

STATE OF MICHIGAN
WAYNE COUNTY CIRCUIT COURT

WESTLAND RETAIL CENTER LLC,
individually and as representative of a class
of similarly-situated persons and entities,

Case No. 22- -CZ

Plaintiff,

v.

CITY OF WESTLAND, MICHIGAN,
a municipal corporation,

Defendant.

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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**

EXHIBITS 1 - 7

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

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

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, or an amended 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

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

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

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 Westland, Michigan

**Financial Report
with Supplemental Information
June 30, 2021**

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The City of Westland, Michigan (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:

Reporting Entity

The City is governed by an elected mayor and an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Except for the fiduciary component units, the discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City, and separate financial statements are not issued.

Blended Component Units

The City of Westland Building Authority is governed by a three-member board that is appointed by the mayor and approved by the City Council. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

Local Development Finance Authority

The Local Development Finance Authority was created to promote economic growth and business development within the community. The Local Development Finance Authority's governing body consists of 11 individuals. The mayor appoints 7 of these individuals, and the other 4 individuals are made up of 1 member appointed by the County Board of Commissioners, 1 representative of the local community college, and 2 members appointed by the local school district. In addition, the Authority's budget is subject to approval by the City Council. The Local Development Finance Authority does not issue its own financial statements.

Economic Development Corporation

The Economic Development Corporation (EDC) was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to residents of the City. The EDC's governing body consists of 9 individuals appointed by the mayor and confirmed by the City Council. The Economic Development Corporation does not issue its own financial statements. The EDC had no financial activity in the current year.

Downtown Development Authority

The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA's governing body, which consists of 11 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the DDA's budget is subject to approval by the City Council. The Downtown Development Authority does not issue its own financial statements.

Note 1 - Significant Accounting Policies (Continued)

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (the "Authority") was created to remediate contaminated properties located within the City and to promote economic growth for these properties through the use of a state-approved revolving loan fund. The properties included are listed as contaminated by the Environmental Protection Agency. The Authority's governing body, which consists of 9 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the Authority's budget is subject to approval by the City Council. The Brownfield Redevelopment Authority does not issue its own financial statements.

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) was created to implement infrastructure improvement within the specified district. The TIFA's governing body, which consists of 9 individuals, is appointed by the mayor and confirmed by the City Council. In addition, the TIFA's budget is subject to approval by the City Council. The Tax Increment Finance Authority does not issue its own financial statements.

Westland Public Library

The Westland Public Library (the "Library") accounts for the dedicated property tax millages and the provision of library services to residents. The Library's governing body consists of 5 individuals appointed by the mayor and confirmed by the City Council. The City provides services to the Library without charging for the full value of the services. The City has also assumed the obligation to finance any deficits of the Library. The Library does not issue its own financial statements.

Fiduciary Component Units

Pension and OPEB Plans

The Police and Fire Retirement System is governed by the pension board, which consists of five members - two elected by plan members; two appointed by the City; and the city treasurer, who serves as an ex officio member. The other postemployment benefits plan is governed by the City Council. Although they are legally separate from the City, they are reported as fiduciary component units because the City governs the plans or appoints a voting majority to the board and the plans impose a financial burden on the City.

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. 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.

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 and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements.

Note 1 - Significant Accounting Policies (Continued)

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 are reported as separate columns in the fund financial statements.

Fund Accounting

The City accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources; separate funds allow us to show the particular expenditures for which specific revenue was 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. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following fund as a major governmental fund:

- 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.

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 will not be used to operate our government's programs. Activities that are reported as fiduciary include the following:

- The Police and Fire Retirement System Fund accounts for the activities of the Police and Fire Retirement System, which accumulates resources for pension and benefit payments to qualified police and fire employees.
- The Other Postemployment Benefits Fund accounts for the activities of the OPEB plan, which accumulates resources for retiree health care benefits to qualified employees.
- The fiduciary custodial funds consist of the District Court Fund and Tax Collection Fund. These funds account for assets held by the City in a fiduciary for individuals and other governments.

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.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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 government 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, some property taxes, special assessments, and grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow of resources.

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.

Specific Balances and Transactions**Cash and Cash Equivalents**

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

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. The fair value of real estate investments is based on periodic appraisals and the judgment of independent real estate advisors and management. Investments that do not have an established market value are reported at estimated fair value, as determined by the plan's management.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. No allowance for uncollectible accounts has been recorded, as the City believes all receivables will be collected.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)**Inventories and Prepaid Items**

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds 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.

Land Held for Sale

Land held for sale includes land and predevelopment costs and is stated at the lower of cost or market value.

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 or business-type 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.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Capital Asset Class	Depreciable Life - Years
Roads and sidewalks	30-40
Buildings and improvements	20-40
Water and sewer distribution systems	5-50
Tools and equipment	2-40

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2021, the General Fund balance of unearned revenue includes \$12,966,016 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

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 bond 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 as other financing sources, as well as bond premiums and discounts. The General Fund and debt service funds generally are used to liquidate governmental long-term debt.

Note 1 - Significant Accounting Policies (Continued)**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 a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

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 a future period and will not be recognized as an inflow of resources (revenue) until that time.

The City reports the following deferred outflows of resources and deferred inflows of resources:

	<u>Inflows</u>	<u>Outflows</u>
Unavailable revenue (revenue not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓

Net Position Flow Assumption

Sometimes, the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes, the City will 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 City 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.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. 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 either to remove or revise a commitment. The City Council has by resolution authorized the finance director, budget director, deputy mayor, and mayor to assign fund balance.

Property Tax Revenue

Property taxes are levied and become a lien on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on August 15, with the final collection date of February 28 before they are added to the delinquent county tax rolls.

The 2020 taxable valuation of the City totaled \$1.82 billion (a portion of which is abated and a portion of which is captured by the TIFA and DDA), on which taxes levied consisted of 6.3851 mills for operating purposes, 1.9082 mills for operations of the library, 8.0000 mills for the Police and Fire Retirement System, 0.0272 for City promotion, and 3.3936 mills for sanitation. The ad valorem taxes levied raised approximately \$11.7 million for city operations, approximately \$3.5 million for operation of the Library, approximately \$14.6 million for the Police and Fire Retirement System, \$50 thousand for city promotion, and approximately \$6.2 million for sanitation. Portions of the amounts levied have been captured by the tax increment financing authorities reported in the component units. These amounts, net of the amounts reported by the component units, are recognized in the respective General Fund and special revenue fund financial statements as taxes receivable or as tax revenue.

Pension

The City offers pension benefits to its employees. 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 purposes 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 pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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 some retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the City of Westland's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (primarily the General Fund and Water and Sewer Fund) are used to liquidate this obligation.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)**Proprietary Funds Operating Classification**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services and administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

June 30, 2021

Note 1 - Significant Accounting Policies (Continued)

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.

Reporting Change

In 2021, the City determined the Westland Public Library should be presented as a discretely presented component unit as opposed to a special revenue fund as it had previously been reported. As a result, governmental activities net position as of June 30, 2020 was reduced by \$6,274,920, and component unit net position was increased by the same amount. Nonmajor governmental funds fund balance was reduced by \$4,701,686 as of June 30, 2020.

Adoption of New Accounting Pronouncements

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: the Other Postemployment Benefits Fund and the additions and deductions of the Tax Collection Fund.

This was also the first year GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was applicable to the City's financial statements. This was a result of the Other Postemployment Benefits Fund now being reported as a fiduciary fund under GASB Statement No. 84. As a result, some of the disclosures within the OPEB plan footnotes have changed, along with the related schedules in the required supplemental information.

Additionally, the Trust and Agency Fund no longer meets the definition of a fiduciary activity. That activity is now recorded within the General Fund.

The effect of this new standard on net position in the fiduciary fund was as follows:

Net position - June 30, 2020 - As previously reported	\$ 167,850,726
Adjustment for GASB Statement No. 84 - To report OPEB fund	992,188
Net position - June 30, 2020 - As restated	<u>\$ 168,842,914</u>

June 30, 2021

Note 2 - Stewardship, Compliance, and Accountability**Construction Code Fees**

The City oversees building construction in accordance with the State's Construction Code Act, including inspection of building construction and renovation, to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2020	\$ (3,266,042)
Current year permit revenue	2,105,022
Estimated indirect costs	<u>2,109,646</u>
Current year shortfall	<u>(4,624)</u>
Cumulative shortfall at June 30, 2021	<u>\$ (3,270,666)</u>

Note 3 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the State of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension and OPEB trust funds are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City's deposits and investment policies are in accordance with statutory authority.

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the City of Westland, Michigan's Police and Fire Retirement System (the "System") lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 100 percent of the market value of the loaned securities. During the year ended June 30, 2021, only United States currency was received as collateral. The City then converts that cash received as collateral into other investments.

The System does not impose a limit on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

The City of Westland, Michigan's Police and Fire Retirement System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pools as of June 30, 2021 was one day because the loans are terminable on demand; their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2021, the System had no credit risk exposure to borrowers. The collateral held (at cost) and the fair market value of the underlying securities on loan for the System as of June 30, 2021 totaled \$5,194,409 and \$5,031,481, respectively.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$60,100,391 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At year end, the component units had bank deposits of \$4,418,384 that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At year end, no investment securities were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the City had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Pension funds:		
U.S. Treasury	\$ 11,043,984	5.24
U.S. government agency securities	4,160,485	15.85
Corporate securities	4,735,702	6.00
Municipal bonds	3,511,650	5.17

June 30, 2021

Note 3 - Deposits and Investments (Continued)***Credit Risk***

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Fiduciary funds:			
Corporate securities	\$ 101,657	Aa3	Moody's
Corporate securities	864,271	A1	Moody's
Corporate securities	1,840,742	A2	Moody's
Corporate securities	652,357	A3	Moody's
Corporate securities	1,172,885	Baa1	Moody's
Corporate securities	103,790	NR	N/A
Municipal bonds	252,127	Aaa	Moody's
Municipal bonds	557,217	Aa1	Moody's
Municipal bonds	932,654	Aa2	Moody's
Municipal bonds	100,544	Aa3	Moody's
Municipal bonds	1,669,108	NR	N/A
U.S. government securities	11,309,219	Aaa	Moody's
U.S. government securities	3,895,250	NR	N/A

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. For the year ended June 30, 2021, the City was invested in United States Treasury bonds, Vanguard Midcap Index Fund I, HGK Trinity Street International Equity Fund, WTC-CIF II Small Cap Opportunities Portfolio, and various fixed-income funds, comprising 5.2 percent, 17 percent, 6.2 percent, 5.5 percent, and 8.5 percent respectively, of total investments.

Note 4 - Receivables

The City's receivables are as follows:

	General Fund	Nonmajor Funds	Total Governmental Activities	Business-type Activities	Total Primary Government	Component Units
Receivables:						
Property taxes receivable	\$ 307,642	\$ -	\$ 307,642	\$ -	\$ 307,642	\$ 35,153
Customer receivables	-	-	-	10,641,146	10,641,146	-
Other receivables	762,808	66,769	829,577	-	829,577	104,143
Due from other governments	4,199,441	1,740,778	5,940,219	-	5,940,219	36,775
Net receivables	<u>\$ 5,269,891</u>	<u>\$ 1,807,547</u>	<u>\$ 7,077,438</u>	<u>\$ 10,641,146</u>	<u>\$ 17,718,584</u>	<u>\$ 176,071</u>

The delinquent real property taxes of the City are purchased by the County of Wayne, Michigan (the "County"). The County issues tax notes, the proceeds of which were used to pay the City for these property taxes. These taxes have been recorded as revenue for the current year.

June 30, 2021

Note 4 - Receivables (Continued)

Governmental funds report deferred inflows of resources in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also recognize unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue are as follows:

	Revenue Not Available	Revenue Not Earned
General Fund - Personal property tax	\$ 300,761	\$ -
General Fund - E-911 wireless revenue	274,192	-
General Fund - Engineering fees	-	96,545
General Fund - General revenue	22,590	-
General Fund - Towing revenue	11,355	-
General Fund - Cable franchise fees	64,018	-
General Fund - Grant revenue	173,483	12,966,016
General Fund - State revenue	4,970	-
Other nonmajor - Grant revenue	8,772	-
Total	<u>\$ 860,141</u>	<u>\$ 13,062,561</u>

Note 5 - Capital Assets

Capital asset activity of the City's governmental and business-type activities as well as component units was as follows:

Governmental Activities

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,335,379	\$ -	\$ -	\$ -	\$ 3,335,379
Construction in progress	-	-	33,850	-	33,850
Subtotal	3,335,379	-	33,850	-	3,369,229
Capital assets being depreciated:					
Roads and sidewalks	603,231,848	-	5,453,151	-	608,684,999
Buildings and improvements	42,473,431	-	506,929	(154,472)	42,825,888
Other tools and equipment	21,485,110	-	1,186,345	(2,497,943)	20,173,512
Subtotal	667,190,389	-	7,146,425	(2,652,415)	671,684,399
Accumulated depreciation:					
Roads and sidewalks	466,698,059	-	10,754,359	-	477,452,418
Buildings and improvements	14,647,303	-	1,078,105	(154,472)	15,570,936
Other tools and equipment	14,420,796	-	1,491,352	(1,706,978)	14,205,170
Subtotal	495,766,158	-	13,323,816	(1,861,450)	507,228,524
Net capital assets being depreciated	171,424,231	-	(6,177,391)	(790,965)	164,455,875
Net governmental activities capital assets	<u>\$ 174,759,610</u>	<u>\$ -</u>	<u>\$ (6,143,541)</u>	<u>\$ (790,965)</u>	<u>\$ 167,825,104</u>

June 30, 2021

Note 5 - Capital Assets (Continued)***Business-type Activities***

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Water and Sewer Fund					
Capital assets being depreciated:					
Water and sewer lines	\$ 120,243,708	\$ -	\$ 1,996,220	\$ -	\$ 122,239,928
Buildings and improvements	2,190,379	-	12,999	(313,494)	1,889,884
Other tools and equipment	2,185,096	-	28,953	(465,611)	1,748,438
Vehicles	3,476,977	-	443,620	(235,319)	3,685,278
Subtotal	128,096,160	-	2,481,792	(1,014,424)	129,563,528
Accumulated depreciation:					
Water and sewer lines	37,866,573	-	3,449,467	-	41,316,040
Buildings and improvements	1,672,048	-	30,924	(313,494)	1,389,478
Other tools and equipment	1,565,178	-	134,026	(465,611)	1,233,593
Vehicles	1,824,673	-	322,951	(235,319)	1,912,305
Subtotal	42,928,472	-	3,937,368	(1,014,424)	45,851,416
Net business-type activities capital assets	\$ 85,167,688	\$ -	\$ (1,455,576)	\$ -	\$ 83,712,112

Component Units

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Land	\$ 497,601	\$ -	\$ -	\$ -	\$ 497,601
Capital assets being depreciated:					
Library buildings and improvements	1,220,245	-	16,797	-	1,237,042
Library other tools and equipment	6,349,306	-	307,546	-	6,656,852
DDA improvements	7,691,958	-	59,958	-	7,751,916
TIFA improvements	1,002,116	-	1,325	-	1,003,441
Subtotal	16,263,625	-	385,626	-	16,649,251
Accumulated depreciation:					
Library buildings and improvements	430,598	-	57,669	-	488,267
Library other tools and equipment	5,650,531	-	293,036	-	5,943,567
DDA improvements	2,073,680	-	251,772	-	2,325,452
TIFA improvements	341,096	-	68,316	-	409,412
Subtotal	8,495,905	-	670,793	-	9,166,698
Net capital assets being depreciated	7,767,720	-	(285,167)	-	7,482,553
Net component units capital assets	\$ 8,265,321	\$ -	\$ (285,167)	\$ -	\$ 7,980,154

June 30, 2021

Note 5 - Capital Assets (Continued)

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,851,745
Police	309,980
Fire	234,128
Major roads	5,263,216
Local roads	5,416,501
Parks and recreation	248,246
Total governmental activities	<u>\$ 13,323,816</u>
Business-type activities - Enterprise fund - Water and Sewer Fund	\$ 3,937,368
Component unit activities:	
Downtown Development Authority	\$ 251,772
Tax Increment Finance Authority	68,316
Westland Public Library	350,705
Total component unit activities	<u>\$ 670,793</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other nonmajor governmental funds	\$ 776,061
	Water and Sewer Fund	29,070
	Total General Fund	805,131
Other nonmajor governmental funds	General Fund	42,778
	Other nonmajor governmental funds	260,181
	Other nonmajor governmental funds	302,959
	Total	<u>\$ 1,108,090</u>

June 30, 2021

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

The balance of due to and due from amounts between the primary government and discretely presented component units is as follows:

Receivable	Payable	Amount
Primary government - General Fund	Component unit - Brownfield Redevelopment Authority	\$ 19,000
	Component unit - Tax Increment Finance Authority	3,930
	Component unit - Downtown Development Authority	15,120
	Component unit - Westland Public Library	7,892
	Total primary government - General Fund	45,942
Component unit - Tax Increment Finance Authority	Primary government - General Fund	6,250
Component unit - Downtown Development Authority	Primary government - General Fund	6,250
	Total	<u>\$ 58,442</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Other nonmajor governmental funds (1)(4)	\$ 2,548,812
Other nonmajor governmental funds	General Fund (3)	30,626
	Other nonmajor governmental funds (2)	1,588,998
	Total other nonmajor governmental funds	1,619,624
	Total	<u>\$ 4,168,436</u>

(1) Transfers for debt service and capital improvements

(2) Transfer for local road construction and maintenance

(3) Transfer for operating contributions

(4) Transfer of local match for Michigan Indigent Defense Commission

June 30, 2021

Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities and to fund their pension obligation. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2015 Capital		\$72,325 -					
Improvement Bond	3.25% - 5%	\$123,333	\$ 1,364,784	\$ -	\$ (72,325)	\$ 1,292,459	\$ 76,799
2021 Pension Obligation	0.185% -	\$1,795,960 -					
Bonds	2.775%	\$3,180,980	-	62,759,670	-	62,759,670	1,795,960
Unamortized bond premium	N/A	\$3,523	52,839	-	(3,523)	49,316	3,523
Total other debt principal outstanding			1,417,623	62,759,670	(75,848)	64,101,445	1,876,282
Direct borrowings and direct placements:							
2013 New City Hall	2.6%	\$100,000-\$145,000	985,000	-	(100,000)	885,000	115,000
HUD Section 108 Loan	2.35%	\$47,000-\$48,000	383,000	-	(48,000)	335,000	48,000
2018 Fire Truck	3.43%	\$93,709-\$107,242	501,804	-	(93,708)	408,096	96,922
2020 Self-Contained Breathing Apparatus	2.232%	\$59,407-\$62,224	244,171	-	(61,742)	182,429	59,407
2020 Lenovo Computer Capital Lease	3.5%	\$17,085-\$39,997	132,879	-	(37,215)	95,664	38,582
Total direct borrowings and direct placements principal outstanding			2,246,854	-	(340,665)	1,906,189	357,911
Total bonds and contracts payable			3,664,477	62,759,670	(416,513)	66,007,634	2,234,193
Compensated absences			9,917,610	4,150,708	(4,410,274)	9,658,044	4,855,249
Total governmental activities long-term debt			<u>\$ 13,582,087</u>	<u>\$ 66,910,378</u>	<u>\$ (4,826,787)</u>	<u>\$ 75,665,678</u>	<u>\$ 7,089,442</u>

