shall include all policemen and firemen employed by the city, village or municipality. Any policeman or fireman, who is a member of the retirement system, (1) who is transferred from the classification of a policeman or fireman to a civilian position within the police or fire department or (2) who is transferred from the police or fire department of the city, village or municipality to another department of the city, village or municipality by an officer or body of such city, village or municipality authorized to make such transfer, shall continue a member of this retirement system covering policemen and firemen, and shall be subject to all provisions of said retirement system: Provided, That in event the officers and employees of the department to which said individual is transferred are now or may be hereafter covered by an annuity pension, or retirement system to which the said city, village or municipality makes contributions and said individual so transferred becomes entitled to membership in said system, he shall thereupon cease to be a member of this policemen and firemen retirement system.
- (2) The membership of the retirement system shall not include (1) volunteer firemen, (2) privately employed policemen and firemen, (3) persons temporarily employed during emergencies, nor (4) civilian employees of the police and fire departments, except as provided in subsection (1) of this section.

This act is ordered to take immediate effect.

Approved March 30, 1951.

[No. 17.]

AN ACT to amend section 45 of Act No. 172 of the Public Acts of 1929, entitled as amended "An act to revise the laws relating to the making, approving, filing, recording, altering and vacating of plats; to require the recording of plats on subdivided properties; to provide for reserving easements for utilities in vacated streets and alleys; to provide penalties for the violation thereof; and to repeal certain acts," being section 560.45 of the Compiled Laws of 1948.

The People of the State of Michigan enact:

Section amended.

Section 1. Section 45 of Act No. 172 of the Public Acts of 1929, being section 560.45 of the Compiled Laws of 1948, is hereby amended to read as follows:

- 560.45 Register of deeds; plat book and plat file, official record. [M.S.A. 26.475]
- Sec. 45. The register of deeds upon receipt of a plat from the auditor general, shall fasten the plat in a book of the proper size for such paper so that it shall not be folded, which book shall be strongly bound, having rigid covers, or the plat may be filed in a plat file having drawers or compartments which will contain not more than 50 sheets of plats each, without folding, in which case each drawer or compartment shall be given a book number and each plat sheet a page number and, whichever used, provided at the expense of the county. The copy so fastened or filed shall be held and taken to be a record of the plat, with like effect as if the plat had been transcribed by the register of deeds in a book in his office.

Approved April 5, 1951.

EXHIBIT - 7

Sec. 9.1 - Power to tax; tax limit.

The city shall have the power to assess taxes and to lay and collect rents, tolls and excises. The annual general ad valorem tax levy for municipal purposes shall not exceed nine-tenths (0.9) of one (1) percent of the assessed value of all real and personal property in the city: Provided that in addition to the foregoing, the city shall have the power to levy three-tenths (0.3) of one (1) mill of the assessed valuation as equalized. of all property in the city for the purpose of additional fire department life support units: Provided further that in addition to the foregoing, the city shall have the power to levy .9798 of one (1) mill each year for police protection for a period of twenty (20) years (authorized on August 4,1998); Provided further that in addition to the foregoing, the city shall have the power to levy .9798 of one (1) mill each year for fire and emergency medical rescue services for a period of twenty (20) years (authorized on August 4, 1998); Provided further that in addition to the foregoing, the city shall have the power to continue to levy .9676 mills each year for police protection for twenty (20) years, following expiration of the .9798 tax levy authorized on August 4,1998 and continuing through the December 2038 tax levy. Provided further that in addition to the foregoing, the city shall have the power to continue to levy .9676 each year for fire and emergency medical services for twenty (20) years, following expiration of the tax levy of the .9798 mills authorized on August 4, 1998, and continuing through the December 2038 tax levy. Provided further that in addition to the foregoing, the city shall have the power to levy one 91) mill for Parks and Recreation and Forestry effective August 4, 1992: Provided further that in addition to the foregoing, the City shall have the power to levy an additional two and one-tenth (2.1) mills for the repair and replacement of local streets and roadways for a period of five (5) years (authorized on November 2011): Provided further that in addition to the foregoing, the City shall have the power to continue to levy two and one-tenth (2.1) mills for the repair and replacement of local streets and roadways for an additional five (5) years, upon expiration of the tax levy of two and one-tenth (2.1) mills for local streets and roads (authorized on November 2011), and beginning with the December 2016 tax levy and continuing through the December 2020 tax levy. Provided further that the city shall be have the power to continue to levy an additional two and one-tenth (2.1) mills for local street and roadways, which may include local paved areas, for an additional five (5) years, beginning with the tax levy in December 2021 and continuing, through the July 2025 tax year***; Provided further that in addition to the foregoing, the city shall have the power to levy an additional four and ninetenths (4.9) mills each year for police protection and fire safety protection for a period of five (5) years. effective August 7, 2012. Provided further that in addition to the foregoing, the city shall have the power to continue to levy an additional four and nine-tenths (4.9) mills each year for police and fire safety protection for five (5) years, after the expiration of the tax levy of the additional four and nine-tenths (4.9) mills authorized on August 2, 2016, and continuing through the December 2021 tax levy. Provided further that the City shall have the power to continue to levy an additional four and nine-tenths (4.9) mills each year to police and fire safety protection for five (5) years, beginning with the July 2022 tax levy and ending though the July 2026 tax levy.

(Amended by electors on 11-6-79; amended by electors on 4-28-98; Amended by electors on 8-9-11; Amended by electors on 8-7-12; Amended by electors on 8-2-16; Amended by electors on 8-3-21)

State Law reference— Mandatory that Charter provide for annually levying and collecting taxes, MCL 117.3(g).