June 30, 2021

Note 7 - Long-term Debt (Continued)***Business-type Activities***

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2015 Capital Improvement Bond	3.25%-5%	\$72,325-\$123,333	\$ 7,790,220	\$ -	\$ (412,675)	\$ 7,377,545	\$ 438,202
2014 Capital Improvement Bond	3%-4%	\$225,000-\$400,000	4,025,000	-	(225,000)	3,800,000	250,000
2021 Pension Obligation Bonds	0.185%-2.775%	\$564,040-\$999,020	-	19,710,330	-	19,710,330	564,040
Unamortized bond premium	N/A	\$20,955-\$23,517	350,191	-	(23,517)	326,674	23,517
Total other debt principal outstanding			12,165,411	19,710,330	(661,192)	31,214,549	1,275,759
Direct borrowings and direct placements:							
2010 State Revolving Fund Loan	2.5%	\$30,000-\$35,000	312,794	-	(30,000)	282,794	30,000
2010 Strategic Water Quality Initiatives Loan	2.5%	\$125,000-\$162,183	1,567,183	-	(125,000)	1,442,183	130,000
Total direct borrowings and direct placements principal outstanding			1,879,977	-	(155,000)	1,724,977	160,000
Total bonds and contracts payable			14,045,388	19,710,330	(816,192)	32,939,526	1,435,759
Compensated absences			313,640	172,145	(215,956)	269,829	265,505
Total business-type activities long-term debt			<u>\$ 14,359,028</u>	<u>\$ 19,882,475</u>	<u>\$ (1,032,148)</u>	<u>\$ 33,209,355</u>	<u>\$ 1,701,264</u>

June 30, 2021

Note 7 - Long-term Debt (Continued)**Component Units**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt:							
2013 Tax Increment							
Financing Bonds - City		\$725,000 -					
Hall and Fire Station	3.5%-4%	\$755,000	\$ 13,340,000	\$ -	\$(11,860,000)	\$ 1,480,000	\$ 725,000
2014 Downtown							
Development Bonds -		\$305,000-					
Farmer's Market	2.5%-3.125%	\$335,000	1,595,000	-	(305,000)	1,290,000	310,000
2021 Tax Increment		\$230,000-					
Refunding Bonds	0.25%-2.41%	\$1,195,000	-	12,460,000	-	12,460,000	265,000
Total bonds and contracts payable			14,935,000	12,460,000	(12,165,000)	15,230,000	1,300,000
Compensated absences			-	15,557	-	15,557	15,557
Total component unit long-term debt			<u>\$ 14,935,000</u>	<u>\$ 12,475,557</u>	<u>\$(12,165,000)</u>	<u>\$ 15,245,557</u>	<u>\$ 1,315,557</u>

June 30, 2021

Note 7 - Long-term Debt (Continued)***Debt Service Requirements to Maturity***

Total interest incurred related to governmental and business-type activities and component units for the year approximated \$530,000, \$611,000, and \$565,000, respectively. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 357,911	\$ 52,226	\$ 1,876,282	\$ 1,477,770	\$ 3,764,189
2023	364,043	41,876	2,107,563	1,242,284	3,755,766
2024	350,993	30,766	2,119,647	1,232,616	3,734,022
2025	280,242	20,640	2,130,985	1,221,164	3,653,031
2026	178,000	12,349	2,147,619	1,205,099	3,543,067
2027-2031	375,000	10,120	11,128,267	5,634,789	17,148,176
2032-2036	-	-	11,888,536	4,614,737	16,503,273
2037-2041	-	-	12,872,315	3,241,589	16,113,904
Thereafter	-	-	17,830,231	1,508,285	19,338,516
Total	\$ 1,906,189	\$ 167,977	\$ 64,101,445	\$ 21,378,333	\$ 87,553,944

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 160,000	\$ 43,124	\$ 1,275,759	\$ 861,241	\$ 2,340,124
2023	160,000	39,124	1,364,476	759,080	2,322,680
2024	165,000	35,124	1,392,393	727,036	2,319,553
2025	170,000	30,999	1,441,054	693,225	2,335,278
2026	170,000	26,749	1,474,420	653,460	2,324,629
2027-2031	899,977	66,927	8,076,931	2,711,944	11,755,779
2032-2036	-	-	6,547,060	1,563,371	8,110,431
2037-2041	-	-	4,042,685	1,018,055	5,060,740
Thereafter	-	-	5,599,771	473,693	6,073,464
Total	\$ 1,724,977	\$ 242,047	\$ 31,214,549	\$ 9,461,105	\$ 42,642,678

Years Ending June 30	Component Units		
	Other Debt		
	Principal	Interest	Total
2022	\$ 1,300,000	\$ 268,761	\$ 1,568,761
2023	1,305,000	265,480	1,570,480
2024	1,340,000	225,675	1,565,675
2025	1,360,000	209,835	1,569,835
2026	1,035,000	189,629	1,224,629
2027-2031	5,390,000	717,834	6,107,834
2032-2036	3,500,000	165,416	3,665,416
2037-2041	-	-	-
Thereafter	-	-	-
Total	\$ 15,230,000	\$ 2,042,630	\$ 17,272,630

Note 7 - Long-term Debt (Continued)

Advance Bond Refunding

During the year, the City issued \$12,460,000 in tax increment refunding bonds with an average interest rate of 1.93 percent. The proceeds of these bonds were used to advance refund \$11,155,000 of outstanding tax increment bonds with an average interest rate of 5.12 percent. The net proceeds of \$12,261,006 (after payment of \$197,721 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased, and the liability for the bonds has been removed from long-term debt. The advance refunding reduced total debt service payments over the next 13 years by \$1,681,564, which represents an economic gain of approximately \$1,490,318.

Pension Obligation Bonds

During the year, the City issued the 2021 Pension Obligation Bonds in an amount of \$82,470,000 to partially fund the MERS pension plan (the "plan") and reduce future annual required contribution payments into the plan. The bonds were allocated between governmental activities and business-type activities in the amounts of \$62,759,670 and \$19,710,330, respectively. The General Fund reports this activity at face value of the debt issued in the amount of \$62,759,670 as an other financing source, whereas the \$62,759,670 will be reported as debt on the governmental activities basis of reporting. Likewise, the Water and Sewer Fund will report the \$19,710,330 as debt. Both the General Fund and Water and Sewer Fund reported an additional contribution to the MERS pension plan of \$62,118,022 and \$19,508,814, respectively. The additional contributions were made subsequent to the MERS pension plan's year end of December 31, 2020 and, therefore, is recorded as a deferred outflow of resources as of June 30, 2021. This will reduce the net pension liability for the MERS pension plan's December 31, 2021 measurement date and is expected to achieve significant cash savings for the City over the life of the bonds.

Note 8 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City is self-insured for medical claims and participates in the Michigan Municipal Risk Management Authority (the "Authority") risk pool for claims relating to property loss, torts, and errors and omissions; the City is uninsured for workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City.

June 30, 2021

Note 8 - Risk Management (Continued)

The City estimates the liability for general liability claims, workers' compensation claims, and health insurance claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. The estimates for the general liability, workers' compensation, and health claims are all included in the government-wide statement of net position allocated between governmental and business-type activities. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability		Workers' Compensation		Medical Claims		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 1,131,705	\$ 2,139,554	\$ 401,829	\$ 284,594	\$ 740,207	\$ 745,804	\$ 2,273,741	\$ 3,169,952
Estimated claims incurred, including changes in estimates	1,922,911	347,618	125,114	336,572	8,523,668	8,674,031	10,571,693	9,358,221
Claim payments	(1,482,769)	(1,355,467)	(191,588)	(219,337)	(8,836,576)	(8,679,628)	(10,510,933)	(10,254,432)
Estimated liability - End of year	<u>\$ 1,571,847</u>	<u>\$ 1,131,705</u>	<u>\$ 335,355</u>	<u>\$ 401,829</u>	<u>\$ 427,299</u>	<u>\$ 740,207</u>	<u>\$ 2,334,501</u>	<u>\$ 2,273,741</u>

Of the total provision for claims liability, \$1,874,838 has been allocated to governmental activities and \$459,663 has been allocated to the Water and Sewer Fund.

Note 9 - Joint Ventures

The City participates in the Nankin Transit Commission with the Charter Township of Canton; the City of Garden City, Michigan; the City of Inkster, Michigan; and the City of Wayne, Michigan. The City appoints two members to the Nankin Transit Commission's governing board, which then approves the annual budget.

The City also participates in the Central Wayne County Sanitation Authority with the City of Dearborn Heights, Michigan; the City of Garden City, Michigan; the City of Inkster, Michigan; and the City of Wayne, Michigan. The City appoints one member to the Central Wayne County Sanitation Authority's board, which then approves the annual budget.

The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Complete financial statements for the Nankin Transit Commission and the Central Wayne County Sanitation Authority can be obtained from their administrative offices at the Jefferson Barnes Community Center, 32150 Dorsey St., Westland, MI 48186 and 3579 Commerce Court, Wayne, MI 48184, respectively.

Note 10 - Contingent Liabilities***Open Litigation***

In the normal course of operations, claims and appeals have been filed against the City that may affect the General and Water and Sewer funds. The City is vigorously defending its position and does not believe any of these cases will result in a material liability. No liability has been recorded related to this litigation at this time.

June 30, 2021

Note 11 - Restricted Net Position

In addition to net position restricted for retirement system, sanitation, and road improvements, governmental activities net position has been restricted for the following purposes:

	Governmental Activities
Public safety - Drug forfeiture	\$ 316,232
Metroact broadband	267,802
Street lighting	880,705
Community development	1,733,077
Total restricted net position	<u>\$ 3,197,816</u>

Note 12 - Fund Balance Constraints

The detail of the various components of fund balance is as follows:

	General Fund	Nonmajor Funds
Nonspendable:		
Inventory/Assets held for resale	\$ 207,195	\$ -
Prepays	575,269	66,706
Total nonspendable	782,464	66,706
Restricted:		
Roads	-	7,501,255
Police and fire retirement	2,836,000	-
Community development	-	1,724,305
Drug forfeiture	-	316,232
Street lighting	-	880,705
Metroact broadband	267,802	-
Total restricted	3,103,802	10,422,497
Committed:		
Court capital projects	-	146,607
Tree Planting Program	53,056	-
Total committed	53,056	146,607
Assigned:		
Youth assistance	22,683	-
Capital projects	-	3,190,001
Police property room	19,050	-
Cable TV	1,115	-
Community promotion	12,666	-
Senior resources	26,252	-
Ice arena	19,290	-
Total assigned	101,056	3,190,001
Unassigned	6,250,952	-
Total fund balances	<u>\$ 10,291,330</u>	<u>\$ 13,825,811</u>

Note 13 - Pension Plans

Plan Description

The City of Westland, Michigan provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through a defined benefit, multiagency employer plan through MERS of Michigan, a defined contribution plan through MERS of Michigan, and the Police and Fire Retirement System.

The MERS plan issues a publicly available financial report that can be obtained at 1134 Municipal Way, Lansing, MI 48197; the Police and Fire Retirement System's public financial report is included within these financial statements.

Management of the Police and Fire Retirement System is vested in the pension board, which consists of five members - two elected by plan members; two appointed by the City; and the city treasurer, who serves as an ex officio member.

The City of Westland, Michigan also contributes to the Defined Contribution Plan, a defined contribution pension plan for certain employees who meet the eligibility requirements. The benefits are administered by MERS of Michigan.

The Library provides a 401(a) deferred compensation plan for certain employees who meet the eligibility requirements.

Benefits Provided

The Police and Fire Retirement System and the MERS plan provide retirement, disability, and death benefits to all full-time police and fire employees; all dispatchers, court union, and supervisory employees; and certain other employee groups who were hired prior to various plan closing dates. Retirement benefits are calculated as various percentages (ranging from 1.5 to 2.8 percent) of the employee's final 3-year or 5-year average compensation times the employee's years of service. To be eligible, employees must have a minimum number of years of service (ranging from 25 to 30) and must meet minimum retirement age in most circumstances. The benefits also include nonduty disability benefits and disability retirement benefits, in limited situations. An employee who leaves city service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to some employees' retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5 percent noncompounded after age 55 or 50 and limited to 15-25 years.

Benefit terms are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

Benefit terms, including contribution requirements, for the Defined Contribution Plan are established and may be amended by the City Council. For each employee in the pension plan, the City is required to contribute 10 to 15 percent of annual salary, exclusive of overtime pay, to an individual employee account. Employees are permitted to make contributions to the pension plan up to applicable Internal Revenue Code limits.

Benefit terms for the Library 401(a) deferred compensation plan require an employer contribution of 10 percent of annual salary.

June 30, 2021

Note 13 - Pension Plans (Continued)***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	Police and Fire Retirement System	MERS Plan
Date of member count	July 1, 2020	December 31, 2020
Inactive plan members or beneficiaries currently receiving benefits	289	317
Inactive plan members entitled to but not yet receiving benefits	2	44
Active plan members	136	62
Total employees covered by the plan	427	423

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. MERS and the City hire independent actuaries for this purpose and annually contribute the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the amounts agreed upon in union contracts. The City's required contribution is determined after consideration of the required contribution rate of employees.

During the year ended June 30, 2021, the City issued pension obligation bonds to partially fund the MERS plan and reduce future annual required contributions. The additional contribution made subsequent to the plan's year end as a result of the bond issuance was \$81,626,836 and has been allocated between governmental activities and business-type activities.

Net Pension Liability

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension 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.

	Police and Fire Retirement System	MERS Plan
Measurement date used for the City's net pension liability	June 30, 2021	December 31, 2020
Based on a comprehensive actuarial valuation as of	June 30, 2020	December 31, 2020

The components of the net pension liability of the City at June 30, 2021 were as follows:

	Police and Fire Retirement System	MERS Plan	Total
Total pension liability	\$ 240,491,457	\$ 149,569,650	\$ 390,061,107
Plan fiduciary net position	(210,721,132)	(63,594,497)	(274,315,629)
City's net pension liability	\$ 29,770,325	\$ 85,975,153	\$ 115,745,478

June 30, 2021

Note 13 - Pension Plans (Continued)

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

Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at June 30, 2020	\$ 237,762,188	\$ 167,850,726	\$ 69,911,462
Changes for the year:			
Service cost	2,940,861	-	2,940,861
Interest	16,810,308	-	16,810,308
Changes in benefits	62,988	-	62,988
Differences between expected and actual experience	1,138,907	-	1,138,907
Changes in assumptions	(550,383)	-	(550,383)
Contributions - Employer	-	7,595,440	(7,595,440)
Contributions - Employee	-	902,404	(902,404)
Net investment income	-	52,446,605	(52,446,605)
Benefit payments, including refunds	(17,673,412)	(17,673,412)	-
Administrative expenses	-	(400,631)	400,631
Net changes	2,729,269	42,870,406	(40,141,137)
Balance at June 30, 2021	<u>\$ 240,491,457</u>	<u>\$ 210,721,132</u>	<u>\$ 29,770,325</u>

The entire police and fire pension liability is allocated to governmental activities.

The plan's fiduciary net position represents 88 percent of the total pension liability.

MERS Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 142,672,169	\$ 58,006,090	\$ 84,666,079
Changes for the year:			
Service cost	690,398	-	690,398
Interest	10,489,618	-	10,489,618
Differences between expected and actual experience	220,372	-	220,372
Changes in assumptions	5,489,286	-	5,489,286
Contributions - Employer	-	7,531,477	(7,531,477)
Contributions - Employee	-	254,324	(254,324)
Net investment income	-	7,909,068	(7,909,068)
Benefit payments, including refunds	(9,990,167)	(9,990,167)	-
Administrative expenses	-	(114,271)	114,271
Miscellaneous other charges	(2,026)	(2,024)	(2)
Net changes	6,897,481	5,588,407	1,309,074
Balance at December 31, 2020	<u>\$ 149,569,650</u>	<u>\$ 63,594,497</u>	<u>\$ 85,975,153</u>

Of the total pension liability, \$65,415,878 has been allocated to governmental activities and \$20,559,275 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 43 percent of the total pension liability.

June 30, 2021

Note 13 - 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 \$11,406,926 from all plans, which includes defined contribution plan expense of \$501,163 (employee contributions to defined contribution plans totaled \$219,273).

For the year ended June 30, 2021, the Library recognized deferred compensation expense of \$117,338.

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	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,321,634	\$ 1,283,674
Changes in assumptions	2,442,324	412,787
Net difference between projected and actual earnings on pension plan investments	-	32,982,776
Employer contributions to the plan subsequent to the measurement date	83,246,732	-
Total	<u>\$ 87,010,690</u>	<u>\$ 34,679,237</u>

Of the net deferred outflows of resources, \$67,102,956 has been allocated to governmental activities and \$19,907,734 has been allocated to the Water and Sewer Fund. Of the net deferred inflows of resources, \$34,090,867 has been allocated to governmental activities and \$588,370 has been allocated to the Water and Sewer Fund.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that \$83,246,732 of employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2022	\$ (7,985,525)
2023	(5,485,182)
2024	(8,605,689)
2025	(8,838,883)
Total	<u>\$ (30,915,279)</u>

June 30, 2021

Note 13 - Pension Plans (Continued)**Actuarial Assumptions**

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

	Police and Fire Retirement System	MERS Plan
Inflation	2.75%	2.5%
Salary increases (including inflation)	3.25%	3.0%
Investment rate of return (net of investment expenses)	7.25%	7.60%
Mortality rates	PubS-2010 Mortality Tables	Pub-2010

The actuarial assumptions used in the December 31, 2020 MERS plan valuation were based on the results of the most recent actuarial experience study conducted for the period from January 1, 2014 through December 31, 2018.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

	Police and Fire Retirement System	MERS Plan
Assumed investment rate of return	7.25%	7.60%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure total pension liability	7.25%	7.60%

Investment Rate of Return

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 Police and Fire Retirement System's policy with regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board 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 plan's 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.

June 30, 2021

Note 13 - Pension Plans (Continued)

The following tables represent best estimates of arithmetic real rates of return as of the measurement date for each major asset class included in the pension plans' target asset allocations, as well as the pension board's adopted asset allocation policy as of June 30, 2021:

Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20.00 %	2.40 %
Equities	60.00	5.32
Real estate	7.50	6.00
Other	12.50	7.44

MERS Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the Police and Fire Retirement System	\$ 56,658,993	\$ 29,770,325	\$ 7,053,199
Net pension liability of the MERS plan	102,539,794	85,975,153	72,096,692

Pension Plan Fiduciary Net Position

Detailed information about the MERS plan's fiduciary net position is available in the separately issued financial report, whereas the Police and Fire Retirement System is included as a pension trust fund in these financial statements. 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 plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses 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

Significant assumption changes for the MERS plan are as follows: mortality tables used in determining the total pension liability were changed from the RP-2014 tables to the Pub-2010 tables.

In the Police and Fire Retirement System valuation, the mortality generational improvement scale was updated from MP-2019 to MP-2020 to reflect anticipated plan experience.

June 30, 2021

Note 13 - Pension Plans (Continued)***Rate of Return***

For the year ended June 30, 2021, the annual money-weighted rate of return on Police and Fire Retirement System investments, net of pension plan investment expense, was 31.52 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan provisions, the following reserves are required to be set aside within the 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 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 7.25 percent. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at June 30, 2021 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 189,490,232	\$ 189,490,232
Employee reserve	4,863,074	4,863,074
Employer reserve	-	16,367,826
Total	<u>\$ 194,353,306</u>	<u>\$ 210,721,132</u>

Note 14 - Other Postemployment Benefit Plan***Plan Description***

The City provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the City of Westland Retiree Health Care Plan, a single-employer plan administered by the City of Westland Retiree Health Care Plan board. All plan investments are held in the MERS of Michigan Retiree Health Funding Vehicle. The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (fiduciary fund).

Management of the plan is vested in the City Council.

Benefits Provided

The City of Westland Retiree Health Care Plan provides health care benefits for eligible employees upon retirement in accordance with labor contracts and city council resolution. Benefits are provided through the City's self-insurance program, and the full cost of benefits is covered by the plan.

June 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	City of Westland Retiree Health Care Plan
Date of member count	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	471
Inactive plan members entitled to but not yet receiving benefits	62
Active plan members	158
Total plan members	691

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. Additionally, the City contributes additional contributions, as determined by the City Council. For the fiscal year ended June 30, 2021, the City made payments for postemployment health benefit premiums of \$7,311,804 plus prefunded contributions of \$500,000.

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021.

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 156,742,769	\$ 992,188	\$ 155,750,581
Changes for the year:			
Service cost	860,271	-	860,271
Interest	8,053,872	-	8,053,872
Changes in benefits	(8,323)	-	(8,323)
Differences between expected and actual experience	3,497,912	-	3,497,912
Changes in assumptions	(3,244,226)	-	(3,244,226)
Contributions - Employer	-	7,811,804	(7,811,804)
Net investment income	-	329,841	(329,841)
Benefit payments, including refunds	(7,311,804)	(7,311,804)	-
Administrative expenses	-	(2,636)	2,636
Net changes	1,847,702	827,205	1,020,497
Balance at June 30, 2021	\$ 158,590,471	\$ 1,819,393	\$ 156,771,078

Of the net OPEB liability, \$137,102,382 has been allocated to governmental activities and \$19,668,696 has been allocated to the Water and Sewer Fund.

The plan's fiduciary net position represents 1 percent of the total OPEB liability.

June 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)***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 an OPEB cost reduction of \$16,975,193.

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	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,623,434	\$ 14,971,932
Changes in assumptions	1,516,834	12,022,692
Net difference between projected and actual earnings on OPEB plan investments	-	170,862
Total	<u>\$ 4,140,268</u>	<u>\$ 27,165,486</u>

Of the net deferred outflows of resources, \$3,620,825 has been allocated to governmental activities and \$519,443 has been allocated to the Water and Sewer Fund.

Of the net deferred inflows of resources, \$23,757,270 has been allocated to governmental activities and \$3,408,216 has been allocated to the Water and Sewer Fund.

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

Years Ending June 30	Amount
2022	\$ (20,384,046)
2023	(2,612,965)
2024	22,746
2025	(50,953)
Total	<u>\$ (23,025,218)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 3.00 percent; an assumed investment rate of return of 7.18 percent; a health care cost trend rate of 8.00 percent for 2022, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2029 and later years; and the Pub-2010 mortality tables using Scale MP-2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.85 percent. The projection of cash flows used to determine the discount rate assumed that the City will continue making annual \$500,000 pre-funding contributions to the trust and that pay-go costs will be fully paid by the City.

Based on those assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees through the year ending in 2032. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 7.18 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which was taken from a range of three indices as of June 30, 2021.

June 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)***Investment Rate of Return***

The long-term expected rate of return on OPEB 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 OPEB 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private investments	7.25

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.85 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.85%)	Current Discount Rate (5.85%)	1 Percentage Point Increase (6.85%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 177,978,412	\$ 156,771,078	\$ 139,507,155

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 8.00 percent, as well as what the City's net OPEB liability would be if it 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 (7%)	Current Health Care Cost Trend Rate (8%)	1 Percentage Point Increase (9%)
Net OPEB liability of the City of Westland Retiree Health Care Plan	\$ 139,774,297	\$ 156,771,078	\$ 177,571,665

Assumption Changes

The City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: mortality tables used in determining the total OPEB liability were changed from RPH-2018 tables using Scale MP-2018 to Pub-2010 tables using Scale MP-2020, the discount rate was increased from 5.23 to 5.85 percent, health care cost trend rates have been adjusted for actual premium charge rates, and payroll growth rates have been updated.

June 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)***Investment Policy***

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's 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. The following was the OPEB board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Global equity	54.40 %
Global fixed income	24.70
Private investments	20.90

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 28.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 15 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

June 30, 2021

Note 15 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	Assets Measured at Fair Value on a Recurring Basis			
	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
ADR	\$ 10,358,754	\$ 10,358,754	\$ -	\$ -
Closed-end MF - Equity	10,222,663	10,222,663	-	-
Open-end MF - Equity	35,628,016	35,628,016	-	-
Common stock	55,007,643	55,007,643	-	-
Corporate bonds	4,528,052	-	4,528,052	-
Foreign stock	2,077,121	2,077,121	-	-
Mortgage-backed securities	3,895,250	-	3,895,250	-
Municipal obligations	3,511,650	-	3,511,650	-
Private placements	207,650	-	207,650	-
Real estate investment trusts	2,244,774	2,244,774	-	-
U.S. federal agencies	265,234	265,234	-	-
U.S. government obligations	11,043,984	11,043,984	-	-
Mutual funds under securities lending agreements	5,148,360	-	-	5,148,360
Total investments measured at fair value	<u>\$ 144,139,151</u>	<u>\$ 126,848,189</u>	<u>\$ 12,142,602</u>	<u>\$ 5,148,360</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of mortgage-backed securities, municipal obligations, corporate bonds, and private placements at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The fair value of mutual funds under securities lending agreements at June 30, 2021 was determined primarily based on Level 3 inputs. The City estimates the fair value of these investments using the City's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

June 30, 2021

Note 15 - Fair Value Measurements (Continued)

As of June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Collective investment funds (CIF) -				
Equity	\$ 11,541,884	\$ -	None	None
Real estate investment trusts	1,846	-	None	None
MERS Total Market Portfolio	1,819,393	-	None	None
CIF - Fixed income	23,690,943	-	None	None
Partnership alternative investment	3,934,946	-	None	None
Closely held equity	27,310,603	-	None	None
Total investments measured at NAV	<u>\$ 68,299,615</u>	<u>\$ -</u>		

The collective investment funds - equity and collective investment funds - fixed income are global investment funds that invest exclusively in high-quality, short-term securities. The fair values of the investments of this type have been determined using NAV per share of the investments.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio.

The real estate investment trusts class includes several real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in partners' capital.

The closely held equity funds and partnership alternative investment includes several private equity funds with diversified portfolios. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

Note 16 - Tax Abatements

The City receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974), brownfield redevelopment agreements, Michigan Renaissance Zone Program, Senior and Disabled Non-Profit Housing Exemption, and landbank agreements. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities. Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. The Michigan Renaissance Zone Program is intended to promote economic activity and maintain or increase the number of jobs available. The Senior and Disabled Non-Profit Housing Exemption is intended to incentivize the provisions of senior citizen and disabled housing. The landbank agreements are intended to reimburse taxpayers for new construction or total rehabilitation projects.

For the fiscal year ended June 30, 2021, the City's property tax revenue was reduced by \$142,211 under these programs. There are no provisions to recapture taxes; however, the industrial facilities tax exemptions may be eliminated if taxes are not paid timely.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Revenue				
Property taxes	\$ 30,643,892	\$ 30,643,892	\$ 30,660,064	\$ 16,172
Intergovernmental:				
Federal grants	1,141,029	3,549,925	3,587,468	37,543
State sources	10,947,976	10,976,997	11,123,470	146,473
Charges for services	8,903,996	8,647,654	8,985,827	338,173
Court fines and fees	5,500,000	4,750,000	4,820,231	70,231
Licenses and permits	1,562,902	1,859,272	1,811,017	(48,255)
Interest income	300,000	50,000	32,377	(17,623)
Other revenue:				
Local sources	891,496	802,730	804,846	2,116
Other income	3,928,087	3,140,833	3,229,658	88,825
Refund of captured property taxes	1,325,000	1,286,920	-	(1,286,920)
Cable franchise fees	1,600,000	1,600,000	1,506,628	(93,372)
Total revenue	66,744,378	67,308,223	66,561,586	(746,637)
Expenditures				
Current:				
General government:				
Legislative	132,992	132,992	132,987	5
Executive	548,284	603,553	603,553	-
Computer information systems	930,708	943,842	869,049	74,793
Law	850,000	850,000	827,979	22,021
Finance	1,243,627	1,295,793	1,260,746	35,047
Assessing	528,625	454,047	451,580	2,467
City clerk	791,867	1,028,024	994,355	33,669
Buildings and grounds	648,285	648,285	631,162	17,123
Insurance	1,800,000	1,800,000	2,045,677	(245,677)
Personnel	365,566	394,568	377,527	17,041
General government	84,684,993	69,834,717	69,263,227	571,490
Motorpool	678,116	744,959	697,302	47,657
Public safety:				
Police	19,540,870	19,751,593	19,694,849	56,744
Fire	15,923,788	15,983,497	15,246,121	737,376
Police and fire retirement board	25,000	25,000	21,600	3,400
District court	3,397,627	3,206,491	3,073,665	132,826
Sanitation	5,047,078	5,047,562	4,803,206	244,356
Community and economic development:				
Building and planning	1,552,277	1,407,575	1,530,953	(123,378)
Neighborhood services	462,213	462,213	442,818	19,395
Economic development	223,245	409,678	402,883	6,795
Community development	626,219	704,347	675,406	28,941
Youth assistance program	954,705	554,160	492,486	61,674
Housing	463,575	768,471	766,662	1,809
Recreation and culture:				
Parks and recreation	577,435	642,181	641,521	660
Cable	482,812	482,812	465,948	16,864
Ice arena	345,478	345,478	284,008	61,470
Senior resources	490,734	474,450	456,129	18,321
Golf course	372,644	372,644	344,183	28,461
Debt service	5,482,242	252,537	252,537	-
Total expenditures	149,171,005	129,621,469	127,750,119	1,871,350
Excess of Expenditures Over Revenue	(82,426,627)	(62,313,246)	(61,188,533)	1,124,713

Required Supplemental Information
Budgetary Comparison Schedule
General Fund (Continued)

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Favorable (Unfavorable) Variance with Amended Budget
Other Financing Sources (Uses)				
Transfers in	\$ 2,633,306	\$ 548,441	\$ 424,131	\$ (124,310)
Transfers out	(399,213)	(2,548,873)	(2,548,812)	61
Face value of debt issue	80,000,000	62,759,670	62,759,670	-
Proceeds from sale of capital assets	510,000	1,629,185	1,638,839	9,654
Total other financing sources	82,744,093	62,388,423	62,273,828	(114,595)
Net Change in Fund Balance	317,466	75,177	1,085,295	1,010,118
Fund Balance - Beginning of year	9,337,154	9,337,154	9,337,154	-
Fund Balance - End of year	<u><u>\$ 9,654,620</u></u>	<u><u>\$ 9,412,331</u></u>	<u><u>\$ 10,422,449</u></u>	<u><u>\$ 1,010,118</u></u>

City of Westland, Michigan

Required Supplemental Information
Schedule of Changes in the Police and Fire Net Pension Liability
and Related Ratios

	Last Eight Fiscal Years							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 2,940,861	\$ 2,965,918	\$ 2,963,129	\$ 3,559,247	\$ 3,265,490	\$ 3,028,268	\$ 2,860,595	\$ 3,222,792
Interest	16,810,308	16,272,784	16,406,184	15,922,405	15,754,069	15,096,874	14,268,302	14,057,789
Changes in benefit terms	62,988	-	-	-	-	(724,126)	-	-
Differences between expected and actual experience	1,138,907	436,644	(5,134,694)	1,477,290	1,224,995	6,992,130	8,888,109	-
Changes in assumptions	(550,383)	4,894,647	-	-	5,107,777	-	-	-
Benefit payments, including refunds	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Net Change in Total Pension Liability	2,729,269	7,991,880	(1,352,131)	5,606,397	8,836,740	9,410,408	10,893,336	3,818,946
Total Pension Liability - Beginning of year	237,762,188	229,770,308	231,122,439	225,516,042	216,679,302	207,268,894	196,375,558	192,556,612
Total Pension Liability - End of year	\$ 240,491,457	\$ 237,762,188	\$ 229,770,308	\$ 231,122,439	\$ 225,516,042	\$ 216,679,302	\$ 207,268,894	\$ 196,375,558
Plan Fiduciary Net Position								
Contributions - Employer	\$ 7,595,440	\$ 6,930,726	\$ 7,597,694	\$ 7,398,670	\$ 6,879,391	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007
Contributions - Employee	902,404	748,341	670,772	640,248	714,843	537,081	326,793	116,709
Net investment income (loss)	52,446,605	8,516,296	9,618,386	15,774,255	20,499,672	(2,646,242)	3,318,245	27,003,133
Administrative expenses	(400,631)	(384,887)	(141,692)	(28,252)	(73,345)	-	-	-
Benefit payments, including refunds	(17,673,412)	(16,568,113)	(15,586,750)	(15,352,545)	(16,515,591)	(14,982,738)	(15,123,670)	(13,461,635)
Miscellaneous other charges	-	-	-	47,432	753,079	(9,938)	-	-
Net Change in Plan Fiduciary Net Position	42,870,406	(757,637)	2,158,410	8,479,808	12,258,049	(10,383,898)	(4,785,128)	19,471,214
Plan Fiduciary Net Position - Beginning of year	167,850,726	168,608,363	166,449,953	157,970,145	145,712,096	156,095,994	160,881,122	141,409,908
Plan Fiduciary Net Position - End of year	\$ 210,721,132	\$ 167,850,726	\$ 168,608,363	\$ 166,449,953	\$ 157,970,145	\$ 145,712,096	\$ 156,095,994	\$ 160,881,122
City's Net Pension Liability - Ending	\$ 29,770,325	\$ 69,911,462	\$ 61,161,945	\$ 64,672,486	\$ 67,545,897	\$ 70,967,206	\$ 51,172,900	\$ 35,494,436
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.62 %	70.60 %	73.38 %	72.02 %	70.05 %	67.25 %	75.31 %	81.93 %
Covered Payroll	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898
City's Net Pension Liability as a Percentage of Covered Payroll	254.60 %	585.23 %	515.71 %	555.36 %	564.00 %	639.17 %	560.69 %	348.02 %

This statement is being built prospectively from the date of adoption of GASB 68.

City of Westland, Michigan

Required Supplemental Information
Schedule of Changes in the MERS Net Pension Liability and Related Ratios

	Last Seven Plan Years Years Ended December 31						
	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 690,398	\$ 803,087	\$ 965,487	\$ 1,068,106	\$ 1,220,236	\$ 1,301,083	\$ 1,373,374
Interest	10,489,618	10,607,899	10,477,607	10,288,849	10,118,570	9,708,550	9,483,985
Changes in benefit terms	-	-	4,677	-	(6,338)	-	-
Differences between expected and actual experience	220,372	(1,198,986)	(257,191)	132,393	-	(109,173)	-
Changes in assumptions	5,489,286	5,078,924	-	-	(465,111)	6,359,502	-
Benefit payments, including refunds	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,334,206)	(7,865,543)
Miscellaneous other charges	(2,026)	(58,443)	(21,038)	(8,903)	-	-	-
Net Change in Total Pension Liability	6,897,481	5,659,052	1,860,980	2,661,803	2,369,291	8,925,756	2,991,816
Total Pension Liability - Beginning of year	142,672,169	137,013,117	135,152,137	132,490,334	130,121,043	121,195,287	118,203,471
Total Pension Liability - End of year	\$ 149,569,650	\$ 142,672,169	\$ 137,013,117	\$ 135,152,137	\$ 132,490,334	\$ 130,121,043	\$ 121,195,287
Plan Fiduciary Net Position							
Contributions - Employer	\$ 7,531,477	\$ 6,768,950	\$ 6,715,660	\$ 6,005,409	\$ 5,316,066	\$ 5,168,527	\$ 5,699,179
Contributions - Member	254,324	280,952	323,168	336,048	343,428	362,187	299,758
Net investment income (loss)	7,909,068	7,102,808	(2,210,597)	6,931,136	5,651,194	(788,058)	3,253,267
Administrative expenses	(114,271)	(122,280)	(110,848)	(109,763)	(111,691)	(117,289)	(120,757)
Benefit payments, including refunds	(9,990,167)	(9,573,429)	(9,308,562)	(8,818,642)	(8,498,066)	(8,332,862)	(7,865,543)
Miscellaneous other charges	(2,024)	(58,443)	(21,038)	(8,902)	-	-	-
Net Change in Plan Fiduciary Net Position	5,588,407	4,398,558	(4,612,217)	4,335,286	2,700,931	(3,707,495)	1,265,904
Plan Fiduciary Net Position - Beginning of year	58,006,090	53,607,532	58,219,749	53,884,463	51,183,532	54,891,027	53,625,123
Plan Fiduciary Net Position - End of year	\$ 63,594,497	\$ 58,006,090	\$ 53,607,532	\$ 58,219,749	\$ 53,884,463	\$ 51,183,532	\$ 54,891,027
City's Net Pension Liability - Ending	\$ 85,975,153	\$ 84,666,079	\$ 83,405,585	\$ 76,932,388	\$ 78,605,871	\$ 78,937,511	\$ 66,304,260
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.52 %	40.66 %	39.13 %	43.08 %	40.67 %	39.34 %	45.29 %
Covered Payroll	\$ 3,943,683	\$ 4,635,244	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,451,135	\$ 7,555,355
City's Net Pension Liability as a Percentage of Covered Payroll	2,180.07 %	1,826.57 %	1,413.29 %	1,165.01 %	1,085.22 %	1,059.40 %	877.58 %

This statement is being built prospectively from the date of adoption of GASB 68.

See notes to required supplemental information.

City of Westland, Michigan

Required Supplemental Information Schedule of MERS Contributions

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,735,043	\$ 6,914,328	\$ 6,308,208	\$ 6,673,116	\$ 5,249,635	\$ 4,959,882	\$ 4,840,206	\$ 4,366,557	\$ 4,124,906	\$ 3,115,379
Contributions in relation to the actuarially determined contribution	87,361,879	6,914,328	6,308,208	6,973,118	5,387,425	5,130,452	6,060,338	4,366,557	4,124,906	3,115,379
Contribution Excess	\$ 81,626,836	\$ -	\$ -	\$ 300,002	\$ 137,790	\$ 170,570	\$ 1,220,132	\$ -	\$ -	\$ -
Covered Payroll	\$ 4,255,116	\$ 4,701,794	\$ 5,901,535	\$ 6,603,572	\$ 7,243,293	\$ 7,399,002	\$ 6,939,596	\$ 7,555,355	\$ 7,076,423	\$ 7,377,631
Contributions as a Percentage of Covered Payroll	2.053.10 %	147.06 %	106.89 %	105.60 %	74.38 %	69.34 %	87.33 %	57.79 %	58.29 %	42.23 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of December 31 of each year, which is 18 months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.75 percent base wage inflation
Investment rate of return	7.75 percent, net of expenses
Retirement age	60
Mortality	50 percent male - 50 percent female blend of the following tables: 1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent 2. The RP-2014 Employee Mortality Tables 3. The RP-2014 Juvenile Mortality Tables
Other information	None

Required Supplemental Information Schedule of Police and Fire Pension Contributions

Last Ten Fiscal Years
Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 7,595,440	\$ 6,330,726	\$ 7,597,694	\$ 7,398,670	\$ 6,841,964	\$ 6,717,939	\$ 6,693,504	\$ 5,813,007	\$ 4,990,887	\$ 4,494,952
Contributions in relation to the actuarially determined contribution	7,595,440	6,330,726	7,597,694	7,398,670	6,879,391	6,717,939	6,693,504	5,813,007	4,990,887	4,494,952
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ 37,427	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,693,061	\$ 11,946,038	\$ 11,859,736	\$ 11,624,174	\$ 11,976,270	\$ 11,103,002	\$ 9,126,696	\$ 10,198,898	\$ 10,609,537	\$ 10,840,217
Contributions as a Percentage of Covered Payroll	64.96 %	58.02 %	64.06 %	63.65 %	57.44 %	60.51 %	73.34 %	57.00 %	47.04 %	41.47 %

Notes to Schedule of Police and Fire Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of June 30 each year, which is one year prior to the beginning of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	5-year adjusted market
Inflation	2.75 percent
Salary increase	3.25 percent base wage inflation
Investment rate of return	7.25 percent, net of expenses
Mortality	PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2020 and PubS-2010 Disabled Mortality with generational improvements projected beginning in 2010 based on Scale MP-2020

City of Westland, Michigan

Required Supplemental Information
Schedule of Police and Fire Pension Investment Returns

	Last Seven Fiscal Years Years Ended June 30						
	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	31.52 %	5.35 %	5.67 %	8.89 %	15.10 %	(1.02)%	2.51 %

Required Supplemental Information

Schedule of Changes in the Net OPEB Liability and Related Ratios

	Last Four Fiscal Years			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 860,271	\$ 857,027	\$ 1,586,539	\$ 1,655,744
Interest	8,053,872	8,749,405	8,975,503	8,886,490
Changes in benefit terms	(8,323)	(2,497)	1,594,300	-
Differences between expected and actual experience	3,497,912	(13,580,746)	(32,726,237)	(10,807,734)
Changes in assumptions	(3,244,226)	3,033,667	(38,358,088)	(10,890,391)
Benefit payments, including refunds	(7,311,804)	(8,065,144)	(8,070,396)	(8,048,550)
Net Change in Total OPEB Liability	1,847,702	(9,008,288)	(66,998,379)	(19,204,441)
Total OPEB Liability - Beginning of year	156,742,769	165,751,057	232,749,436	251,953,877
Total OPEB Liability - End of year	\$ 158,590,471	\$ 156,742,769	\$ 165,751,057	\$ 232,749,436
Plan Fiduciary Net Position				
Contributions - Employer	\$ 7,811,804	\$ 8,565,144	\$ 8,570,396	\$ -
Net investment income (loss)	329,841	(10,846)	4,234	-
Administrative expenses	(2,636)	(1,200)	-	-
Benefit payments, including refunds	(7,311,804)	(8,065,144)	(8,070,396)	-
Net Change in Plan Fiduciary Net Position	827,205	487,954	504,234	-
Plan Fiduciary Net Position - Beginning of year	992,188	504,234	-	-
Plan Fiduciary Net Position - End of year	\$ 1,819,393	\$ 992,188	\$ 504,234	\$ -
Net OPEB Liability - Ending	\$ 156,771,078	\$ 155,750,581	\$ 165,246,823	\$ 232,749,436
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	1.15 %	0.63 %	0.30 %	- %
Covered-employee Payroll	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255
Total OPEB Liability as a Percentage of Covered-employee Payroll	875.68 %	889.16 %	968.87 %	1,543.10 %

This statement is being built prospectively from the date of adoption of GASB 74.

City of Westland, Michigan

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended June 30

	2021	2020	2019	2018*	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 11,304,394	\$ 11,987,116	\$ 13,467,910	\$ -	\$ 14,532,590	\$ 14,532,590	\$ 14,532,590	\$ 13,821,250	\$ 13,821,250	\$ 12,714,042
Contributions in relation to the actuarially determined contribution	7,811,804	8,565,144	8,570,396	-	7,943,997	7,822,651	7,223,809	6,203,861	6,550,255	5,327,727
Contribution Deficiency	\$ (3,492,590)	\$ (3,421,972)	\$ (4,897,514)	\$ -	\$ (6,588,593)	\$ (6,709,939)	\$ (7,308,781)	\$ (7,617,389)	\$ (7,270,995)	\$ (7,386,315)
Covered-employee Payroll	\$ 17,902,680	\$ 17,516,549	\$ 17,055,664	\$ 15,083,255	\$ 15,247,849	\$ 15,247,849	\$ 15,247,849	\$ 15,531,926	\$ 15,531,926	\$ 15,986,830
Contributions as a Percentage of Covered-employee Payroll	43.63 %	48.90 %	50.25 %	- %	52.10 %	51.30 %	47.38 %	39.94 %	42.17 %	33.33 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contributions are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, based on level percentage of salary
Amortization method	Level dollar
Remaining amortization period	28 years
Asset valuation method	Fair market value
Salary increase	3.75 percent
Investment rate of return	6.05 percent
Mortality	RPB-2018 Total Dataset Mortality Table
Other information*	In 2018, no contributions in relation to the actuarially determined contribution are shown, as there was no actuarial determined contribution.

City of Westland, Michigan

Required Supplemental Information
Schedule of OPEB Investment Returns

	Last Four Fiscal Years			
	Year Ended June 30			
	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	28.19 %	2.36 %	2.97 %	7.78 %

This statement is being built prospectively from the date of adoption of GASB 74.

June 30, 2021

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all special revenue funds. The City adopts each fund's budget individually, so budgeted amounts in the General Fund include only General Fund activity, not including the funds rolled into the Combining General Fund as a result of GASB Statement No. 54. As a result, the revenue and expenditures of these funds are not included in the General Fund budget.

The annual budget is prepared by the City's management and submitted to the City Council by April 1 of each year. The budget is adopted by the City Council before the start of the new fiscal year. Subsequent amendments are approved by the City Council. Amendments may be made by the City Council up until the last day of the fiscal year. The General Fund budget has been adopted on a departmental basis. The other funds' budgets have been adopted at the fund level; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.

Unexpended appropriations lapse at year end. The amount of encumbrances outstanding at June 30, 2021 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

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

	Total Revenue	Total Expenditures	Other Financing Sources
Amounts per operating statement	\$ 67,249,072	\$ 127,926,493	\$ 61,880,323
E-911 Fund	(391,989)	(4,436)	393,505
Metro Act - Broadband Fund	(295,497)	(171,938)	-
Amounts per budget statement	<u>\$ 66,561,586</u>	<u>\$ 127,750,119</u>	<u>\$ 62,273,828</u>

Excess of Expenditures Over Appropriations in General Fund

	Budget	Actual	Variance
Insurance	\$ 1,800,000	\$ 2,045,677	\$ (245,677)
Building and planning	1,407,575	1,530,953	(123,378)

Pension Information**Changes in Assumptions**

For the MERS plan, during the year ended June 30, 2021, the mortality tables used in determining the total pension liability were changed from the RP-2014 tables to the Pub-2010 tables.

For the MERS plan, during the year ended June 30, 2020, the investment rate of return was reduced from 8.00 to 7.60 percent. Additionally, the salary inflation assumption was changed from 3.75 to 3.0 percent.

During the year ended June 30, 2016, the MERS plan adjusted the assumed annual rate of return down from 8.25 to 8.00 percent. The mortality tables were updated from the 1994 Group Mortality Table to a blend of the RP-2014 tables.

For the Police and Fire Retirement System, during the year ended June 30, 2021, the mortality generational improvement scale was updated from MP-2019 to MP-2020 to reflect anticipated plan experience.

During the year ended June 30, 2020, the mortality assumption was changed from the RP-2006 Blue Collar Mortality with generational improvements projected beginning in 2006 based on Scale MP-2016 to the PubS-2010 Mortality with generational improvements projected beginning in 2010 based on Scale MP-2019.

During the year ended June 30, 2017, the Police and Fire Retirement System adjusted the mortality tables from the RP-2000 tables to the RP-2014.

June 30, 2021

OPEB Information

Changes in Assumptions

During the current year, the City of Westland Retiree Health Care Plan changed its actuarial assumptions from the previous actuarial valuation as follows: mortality tables used in determining the total OPEB liability were changed from RPH-2018 tables using Scale MP-2018 to Pub-2010 tables using Scale MP-2020, the discount rate was increased from 5.23 to 5.85 percent, health care cost trend rates have been adjusted for actual premium charge rates, and payroll growth rates have been updated.

During the year ended June 30, 2020, the City of Westland Retiree Health Care Plan discount rate was decreased from 5.38 to 5.23 percent, and health care cost trend rates were adjusted for actual premium charge rates.

During the year ended June 30, 2019, the discount rate was decreased from 3.84 to 5.38 percent, rates of mortality were updated to RPH-2018 tables, and health care cost trend rates were updated.

During the year ended June 30, 2018, the discount rate was increased from 3.56 to 3.84 percent, rates of mortality were updated to RPH-2017 tables, the actuarial cost method was updated from projected unit credit to entry age normal level percent of salary, and health care cost trend rates were updated.

EXHIBIT - 3



CITY OF WESTLAND

An All AMERICAN City

Proposed

JULY 1, 2022 - JUNE 30, 2025
Municipal Budget

WILLIAM R. WILD, MAYOR

CITY OF WESTLAND
2022-2025 BUDGET

MAYOR
William R. Wild



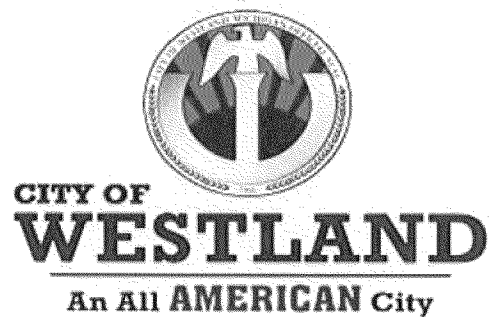
CITY ADMINISTRATION

Deputy Mayor
Assessor
Budget Director
Building Director
C&M Superintendent/Neighborhood Services Director
Community Media Director
Deputy Clerk
Diversity Equity Inclusion Director
City Attorney
Community Development Director
Computer Information Systems Director
Controller / Purchasing Director
Economic Development Director
Finance Director
Fire Chief
Municipal Services Bureau Director
Facilities Director
Parks and Recreation Director
Personnel Director
Planning Director
Police Chief
Public Services Director
Senior Resources Director
Water and Sewer Superintendent
Youth Assistance Director

Michael J. Reddy
Jennifer Nieman-Stamper
Daniel Block
David Reilly
Hassan Saab
Craig Welkenbach
Shannon Inman
Vacant
James Fausone
Joanne Campbell
Craig Brown
Devin Adams
Aubrey Berman
Steven Smith
James Morris
Joe Burton
Victor Barra
Kyle Mulligan
Stephani Field
Mohamed Ayoub
Jeff Jedrusik
Ramzi El-Gharib
Barbara Marcum
Doug Morton
Paul Motz

CITY OF WESTLAND
2022-2025 BUDGET

MAYOR
William R. Wild



CITY COUNCIL

James Hart, President
Michael Londeau, President Pro Tem
James R. Godbout
Peter Herzberg
Mike McDermott
Andrea Rutkowski
Melissa Sampey

CLERK
Richard LeBlanc

CITY OF WESTLAND
2022-2025 MUNICIPAL BUDGET
TABLE OF CONTENTS

PAGE
NUMBER

Budget Overview	1
Estimated Property Value	6
History of Taxable Values	8
History of Millage Rates	9
History of General Fund Balances	10
Full Time Equivalent Personnel	11
Summary of General Fund Revenues and Expenditures	17
Revenues General Fund	20
General Government Department	26
Legislative Department	26
18th District Court	27
Executive Department	28
Finance Department	28
City Clerk Department	29
Department of Innovation & Technology	29
Assessment Department	30
City Hall & Grounds Department	30
Law Department	30
Personnel Department	30
Police Department	31
Police & Fire Retirement Board	32
Joint Dispatch Department	32
Fire Department	33
Neighborhood Services Department	34
Highway Maintenance Department	34
Motorpool	35
Sanitation Department	35
Housing Department	36
Building Department	36
Planning Department	37
Economic Development Department	37
WLND / Community Relations Department	37

CITY OF WESTLAND
2022-2025 MUNICIPAL BUDGET
TABLE OF CONTENTS

PAGE
NUMBER

Community Development Department	38
Parks & Recreation Department	39
Golf Course	39
Ice Arena	40
Historical Commission	40
Youth Assistance Program	40
Senior Resources Department	41
Insurance and Bonds	41
Transfers Department	41
Major Road Fund	43
Local Road Fund	44
Metro Act 48 Broadband	45
Emergency 911 Fund	45
Michigan Indigent Defense Commission	46
Drug Forfeiture Fund	46
American Rescue Plan Act Fund	47
T.I.F.A. District	48
Brownfield Redevelopment Fund	49
L.D.F.A.	49
Capital Project Fund	50
Court Building Fund	51
DDA Fund	52
Building Authority Debt Service Fund	53
Water and Sewer Fund	54
Library Fund	57
Street Lighting Fund	59

City of Westland
Fiscal Year 2022-2025 Annual Budget
Five Year Plan - Fiscal Years Ending 2024 through 2028

ESTIMATION OF PROPERTY TAX REVENUE											
Proposal A Limits:											
Assessment Cap Inflation Rate	2.1%	2.4%	1.9%	1.4%	3.3%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Percent Increase in Real Property SEV	3.9%	10.7%	5.2%	6.7%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Percent Increase in Real Property TV	2.25%	4.50%	4.06%	3.30%	6.15%	5.00%	4.00%	3.50%	2.00%	2.00%	2.00%
PROPERTY TAX TV ESTIMATION											
Prior Year Taxable Value	1,643,622,489	1,680,648,757	1,756,197,248	1,827,447,777	1,887,729,609	2,003,797,365	2,103,987,233	2,188,146,723	2,264,731,858	2,310,026,495	2,356,227,025
Current Year Additions or Reductions	37,026,268	75,548,491	71,250,529	60,281,832	116,067,756	100,189,868	84,159,489	76,585,135	45,294,637	46,200,530	46,200,530
Current Year TV	1,680,648,757	1,756,197,248	1,827,447,777	1,887,729,609	2,003,797,365	2,103,987,233	2,188,146,723	2,264,731,858	2,310,026,495	2,356,227,025	2,356,227,025
TIFA capture	113,198,505	114,254,070	117,192,911	120,117,950	129,770,564	138,102,715	145,101,722	151,470,818	155,237,684	159,079,887	159,079,887
DDA capture	55,162,583	53,002,898	52,462,710	54,749,360	61,198,060	66,764,588	71,440,472	75,695,526	78,212,086	80,778,978	80,778,978
Brownfield capture	4,695,888	5,321,616	10,090,670	10,045,510	10,725,860	11,313,140	11,806,455	12,255,371	12,520,873	12,791,685	12,791,685
LDFA capture	3,019,072	3,019,484	3,028,008	3,671,433	4,062,955	4,400,917	4,684,805	4,943,144	5,095,932	5,251,777	5,251,777
Total TIFA, LDFA, DDA and Brownfield capture	176,076,048	175,598,068	182,774,299	188,584,253	205,757,439	220,581,360	233,033,454	244,364,859	251,066,576	257,902,327	257,902,327
Taxable Value	1,504,572,709	1,580,599,180	1,644,673,478	1,699,145,356	1,798,039,926	1,883,405,873	1,955,113,269	2,020,366,999	2,058,959,919	2,098,324,698	2,098,324,698
Headlee Rollback Factor	0.9999	0.9940	0.9909	0.9888	0.9858	0.9919	0.9919	0.9919	0.9919	0.9919	0.9919
Millage Rate:											
Operating - General Fund	6.4827	6.4438	6.3851	6.3135	6.2238	6.1732	6.1230	6.0732	6.0238	5.9748	5.9748
Police & Fire Retirement Act 359	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000
Sanitation Operating	0.0794	0.0760	0.0272	0.0262	0.0249	0.0237	0.0228	0.0220	0.0216	0.0212	0.0212
Sanitation - Voted	2.4302	2.4156	2.3936	2.3667	2.3330	2.3140	2.2952	2.2765	2.2580	2.2396	2.2396
Library Operations	0.0000	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Library Operations	1.9375	1.9258	1.9082	1.8867	1.7596	1.7453	1.7311	1.7170	1.7030	1.6891	1.6891
Total Millage Rate	18.8798	18.8112	19.7141	19.5931	19.3413	19.2562	19.1721	19.0887	19.0064	18.9247	18.9247
Amount of Property Tax Levy:											
Operating - General Fund	\$9,753,694	\$10,185,065	\$10,501,405	\$10,727,554	\$11,190,641	\$11,626,641	\$11,971,159	\$12,270,093	\$12,402,763	\$12,537,070	\$12,537,070
Police & Fire Retirement Act 359	\$12,036,582	\$12,644,793	\$13,157,388	\$13,593,163	\$14,384,319	\$15,067,247	\$15,640,906	\$16,162,936	\$16,716,679	\$17,286,598	\$17,286,598
Sanitation	\$44,234	\$41,096	\$44,735	\$44,518	\$44,771	\$44,637	\$44,577	\$44,448	\$44,474	\$44,484	\$44,484
Subtotal - General Fund	\$25,490,922	\$26,689,049	\$29,284,891	\$30,085,747	\$31,612,599	\$32,980,132	\$34,099,131	\$35,097,209	\$35,627,007	\$36,165,885	\$36,165,885
Library Operations	\$2,915,110	\$3,043,918	\$3,138,366	\$3,205,778	\$3,163,831	\$3,287,108	\$3,384,497	\$3,468,970	\$3,506,409	\$3,544,280	\$3,544,280
TOTAL PROPERTY TAXES LEVIED	\$28,406,032	\$29,732,967	\$32,423,257	\$33,291,525	\$34,776,430	\$36,267,240	\$37,483,627	\$38,566,180	\$39,133,416	\$39,710,165	\$39,710,165

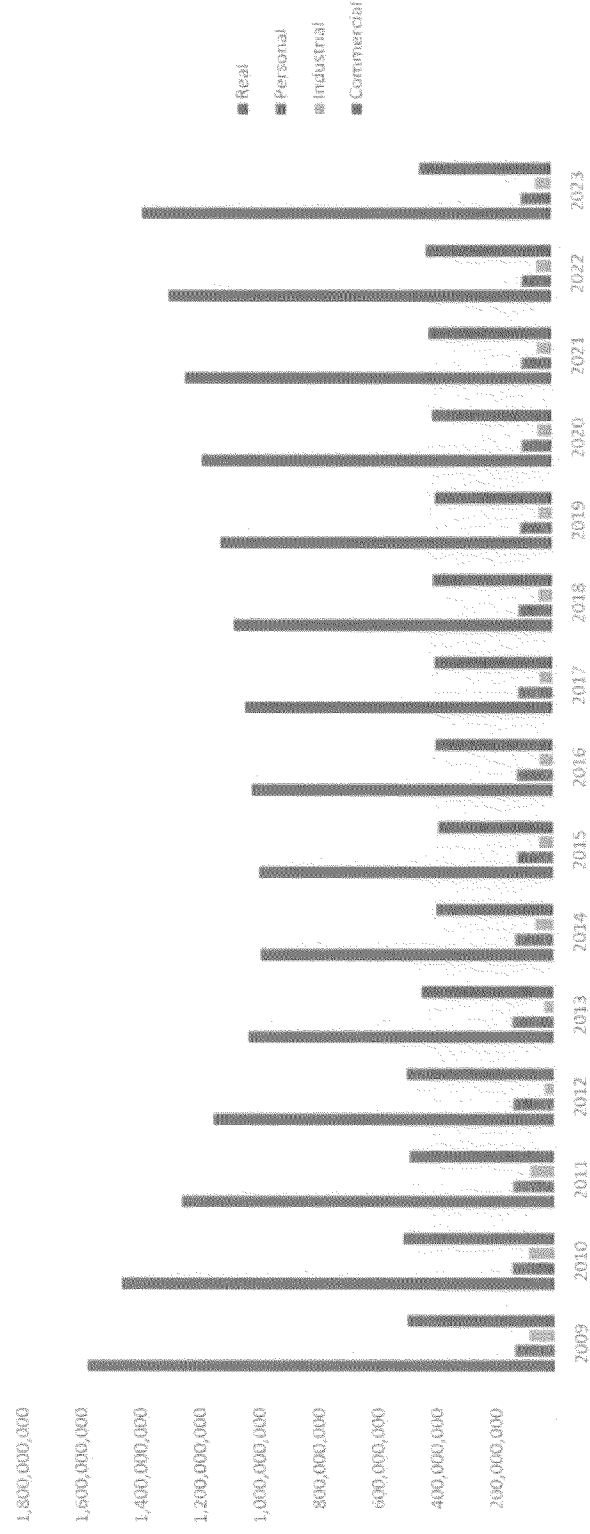
City of Westland
Fiscal Year 2022-2025 Annual Budget
Five Year Plan - Fiscal Years Ending 2024 through 2028

TIFA, LDFA AND DDA TAXABLE VALUES	Actual 2017-2018	Actual 2019-2020	Actual 2020-2021	Actual 2021-2022	Proposed 2022-2023	Proposed 2023-2024	Proposed 2024-2025	Estimated 2025-2026	Estimated 2026-2027	Estimated 2027-2028
Growth Rates:										
Market Value Adjustment	2.25%	4.50%	4.06%	3.30%	6.15%	5.00%	4.00%	3.50%	2.00%	2.00%
Taxable Value										
TIFA District #1:										
Total District	150,070,965	151,126,530	154,065,371	156,990,410	166,643,024	174,975,175	181,974,182	188,343,278	192,110,144	195,952,247
Base Year - 1985	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460	36,872,460
Capture	113,198,505	114,254,070	117,192,911	120,117,950	129,770,564	138,102,715	145,101,722	151,470,818	155,237,684	159,079,887
Downtown Development Authority:										
Total District	105,295,084	103,135,399	102,595,211	104,881,861	111,330,561	116,897,089	121,572,973	125,828,027	128,344,587	130,911,479
Base Year - 1995	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501	50,132,501
Capture	55,162,583	53,002,898	52,462,710	54,749,360	61,198,060	66,764,588	71,440,472	75,695,526	78,212,086	80,778,978
LDFA District:										
Total District	5,715,362	5,715,774	5,724,298	6,367,723	6,759,245	7,097,207	7,381,095	7,639,434	7,792,222	7,948,067
Base Year - 1991	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290	2,696,290
Capture	3,019,072	3,019,484	3,028,008	3,671,433	4,062,955	4,400,917	4,684,805	4,943,144	5,095,932	5,251,777
Brownfield District's										
Total District	5,461,790	6,087,518	11,110,400	11,065,240	11,745,590	12,332,870	12,826,185	13,275,101	13,540,603	13,811,415
Base Year - 2011 (MIR) and (Tim Hortons); 2020 (Ciena)	765,902	765,902	1,019,730	1,019,730	1,019,730	1,019,730	1,019,730	1,019,730	1,019,730	1,019,730
Capture	4,695,888	5,321,616	10,090,670	10,045,510	10,725,860	11,313,140	11,806,455	12,255,371	12,520,873	12,791,685
Total Taxable Values	\$176,076,048	\$175,598,068	\$182,774,299	\$188,584,253	\$205,757,439	\$220,581,360	\$233,033,454	\$244,364,859	\$251,066,576	\$257,902,327

City of Westland
Fiscal Year 2022-2025 Annual Budget
History of Taxable Values

Fiscal Year	Tax Year	Real	Personal	Industrial	Commercial	Taxable Values
2009	2008	1,581,506,357	138,128,063	92,025,446	501,441,804	2,313,101,670
2010	2009	1,464,934,695	145,564,449	92,585,962	515,850,232	2,218,935,338
2011	2010	1,262,861,648	141,786,583	86,433,475	492,146,165	1,983,227,871
2012	2011	1,154,509,593	140,729,071	37,597,991	501,593,889	1,834,430,544
2013	2012	1,035,888,270	142,629,316	36,983,379	449,848,779	1,665,349,744
2014	2013	994,774,832	131,893,574	67,414,249	399,492,005	1,593,574,660
2015	2014	998,316,325	124,530,895	52,372,985	392,580,644	1,567,800,849
2016	2015	1,023,403,711	124,745,860	49,914,894	400,973,387	1,601,037,852
2017	2016	1,045,581,735	120,047,251	50,530,551	403,149,237	1,619,308,774
2018	2017	1,081,450,999	118,374,980	51,218,017	409,274,354	1,660,318,350
2019	2018	1,125,368,279	109,889,839	50,955,307	400,457,062	1,686,670,487
2020	2019	1,188,243,926	104,054,250	53,067,217	410,679,508	1,756,044,901
2021	2020	1,243,845,542	104,846,800	54,496,721	421,755,219	1,824,944,282
2022	2021	1,298,958,815	103,815,500	55,836,851	429,118,443	1,887,729,609
2023	2022	1,389,244,384	104,338,290	58,862,369	451,352,322	2,003,797,365

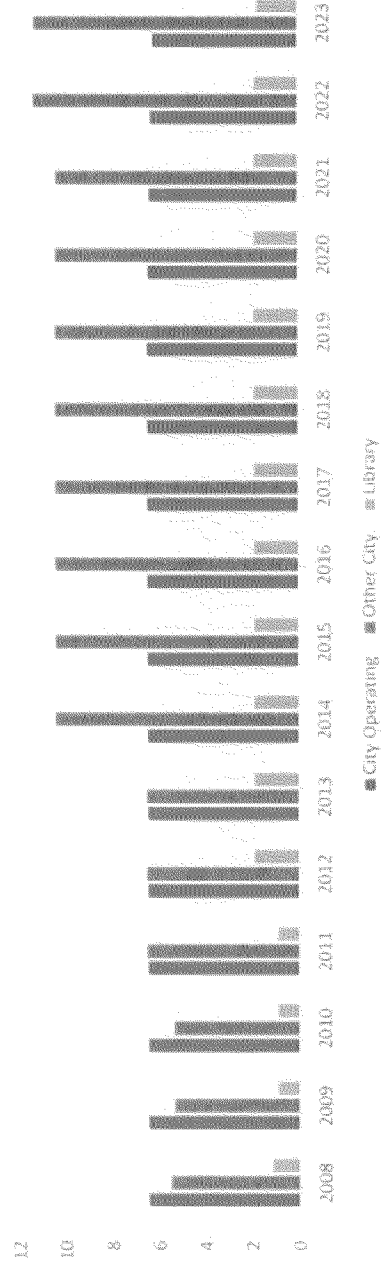
History of Taxable Values



City of Westland
Fiscal Year 2022-2025 Annual Budget
Millage Rate History
Actual from Fiscal Years 2008 through 2022 and Proposed Budget 2023

Fiscal Year	City			Library	Total
	Operating	Other City	Millage		
Year	Millages	Millages	Millage		
2008	6.4834	5.5215	1.2031		13.2080
2009	6.4834	5.3716	0.9477		12.8027
2010	6.4834	5.3725	0.9477		12.8036
2011	6.4834	6.5263	0.9477		13.9574
2012	6.4834	6.5271	1.9377		14.9482
2013	6.4834	6.5302	1.9377		14.9513
2014	6.4834	10.4612	1.9377		18.8823
2015	6.4834	10.4612	1.9377		18.8823
2016	6.4834	10.4612	1.9377		18.8823
2017	6.4834	10.4612	1.9377		18.8823
2018	6.4834	10.4635	1.9377		18.8846
2019	6.4827	10.4596	1.9375		18.8798
2020	6.4438	10.4416	1.9258		18.8112
2021	6.3851	10.4208	1.9082		18.7141
2022	6.3135	11.3929	1.8867		19.5931
2023	6.2238	11.3579	1.7596		19.3413

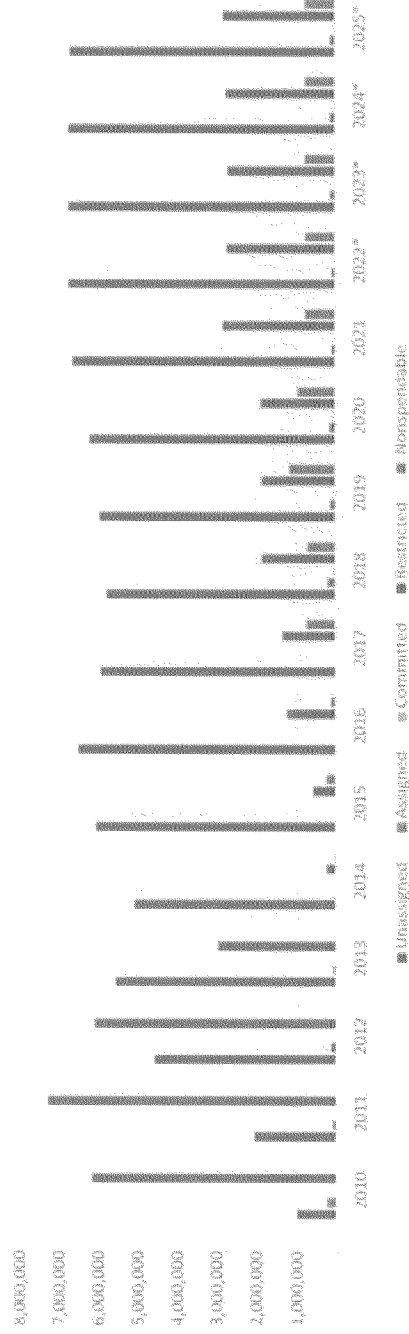
Millage Rate History



City of Westland
Fiscal Year 2022-2025 Annual Budget
History of Fund Balance - General Fund

Year End	Unassigned	Assigned	Committed	Restricted	Nonspendable	Total Fund Balance
2010	1,013,494	250,000	-	6,182,000	-	7,445,494
2011	2,060,745	100,000	-	7,299,858	-	9,460,603
2012	4,590,911	150,000	-	6,109,112	10,588	10,860,611
2013	5,579,920	80,000	-	2,968,820	10,588	8,639,328
2014	5,084,299	-	-	262,820	46,588	5,393,707
2015	6,061,798	-	-	594,370	254,930	6,911,098
2016	6,496,827	-	-	1,243,000	130,321	7,870,148
2017	5,940,194	-	-	1,360,000	750,021	8,050,215
2018	5,791,043	213,711	69,322	1,863,909	735,069	8,673,054
2019	5,966,148	157,377	34,489	1,867,512	1,174,317	9,199,843
2020	6,219,959	180,309	77,892	1,882,000	976,992	9,337,152
2021	6,649,871	101,056	53,056	2,836,000	782,464	10,422,447
2022*	6,753,844	101,056	47,750	2,749,084	782,464	10,434,199
2023*	6,761,710	150,000	42,975	2,726,317	782,464	10,463,467
2024*	6,756,676	150,000	38,678	2,762,146	782,464	10,489,964
2025*	6,721,238	150,000	34,810	2,833,584	782,464	10,522,096

History of Fund Balance



* Estimated Year-end

City of Westland
Fiscal Year 2022-2025 Annual Budget
Line Item Budget for the Year Ending June 30, 2023, 2024, 2025
Five Year Plan - Fiscal Years Ending 2026 through 2028

Account Number	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Amended Budget	Actual thru 3/31/2022	2021-22 Projected	2022-23 Proposed Budget	2023-24 Proposed Budget	2024-25 Proposed Budget	2025-26 Estimated Budget	2026-27 Estimated Budget	2027-28 Estimated Budget
Expenditures												
100.000 - General Government												
101-100.000-702.000 - Regular Salaries	13,110	10,092	12,990	17,000	12,348	17,000	18,000	18,000	18,000	18,000	18,000	18,000
101-100.000-715.000 - Fringe Benefits/Education	30,247	27,251	40,070	35,000	33,021	35,000	35,000	35,000	35,000	35,000	35,000	35,000
101-100.000-715.001 - Fringe Benefits/Fica	15,448	13,902	11,501	4,148	2,274	11,148	11,377	11,377	11,377	11,377	11,377	11,377
101-100.000-715.008 - Fringe Benefits/Retirees	3,735,430	3,649,312	3,365,378	3,798,588	2,647,561	3,798,588	3,902,246	4,019,313	4,139,893	4,264,089	4,392,012	4,523,772
101-100.000-715.009 - Fringe Benefits/Retiree Insurance Rebur	47,376	58,915	56,363	62,296	44,159	62,986	68,024	68,024	68,024	68,024	68,024	68,024
101-100.000-715.011 - Additional Mens Pension Contribution	-	-	62,118,022	-	-	-	-	-	-	-	-	-
101-100.000-715.015 - Retiree/Vested Fringe-Mers Pension Val	2,799,876	3,375,803	2,962,248	234,422	156,282	234,422	656,758	676,460	696,754	717,657	739,187	761,362
101-100.000-715.017 - Fringe Benefits/Additional OPFB Contr	438,500	438,500	438,500	438,500	438,500	438,500	438,500	438,500	438,500	438,500	438,500	438,500
101-100.000-715.018 - OPFB Strategic Reduction Plan	-	-	-	-	-	109,000	150,000	150,000	150,000	150,000	150,000	150,000
101-100.000-727.000 - Office	77,493	66,502	70,135	70,410	42,217	70,410	71,114	71,826	72,544	73,269	74,002	74,742
101-100.000-801.000 - Professional Services	271,975	252,698	1,086,623	334,606	338,168	344,932	348,381	351,865	355,384	358,937	362,527	366,152
101-100.000-808.000 - Memberships/Publications	109,597	107,917	107,450	120,394	117,683	120,394	121,598	122,814	124,042	125,282	126,535	127,800
101-100.000-809.001 - Conference/Seminar/Trans	4,586	2,110	157	2,000	888	2,000	2,000	2,020	2,040	2,061	2,081	2,102
101-100.000-880.000 - Community Promotion	17,170	17,450	21,537	25,000	27,945	35,000	35,000	35,350	35,704	36,061	36,421	36,785
101-100.000-880.002 - Community Promotions Advertising	53,653	50,088	11,391	30,000	9,635	30,000	40,000	40,000	40,000	40,000	40,000	40,000
101-100.000-931.000 - Repair & Maint Services	17,026	-	-	-	-	-	-	-	-	-	-	-
101-100.000-991.000 - Principal	100,000	100,000	100,000	1,910,960	1,910,960	1,910,960	2,139,260	2,151,870	2,164,480	2,180,895	2,201,115	2,223,945
101-100.000-995.000 - Interest	29,510	26,910	24,310	1,450,521	840,490	1,450,521	1,215,885	1,207,152	1,196,727	1,181,746	1,161,641	1,140,384
100.000 - General Government Total	7,760,997	8,197,451	70,426,674	8,633,534	6,622,131	8,660,860	9,253,144	9,399,571	9,548,469	9,700,898	9,856,422	10,017,947
101.000 - Legislative												
101-101.000-702.000 - Regular Salaries	118,503	120,525	123,370	125,347	88,257	125,347	130,197	131,499	132,814	134,142	135,483	136,838
101-101.000-715.001 - Fringe Benefits/Fica	9,066	9,220	9,438	9,589	6,752	9,589	9,960	10,060	10,160	10,262	10,364	10,468
101-101.000-728.000 - Operating	182	2,118	-	2,160	478	2,160	2,160	2,160	2,160	2,160	2,160	2,160
101-101.000-808.000 - Memberships/Publications	200	200	179	250	50	250	250	250	250	250	250	250
101-101.000-955.000 - Miscellaneous	-	80	-	500	-	500	500	500	500	500	500	500
101-101.000-969.005 - Grant Funds	-	-	-	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000
101.000 - Legislative Total	127,951	132,143	132,987	137,846	95,537	147,846	153,067	154,469	155,884	157,314	158,758	160,217

City of Westland
Fiscal Year 2022-2025 Annual Budget
Line Item Budget for the Year Ending June 30, 2023, 2024, 2025
Five Year Plan - Fiscal Years Ending 2026 through 2028

Account Number	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Amended Budget	Actual thru 3/31/2022	2021-22 Projected	2022-23 Proposed Budget	2023-24 Proposed Budget	2024-25 Proposed Budget	2025-26 Estimated Budget	2026-27 Estimated Budget	2027-28 Estimated Budget
301.000 - Police Department												
101-301.000-702.000 - Regular Salaries	8,193,799	8,477,784	8,720,591	8,566,671	6,473,889	8,612,990	8,587,712	8,673,589	8,847,060	9,024,002	9,204,482	9,388,571
101-301.000-703.000 - Temporary Emp Salaries	69,361	62,652	58,676	79,000	44,727	79,000	79,000	79,000	79,000	79,000	79,000	79,000
101-301.000-704.000 - Overtime	471,073	406,349	451,655	400,000	324,559	400,000	400,000	400,000	400,000	400,000	400,000	400,000
101-301.000-704.001 - Compensated Absence Accruals	314,552	289,374	256,706	400,000	305,437	400,000	400,000	400,000	400,000	400,000	400,000	400,000
101-301.000-715.001 - Fringe Benefits/FICA	162,304	179,917	174,599	171,962	128,924	171,962	172,267	173,513	176,028	178,594	181,210	183,880
101-301.000-715.002 - Fringe Benefits/Dental	77,560	67,890	87,776	88,393	53,573	88,393	74,618	75,365	76,118	76,879	77,648	78,425
101-301.000-715.003 - Fringe Benefits/Health	1,434,443	1,390,991	1,119,033	1,115,498	942,089	1,256,119	1,262,400	1,287,648	1,313,400	1,339,668	1,366,462	1,393,791
101-301.000-715.004 - Fringe Benefits/Life-Ad&D	15,141	15,660	14,854	15,707	11,077	14,854	14,872	15,021	15,171	15,323	15,476	15,631
101-301.000-715.005 - Fringe Benefits/Optical	1,076	757	7,083	5,150	4,492	5,150	5,150	5,150	5,150	5,150	5,150	5,150
101-301.000-715.007 - Fringe Benefits/Dispersion	2,674	3,208	3,029	4,683	5,164	7,165	7,961	8,121	8,283	8,449	8,618	8,790
101-301.000-715.009 - Fringe Benefits/Retiree Insurance	2,732,962	2,872,058	2,657,503	2,964,854	2,292,612	2,964,854	3,053,800	3,175,952	3,302,990	3,435,110	3,572,514	3,715,415
101-301.000-715.013 - Fringe Benefits/Pension Normal Cost	27,286	21,761	22,324	21,189	14,126	21,189	18,818	16,936	15,242	13,718	12,346	11,112
101-301.000-715.014 - Fringe Benefits/Pension UAL Active Emp	47,169	21,964	19,008	7,554	5,036	7,554	2,024	2,065	2,106	2,148	2,191	2,235
101-301.000-715.016 - Fringe Benefits/Act 345	4,215,714	3,898,533	3,918,667	4,293,606	4,293,710	4,293,710	4,505,969	4,618,004	4,733,454	4,851,790	4,973,085	5,097,412
101-301.000-727.000 - Office	3,205	-	-	-	-	-	-	-	-	-	-	-
101-301.000-727.000 - Office	87,047	120,839	103,373	123,348	90,197	123,348	123,348	123,348	123,348	123,348	123,348	123,348
101-301.000-728.000 - Operating	17,060	-	-	-	-	-	-	-	-	-	-	-
101-301.000-728.003 - Range Equipment	114	2,504	1,734	-	-	-	-	-	-	-	-	-
101-301.000-728.006 - Police K9	216,951	998,815	1,048,541	649,355	579,254	649,355	838,439	855,208	872,312	889,758	907,553	925,704
101-301.000-801.000 - Professional Services	199,123	137,886	75,578	75,000	45,679	75,000	75,000	75,000	75,000	75,000	75,000	75,000
101-301.000-801.008 - Prisoner Housing	1,589	875	976	1,500	1,634	1,666	1,500	1,500	1,500	1,500	1,500	1,500
101-301.000-808.000 - Memberships/Publications	15,767	4,205	10,957	15,000	6,623	15,000	15,000	15,000	15,000	15,000	15,000	15,000
101-301.000-809.000 - Conferences/Seminars	39,994	19,644	16,284	-	1,320	1,346	-	-	-	-	-	-
101-301.000-827.000 - In House Training	27,085	24,155	21,906	40,000	32,967	40,000	40,000	40,000	40,000	40,000	40,000	40,000
101-301.000-827.001 - Pd Act 302 Training Funds	252,116	300,446	322,781	390,200	207,216	390,200	394,200	394,200	394,200	394,200	394,200	394,200
101-301.000-827.002 - Police Academy Recruit Training	-	-	-	-	-	-	-	-	-	-	-	-
101-301.000-847.000 - Police Service Aid	-	-	-	-	-	-	-	-	-	-	-	-
101-301.000-849.000 - Crossing Guard Safety Program	3,412	2,918	12,032	9,000	11,437	13,000	13,260	13,260	13,260	13,260	13,260	13,260
101-301.000-850.000 - Communications	10,146	11,939	19,862	12,000	18,480	20,458	20,867	20,867	20,867	20,867	20,867	20,867
101-301.000-865.000 - Gas	79,384	76,982	86,855	85,000	54,614	85,000	85,000	85,000	85,000	85,000	85,000	85,000
101-301.000-921.000 - Electric	5,837	4,187	3,604	5,000	3,079	5,000	5,000	5,000	5,000	5,000	5,000	5,000
101-301.000-923.000 - Water/Sewer	22,116	67,035	60,764	50,000	45,756	50,000	50,000	50,000	50,000	50,000	50,000	50,000
101-301.000-930.000 - Repair & Maintenance	43,965	-	-	-	-	-	-	-	-	-	-	-
101-301.000-931.000 - Repair & Maint Services	164,042	94,961	163,995	130,000	94,951	130,000	130,000	130,000	130,000	130,000	130,000	130,000
101-301.000-931.002 - Repairs And Maintenance Vehicles	193	-	-	-	-	-	-	-	-	-	-	-
101-301.000-940.000 - Rentals	-	-	-	-	-	-	-	-	-	-	-	-
101-301.000-965.008 - Federal Grants	100,928	10,552	158,292	-	3,616	3,688	-	-	-	-	-	-
101-301.000-969.006 - Jag Grant	4,920	-	-	-	-	-	-	-	-	-	-	-
101-301.000-970.002 - Capital Outlay/Equipment	19,060,607	19,536,842	19,694,800	19,719,670	16,095,237	19,936,856	20,672,606	21,035,744	21,496,491	21,969,764	22,455,911	22,955,291
301.000 - Police Department Total												

City of Westland
Fiscal Year 2022-2025 Annual Budget
Line Item Budget for the Year Ending June 30, 2023, 2024, 2025
Five Year Plan - Fiscal Years Ending 2026 through 2028

Account Number	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Amended Budget	Actual thru 3/31/2022	2021-22 Projected	2022-23 Proposed Budget	2023-24 Proposed Budget	2024-25 Proposed Budget	2025-26 Estimated Budget	2026-27 Estimated Budget	2027-28 Estimated Budget
302.000 - Authorities/P & F												
101-302.000-801.000 - Professional Services	25,000	21,600	21,600	25,000	21,600	25,000	25,000	25,000	25,000	25,000	25,000	25,000
302.000 - Authorities/P & F Total	25,000	21,600	21,600	25,000	21,600	25,000	25,000	25,000	25,000	25,000	25,000	25,000
325.000 - Joint Dispatch												
101-325.000-702.000 - Regular Salaries	1,198,848	-	-	-	-	-	-	-	-	-	-	-
101-325.000-704.000 - Overtime	216,788	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.001 - Fringe Benefits/Fica	98,140	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.002 - Fringe Benefits/Dental	14,883	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.003 - Fringe Benefits/Health	330,539	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.004 - Fringe Benefits/Life-Ad&D	2,138	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.013 - Fringe Benefits-Pension-Normal Cost	193,525	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.014 - Fringe Benefits-Pension-UAL Active Emp	83,608	-	-	-	-	-	-	-	-	-	-	-
101-325.000-715.015 - Retiree/Vested Fringe-Mers Pension Ual	106,331	-	-	-	-	-	-	-	-	-	-	-
101-325.000-728.000 - Operating	2,790	-	-	-	-	-	-	-	-	-	-	-
101-325.000-808.000 - Memberships/Publications	92	-	-	-	-	-	-	-	-	-	-	-
101-325.000-850.000 - Communications	15,916	-	-	-	-	-	-	-	-	-	-	-
101-325.000-931.000 - Repair & Maint Services	52,589	-	-	-	-	-	-	-	-	-	-	-
101-325.000-940.000 - Rentals	193	-	-	-	-	-	-	-	-	-	-	-
101-325.000-965.007 - Dispatcher Training Funds	9,379	-	-	-	-	-	-	-	-	-	-	-
325.000 - Joint Dispatch Total	2,325,759	-	-	-	-	-	-	-	-	-	-	-

City of Westland
Fiscal Year 2022-2025 Annual Budget
Line Item Budget for the Year Ending June 30, 2023, 2024, 2025
Five Year Plan - Fiscal Years Ending 2026 through 2028

Account Number	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Amended Budget	Actual thru 3/31/2022	2021-22 Projected	2022-23 Proposed Budget	2023-24 Proposed Budget	2024-25 Proposed Budget	2025-26 Estimated Budget	2026-27 Estimated Budget	2027-28 Estimated Budget
336.000 - Fire Department												
101-336.000-702.000 - Regular Salaries	6,436,569	6,978,085	7,043,145	6,845,634	5,523,186	7,036,704	7,136,105	6,722,227	6,856,671	6,993,804	7,133,681	7,276,354
101-336.000-704.000 - Overtime	528,047	743,205	544,590	375,000	325,417	375,000	375,000	375,000	375,000	375,000	375,000	375,000
101-336.000-715.001 - Fringe Benefits/Fica	103,377	114,282	113,268	114,699	87,018	114,699	118,911	112,910	114,859	116,848	118,876	120,945
101-336.000-715.002 - Fringe Benefits/Dental	62,604	52,128	73,505	71,833	49,932	71,833	70,127	63,620	64,256	64,899	65,548	66,203
101-336.000-715.003 - Fringe Benefits/Health	1,080,400	1,019,467	925,110	1,128,565	925,436	1,233,914	1,223,263	1,091,171	1,112,984	1,135,254	1,157,959	1,181,118
101-336.000-715.004 - Fringe Benefits/Life-Ad&D	12,745	12,425	13,529	16,363	11,237	16,363	14,321	12,620	12,747	12,874	13,003	13,133
101-336.000-715.005 - Fringe Benefits/Optical	6,201	3,791	4,894	5,700	3,766	5,700	6,200	6,200	6,200	6,200	6,200	6,200
101-336.000-715.007 - Fringe Benefits/Dispersion	362											
101-336.000-715.009 - Fringe Benefits/Retiree Insurance	1,934,590	1,967,275	1,830,661	2,066,819	1,540,116	2,066,819	2,128,824	2,123,976	2,302,536	2,394,637	2,490,422	2,590,039
101-336.000-715.013 - Fringe Benefits-Pension-Normal Cost	77,774	7,004	7,610	11,305	7,537	11,305	13,796	12,416	11,175	10,057	9,052	8,146
101-336.000-715.014 - Fringe Benefits-Pension-LUAL Active Emp	10,002	7,163	6,280	4,742	3,161	4,742	1,012	1,832	1,053	1,074	1,096	1,117
101-336.000-715.016 - Fringe Benefits/Act 345	3,381,980	3,032,193	3,676,774	3,979,438	3,979,335	3,979,335	4,175,708	4,280,101	4,387,103	4,496,781	4,609,201	4,724,431
101-336.000-727.000 - Office	2,550											
101-336.000-728.000 - Operating	166,571	216,220	227,664	160,500	189,462	225,000	225,000	225,000	225,000	225,000	225,000	225,000
101-336.000-801.000 - Professional Services	227,001	209,884	206,686	591,926	524,046	591,926	621,794	621,794	621,794	621,794	621,794	621,794
101-336.000-808.000 - Memberships/Publications	3,162	3,186	3,468	6,622	8,388	9,000	9,000	9,000	9,000	9,000	9,000	9,000
101-336.000-809.000 - Conferences/Seminars	1,736	2,853	1,609	3,000	2,764	3,000	3,000	3,000	3,000	3,000	3,000	3,000
101-336.000-827.000 - In House Training	34,882	29,125	54,678	42,000	38,413	42,000	82,000	82,000	82,000	82,000	82,000	82,000
101-336.000-850.000 - Communications	21,734	14,557	24,305	20,550	8,339	24,305	24,550	24,550	24,550	24,550	24,550	24,550
101-336.000-865.000 - Gas	21,496	16,275	19,242	20,000	17,279	20,000	20,000	20,000	20,000	20,000	20,000	20,000
101-336.000-921.000 - Electric	28,468	31,817	34,671	35,000	23,445	35,000	35,000	35,000	35,000	35,000	35,000	35,000
101-336.000-923.000 - Water/Sewer	18,191	20,046	20,554	20,000	9,376	20,000	20,000	20,000	20,000	20,000	20,000	20,000
101-336.000-930.000 - Repair & Maintenance	23,705	24,991	22,531	30,000	15,686	30,000	30,000	30,000	30,000	30,000	30,000	30,000
101-336.000-931.000 - Repair & Maint Services	203,652	202,414	262,685	200,000	186,574	250,000	250,000	250,000	250,000	250,000	250,000	250,000
101-336.000-940.000 - Rentals	9,019	9,098	11,520	9,585	6,418	9,585	9,585	9,585	9,585	9,585	9,585	9,585
101-336.000-955.000 - Miscellaneous	4,559	1,430	2,604	3,000	3,078	3,140	3,000	3,000	3,000	3,000	3,000	3,000
101-336.000-965.008 - Federal Grants		4,990	87,538									
101-336.000-970.002 - Capital Outlay/Equipment			27,600									
336.000 - Fire Department Total	14,403,779	14,723,905	15,246,120	15,761,783	13,488,410	16,178,869	16,596,193	16,224,202	16,577,523	16,940,357	17,312,965	17,695,616

EXHIBIT - 4

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.

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 Wayne	2021 Taxable Value of ALL Properties in the Unit as of 5-24-2021 \$1,887,729,609
Local Government Unit Requesting Millage Levy City of Westland	For LOCAL School Districts: 2021 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

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.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2020 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(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	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
City Charter	General Operating	1966	8.0000	6.3851	0.9888	6.3135	1.0000	6.3135	6.3135	0.0000	N/A
PA 359 of 1925	Public Relations	N/A	\$50,000/ 4.0000	3.1917	0.9888	3.1559	1.0000	3.1559	0.0262	0.0000	N/A
PA 345 of 1937	Police and Fire Pension	N/A	Funding Sufficiency	N/A	1.0000	N/A	1.0000	8.0000	8.0000	0.0000	N/A
PA 298 of 1917	Rubbish Collection	N/A	3.0000	2.3936	0.9888	2.3667	1.0000	2.3667	2.3667	0.0000	N/A
PA 164 of 1877	Library Operating	N/A	1.0000	0.9333	0.9888	0.9228	1.0000	0.9228	0.9228	0.0000	N/A
Extra Voted	Library Operating	8/7/2012	0.9900	0.9749	0.9888	0.9639	1.0000	0.9639	0.0000	0.9639	12/31/2021
Extra Voted	Rubbish Collection	3/10/2020	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	12/31/2029

Prepared by Steven J. Smith	Telephone Number (734) 467-3169	Title of Preparer Treasurer	Date 6/16/2021
---------------------------------------	---	---------------------------------------	--------------------------

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 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).

<input checked="" type="checkbox"/> Clerk	Signature 	Print Name Richard LeBlanc	Date 6/16/2021
<input type="checkbox"/> Secretary			
<input type="checkbox"/> Chairperson	Signature 	Print Name James Hart	Date 6/16/2021
<input checked="" type="checkbox"/> President			

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements 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).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 2 of 2021 for instructions on completing this section.	
Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For All Other	

EXHIBIT - 5



Financial Update

City of Westland
January 31, 2021

Today's Agenda

- Recap The Great Recession
- Current State of Revenue Challenges and Fiscal Matters
- Additional Measures Taken by City to Maintain Balanced Budget
- Legacy Cost Trends and Opportunities
- Revenue/ Expense Opportunities to Consider
- Department Trend and Planning Data

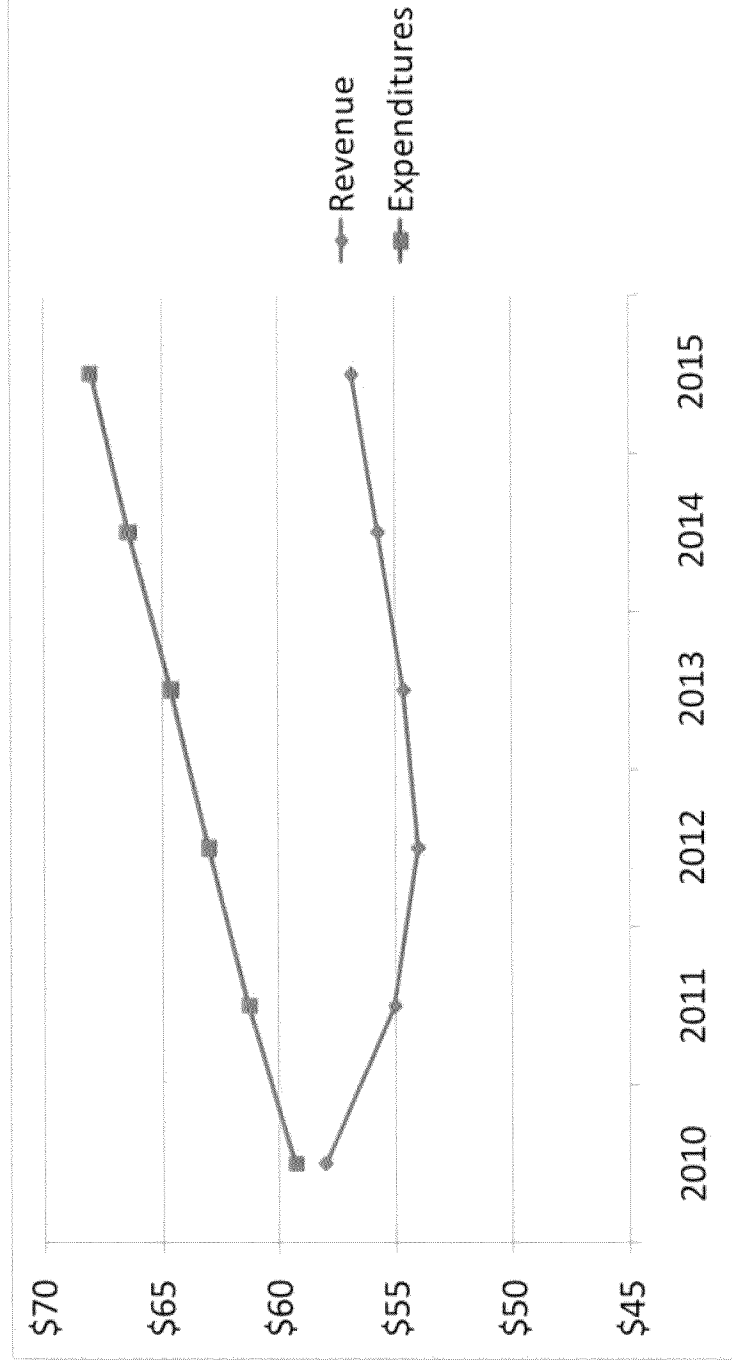


Recap on The Great Recession

The Great Recession (2007-2009) Impact to Local Municipalities

- Property tax values plummeted, with recovery to take many years given limitations
- Decreases in state and federal aid
- Depletion of fund balance reserves
- Significant adjustments to cost structure required to rebalance budget
- Deferral of supplemental/discretionary legacy cost funding
- Deferred capital investments, including infrastructure

City of Westland *2010 Projection* - General Fund Revenues and Expenditures (prepared in 2010)

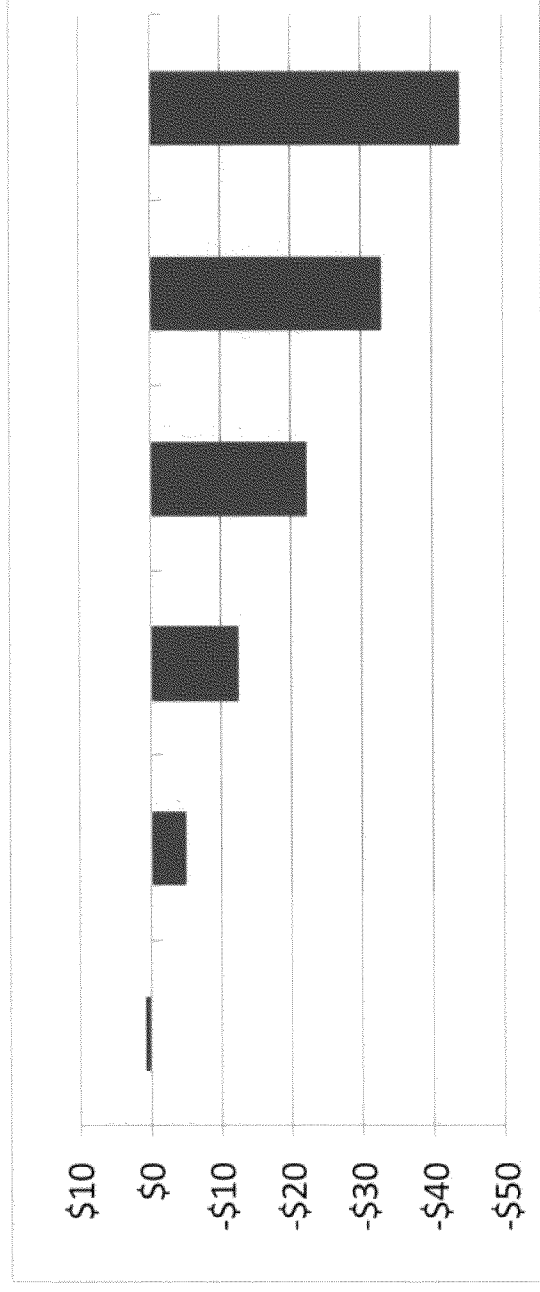


plante
moran

City of Westland *2010 Projection* - General Fund

Unreserved Fund Balance /(Deficit) (prepared in 2010)

For the years ending June 30 (in millions)



2010	2011	2012	2013	2014	2015
.200	(4.927)	(12.294)	(21.999)	(32.665)	(43.912)

plante
moran

City of Westland Steps Taken Since 2008

Step Taken	Impact
Workforce adjustments impacting more than 100 full-time positions through attrition and early retirement options over a 5-year period	\$70k-\$80k/employee (salaries and fringes)
Eliminated longevity pay for all employees	Over \$3.8 million saved over 10 years
Reduced pension costs by requiring employee contributions, closed the general employees defined benefit plan to new hires, and lowering multiplier for police and fire	Over \$5 million of employee contributions thus far (savings to City)
Implemented hard cap on health care for all employees in 2012	Savings of \$5.8M to date
Provided five different health care options to employees – some with lower employee contributions and City costs	Saved on operating expenses and limited future increases on health care.
Moved all post-65 retirees to Medicare Advantage plan	Over \$2.5 million saved to date/\$724,000 annually

City of Westland Steps Taken Since 2008

Step Taken	Impact
Eliminated retiree health care for all new employees hired after 2014	Reduced legacy costs
Through attrition began shifting building department to a contractual basis between FY 2010 and 2012. Contract based on a percentage of revenue collected from permits and inspections. If revenue is down, then the contract obligations would automatically decrease.	Over \$3 million saved to date
Contracted out assessing services beginning in FY 2013	Over \$1 million saved to date/\$130,000 annually
Shared fire chief with City of Wayne since FY 2013	\$550,000 additional revenue
Shared DPS director with City of Wayne (FY 2013 – FY 2018)	\$150,000 savings over the five-year period
Tiered salary schedule in contracts beginning in FY 2010	\$150,000 savings annually

Past 16 Years of Revenue and Expense – General Fund*

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenue									
Property taxes	\$ 19,181,648	\$ 19,852,920	\$ 23,309,276	\$ 23,946,259	\$ 25,281,678	\$ 25,757,011	\$ 25,783,246	\$ 24,706,066	\$ 22,691,414
Federal and state sources	10,368,815	9,163,555	9,180,956	9,021,774	8,812,624	8,775,159	8,196,200	7,261,906	7,535,736
Charges for services	6,584,598	7,278,457	9,206,305	7,573,187	7,772,123	7,333,534	7,050,654	7,853,617	7,691,072
Court fines and fees	3,557,639	3,549,555	3,822,316	4,289,511	4,765,815	4,787,942	4,185,069	4,687,840	3,794,013
Other revenue	5,132,949	5,917,057	5,863,411	6,741,498	7,062,901	7,484,621	10,391,418	6,176,063	9,127,946
Total revenue	44,825,649	45,761,544	51,382,264	51,572,229	53,695,141	54,138,267	55,606,587	50,685,492	50,840,181
Expenditures									
General government	9,828,384	9,664,728	10,884,021	11,177,455	11,342,673	11,803,935	11,396,656	12,190,336	10,799,255
Street lighting	-	-	-	-	-	-	-	-	3,289
Public safety	27,718,109	27,385,885	29,435,713	31,004,204	33,584,597	35,164,257	34,618,047	34,066,214	29,653,685
Sanitation	4,876,884	4,844,727	4,207,539	4,564,030	4,134,973	3,500,010	5,207,804	4,274,731	4,231,175
Community and econ. development	-	-	-	-	-	-	-	-	-
Recreation and culture	3,540,670	3,215,201	3,116,286	3,253,872	3,328,807	3,398,642	2,986,707	2,924,633	3,580,496
Other	992,187	834,689	1,108,013	1,220,313	1,359,059	1,388,397	1,255,782	-	-
Debt service	34,270	17,133	-	-	-	-	-	154,875	154,874
Total expenditures	46,990,504	45,962,363	48,751,572	51,219,874	53,750,109	55,255,241	55,464,996	53,610,789	48,422,774
Revenue over (under) expenditures	(2,164,855)	(200,819)	2,630,692	352,355	(54,968)	(1,116,974)	141,591	(2,925,297)	2,417,407
Net transfers in/out	158,681	249,793	189,000	435,281	715,120	1,116,461	759,213	852,276	(997,965)
Change in Fund Balance	\$ (2,006,174)	\$ 48,974	\$ 2,819,692	\$ 787,636	\$ 660,152	\$ (513)	\$ 900,804	\$ (2,073,021)	\$ 1,419,442

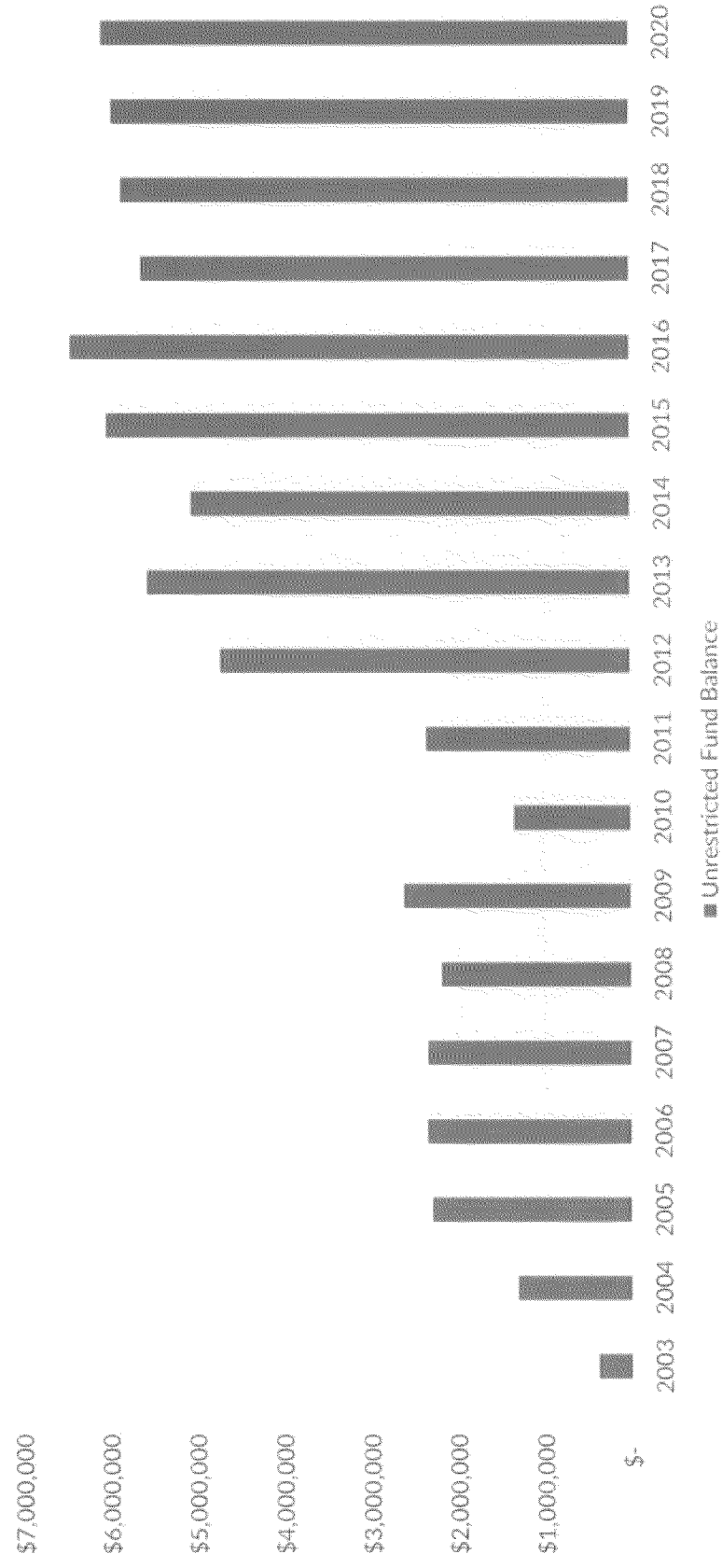
*GAAP basis – includes the following funds: General Fund, E-911, Metro-Act, Cable

Past 16 Years of Revenue and Expense – General Fund*

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue									
Property taxes	\$ 21,408,829	\$ 21,393,524	\$ 20,148,861	\$ 25,136,237	\$ 25,812,494	\$ 25,806,496	\$ 26,728,347	\$ 27,487,912	\$ 28,180,189
Federal and state sources	7,953,788	9,889,962	10,496,104	9,269,976	10,394,045	11,164,629	11,423,243	10,931,696	10,557,006
Charges for services	8,140,969	8,277,115	8,352,288	8,284,042	8,673,417	8,809,293	9,492,550	8,787,164	9,621,206
Court fines and fees	3,502,067	4,757,448	4,635,765	4,891,466	5,176,007	5,178,289	5,326,369	6,149,905	4,891,785
Other revenue	9,997,188	8,680,316	10,057,522	11,078,334	9,756,027	9,878,392	11,930,264	11,267,462	9,478,899
Total revenue	51,002,841	52,998,365	53,690,540	58,660,055	59,811,990	60,837,099	64,900,773	64,624,139	62,729,085
Expenditures									
General government	10,163,793	16,328,214	13,837,895	15,410,512	15,512,474	15,505,173	14,669,125	14,811,416	14,707,878
Street lighting	2,271	2,396	2,502	51,021	90,212	102,643			
Public safety	31,026,783	33,025,200	35,671,066	34,777,061	36,629,168	37,632,672	38,182,941	39,221,764	37,592,010
Sanitation	4,196,244	4,368,287	4,321,783	3,254,480	2,969,212	2,969,918	3,317,958	3,661,071	3,907,258
Community and econ. development	851,639	875,867	856,287	803,482	867,598	889,319	4,578,148	4,142,256	4,418,606
Recreation and culture	2,625,353	1,870,114	2,007,197	2,133,509	2,485,333	2,641,663	2,667,683	2,433,699	2,072,365
Other	-	-	-	-	-	-	-	-	-
Debt service	154,874	204,213	369,402	373,429	376,883	283,757	283,549	129,123	128,786
Total expenditures	49,020,957	56,674,291	57,066,132	56,803,494	58,930,880	60,025,145	63,699,404	64,399,329	62,826,903
Revenue over (under) expenditures	1,981,884	(3,675,926)	(3,375,592)	1,856,561	881,110	811,954	1,201,369	224,810	(97,818)
Net transfers in/out	(534,653)	(613,523)	(464,509)	(412,450)	(654,490)	(947,850)	(431,650)	(565,879)	99,154
Change in Fund Balance	\$ 1,447,231	\$ (4,289,449)	\$ (3,840,101)	\$ 1,444,111	\$ 226,620	\$ (135,896)	\$ 769,719	\$ (341,069)	\$ 1,336

*GAAP basis – includes the following funds: General Fund, E-911, Metro-Act, Cable

Past 16 Years of Unrestricted Fund Balance – General Fund



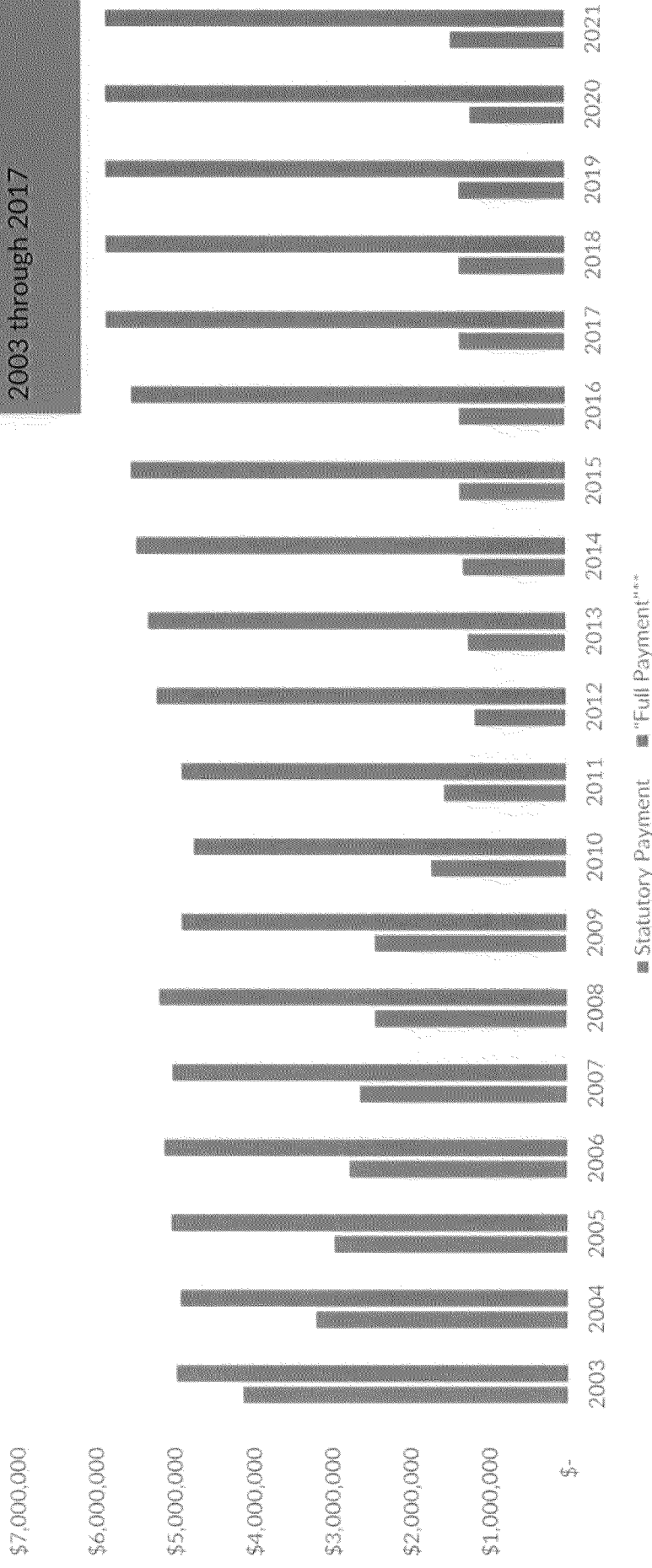
A black and white photograph of a police station building. The word "POLICE" is written in large, bold, capital letters on the side of the building. The building has several windows and a dark roof. The background shows some trees and a clear sky.

POLICE

Current State of Revenue Challenges and Fiscal Matters

Loss in Statutory Revenue Sharing*

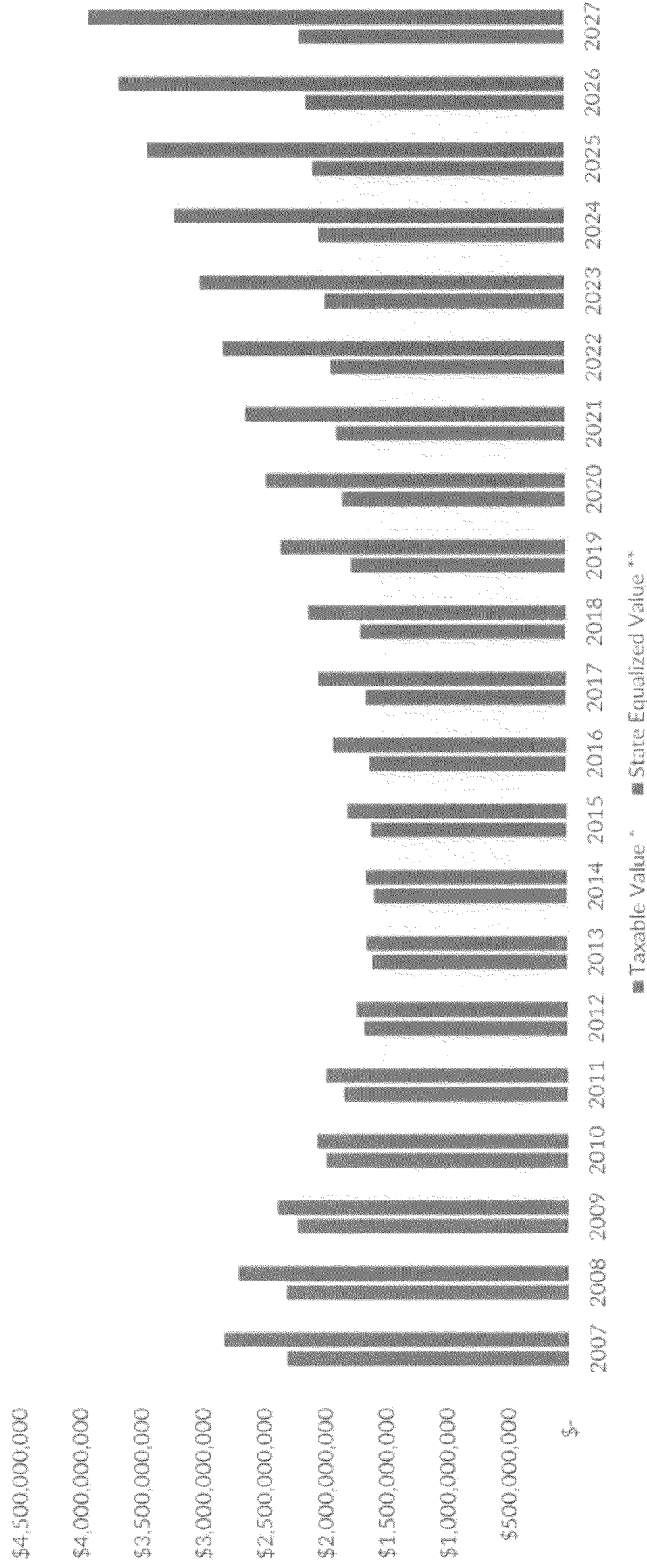
Statutory payment is 1/3 2003 levels
Cumulative impact: \$46 million from 2003 through 2017



*Data from MML's SaveMiCity.org

**Assumes "full payment" continues on same loss or gain as constitutional payment through 2017. For the years 2018-2021, estimate "full payment" flat at 2017 level

Property Tax Loss



*Projected taxable value beginning in 2022 is increased annually for inflation

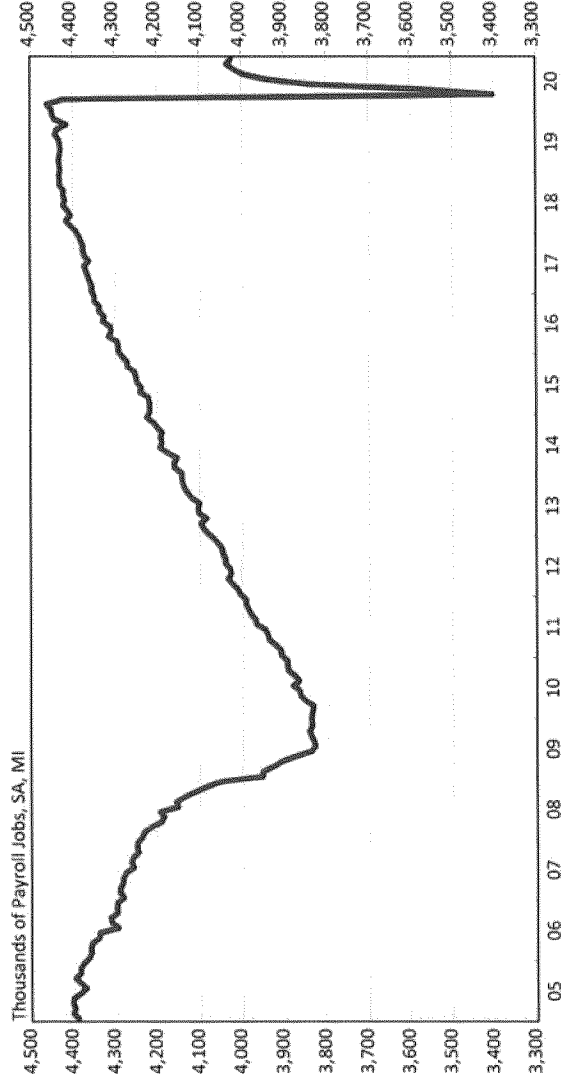
** Projected state equalized value is estimated to increase beginning in 2022 based on a five-year rolling average

COVID-19 Statewide Impact

Michigan Consensus Revenue Conference (January 2021)

Estimate personal income will decline 2.9% in 2021 then bounce back 2.5% in 2022. In 2023, it'll increase another 4.1%
Project state revenue (General Fund and School Aid Fund) will decrease \$500 million (2%) this fiscal year before increasing \$1 billion (4.3%) in 2021-22 fiscal year. It's projected to stabilize at 2.7% growth after that.

Climbing Out of a Deep Jobs Hole



RSOE, January 2021

COVID-19 Impacts on City of Westland Revenue–

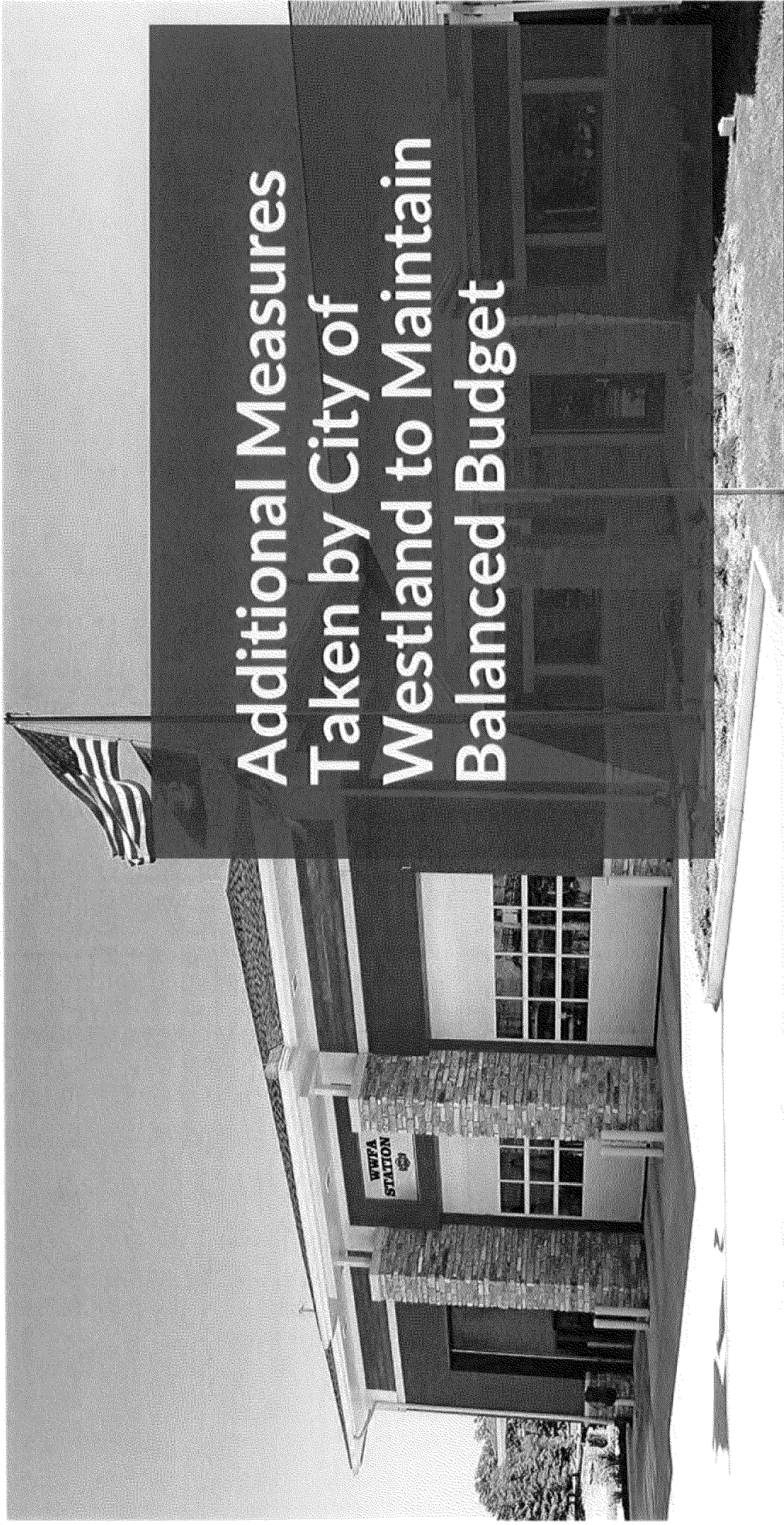
Currently no forecasted impact on taxable values – expect annual increases of 2.25%-2.50%

Approximately \$200k decline in state share revenue for FY 2020; previously expected to further decline in FY 2021, state shared revenue now projected to increase 2%

There will be some new grants received, but other grants are being negatively impacted. Overall, grant revenue will be flat

Court fines & fees (\$4.75M) expected to be slightly lower than FY 2020 (\$4.9M) which was down significantly from FY 2019 (\$6.1M)

Other revenue sources (charges for services, license and permit revenue, certain recreation revenue) seeing decreases



Additional Measures Taken by City of Westland to Maintain Balanced Budget

Revenue Generating Measures to Date

Taylor Tower

In 2014, the City recognized a gain of \$13.7 million resulting from the sale of Taylor Towers

Cell tower lease

During 2015, the City sold land used for telecommunications activities including the assignment of two cellular leases in the amount of \$700,000
During 2019, the City sold land used for telecommunications activities including the assignment of one cellular lease in the amount of \$850,000

Sanitation millage

New 2020 approved sanitation millage (1.0 mill) is expected to generate approx. \$1.75 million in its first year (fiscal year 2021)

Library millage

As a result of the 2012 voter approved additional Library millage (1.0), the Library millage has generated \$14.8 million of additional revenue since 2010.
Fiscal year 2020 revenue of \$3 million, inclusive of both Library millages (2.0 mills; rolled-back to 1.9258) is a 65% increase from 2010

Marijuana License

Application fees have generated \$555k to date in fiscal year 2021
Annual renewals expected to total between \$80-100k

Miscellaneous Fees

Updated Park Pavilion and City Hall room rentals
Updated Boarding, Pick-up and Handling Fees of Animals (offsets the contract with Humane Society)

Other Cost Containment Measures to Date

Completed

- Sanitation arrangements (Central Wayne County Sanitation Authority or “CWCSCA”) – provides household refuse services for five communities, including Westland
 - FY 2021 rate - \$29/ton for household waste; \$44.96/ton for compost
 - Annual cost for Westland approximately \$1.2 million in both FY 2020 and FY 2021
- Third party vendor contract for refuse was adjusted to ensure costs do not exceed revenue from Sanitation millage
- Dispatch services - contract with City of Dearborn – annual savings is over 20% of in-house cost (or \$162,000 in first year of contract – FY 2020)

Currently Exploring

- Pension bonding - approved by the on January 25, 2021; proceeds from sale expected by February 18, 2021
- Retiree healthcare buyouts - goal to roll-out program by June 30, 2021 – refer to slide 27
- Water authority - still in the discovery phase
- Landfill contract opportunities (CWCSCA)

Results of City Measures Taken to Date

Fund Balance

General Fund unassigned fund balance at 6/30/2020 was \$5.8 million which represents an increase of \$4.5 million or 333% since 2010

Bond Rating

The City maintained its bond rating to current bond rating to A+ (S&P)

Retiree Healthcare Liability

The City decreased its retiree healthcare liability by \$123 million (44%) from its peak of \$279 million

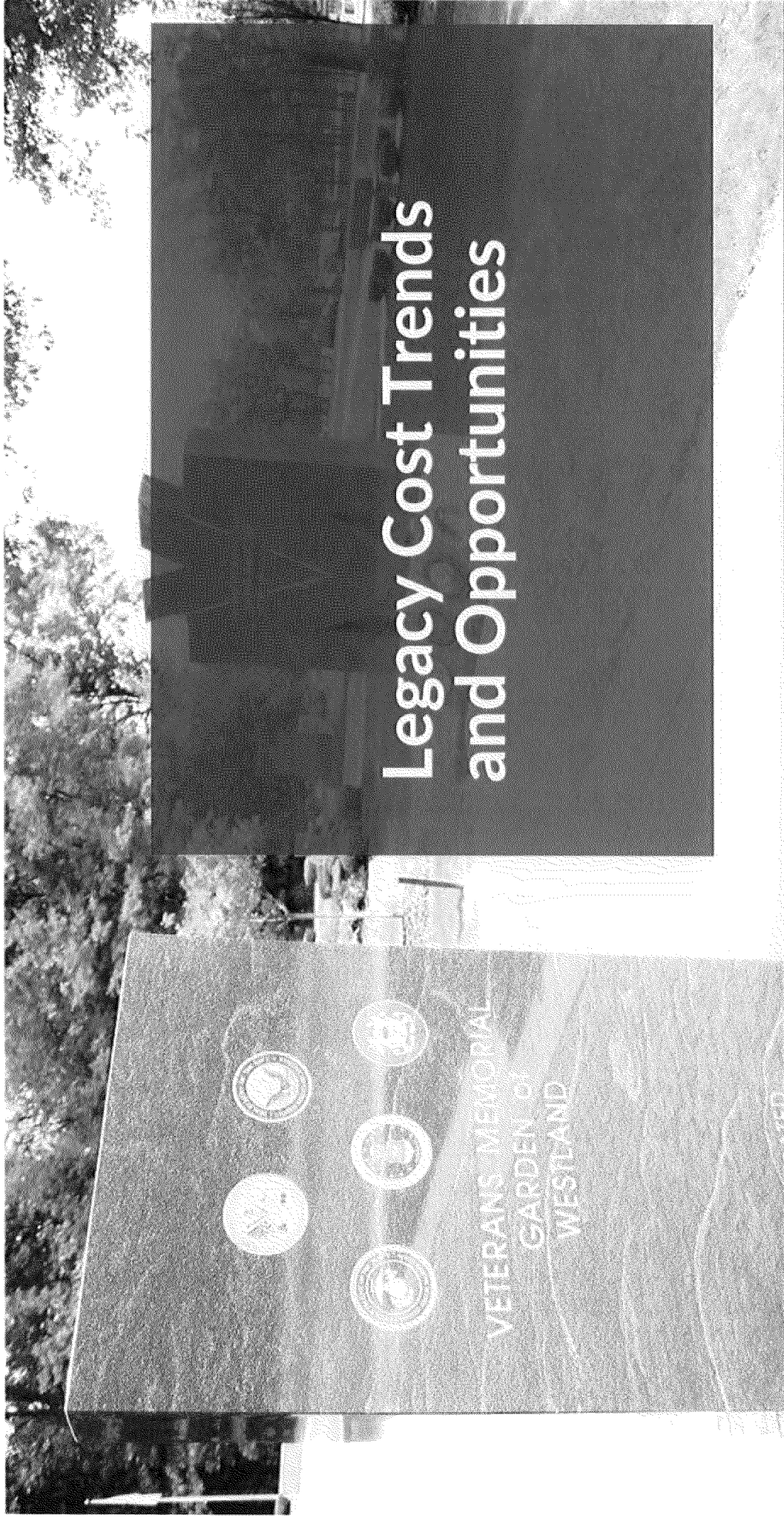
Low General Obligation Debt Load

The City has maintained a very low general obligation debt (80th percentile in the State of Michigan)

General Fund Current Balance and 5-Year Projection *

	Final Actual 6/30/2020	Amended Budget 2020-2021	Projected 2021-2022	Projected 2022-2023	Projected 2023-2024	Projected 2024-2025	Projected 2025-2026
Revenue							
Property taxes	28,180,189	30,668,892	31,504,669	32,085,562	32,889,418	33,425,394	34,266,563
Intergovernmental:							
Federal sources	282,496	3,535,900	969,665	475,632	175,212	175,964	176,724
State sources	10,274,510	10,278,317	11,103,948	11,263,018	11,425,248	11,590,701	11,759,442
Charges for services	8,450,066	8,569,996	9,030,483	9,164,185	9,300,140	9,438,390	9,578,975
Court fines and fees	4,891,785	4,750,000	5,555,000	5,610,550	5,666,656	5,723,322	5,780,555
Licenses and permits	1,171,140	1,785,927	1,418,417	1,585,147	1,597,910	1,449,279	1,621,865
Other revenue:	9,478,899	8,031,503	8,904,986	8,968,055	9,033,902	9,102,639	9,224,379
Total revenue	62,729,085	67,620,535	68,487,167	69,152,149	70,088,485	70,905,688	72,408,503
Expenditures							
Current:							
General government	14,707,878	13,705,236	13,194,614	13,386,028	13,581,926	13,698,179	13,903,923
Public safety	37,592,010	38,831,652	39,640,512	39,750,123	40,597,004	41,472,602	42,377,809
Sanitation	3,907,258	5,047,078	4,914,225	5,009,181	5,149,082	5,293,063	5,441,245
Community and economic development	4,418,606	3,810,532	4,209,238	4,333,374	4,361,513	4,288,921	4,418,965
Recreation and culture	2,072,365	2,239,103	2,300,896	2,334,847	2,370,067	2,406,562	2,444,343
Debt service	128,786	3,523,067	3,522,583	3,523,440	3,522,583	3,523,067	3,523,067
Total expenditures	62,826,903	67,156,669	67,782,068	68,336,993	69,582,175	70,682,394	72,109,352
Excess of Revenue Over Expenditures	(97,818)	463,866	705,099	815,156	506,310	223,294	299,151
Other Financing Sources (Uses)	99,154	(264,485)	(637,251)	(636,319)	(232,503)	1,847	2,827
Net Change in Fund Balance	1,336	199,381	67,848	178,836	273,807	225,141	301,978
Fund Balance - Beginning of year	9,087,092	9,088,428	9,287,809	9,355,657	9,534,493	9,808,300	10,033,441
Fund Balance - End of year	9,088,428	9,287,809	9,355,657	9,534,493	9,808,300	10,033,441	10,335,419
Unrestricted Fund Balances - End of year	6,086,529	6,285,910	6,353,758	6,532,594	6,806,401	7,031,542	7,333,520
Unrestricted Fund Balances as a % of total expenditures	9.7%	9.4%	9.4%	9.6%	9.8%	9.9%	10.2%

*GAAP basis -- includes the following funds: General Fund, E-911, Metro-Act, Cable

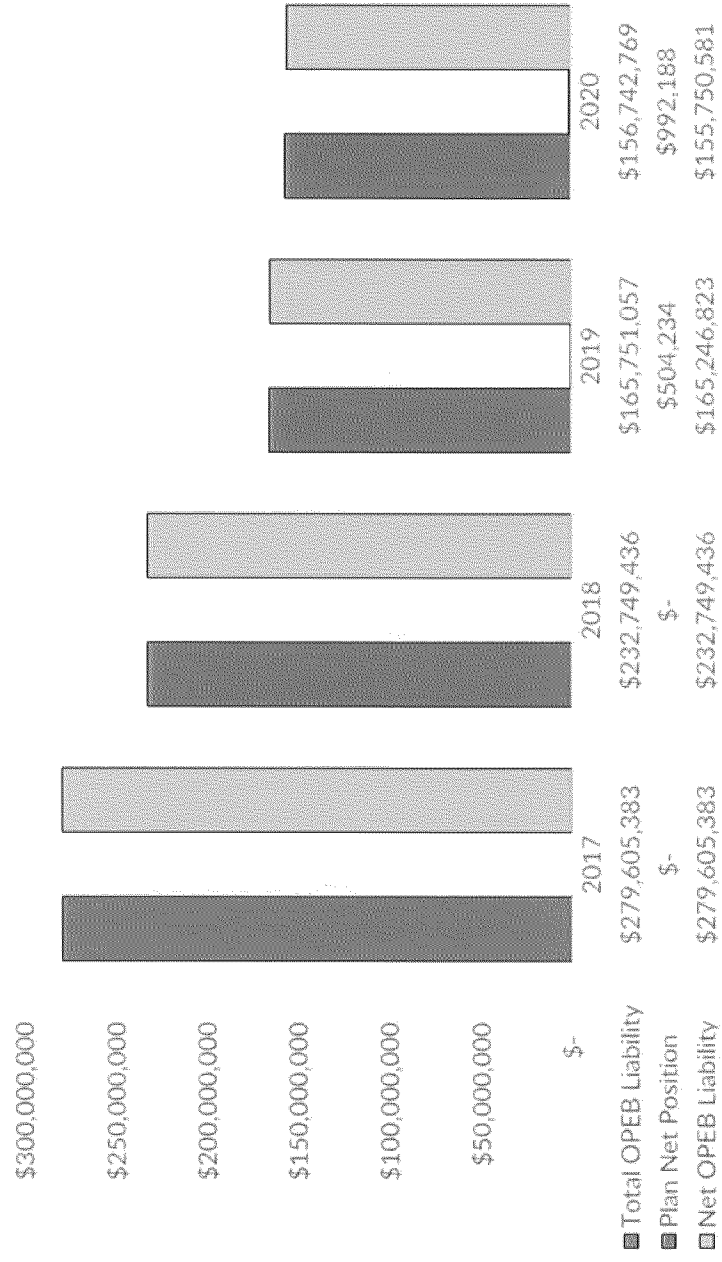


Legacy Cost Trends and Opportunities

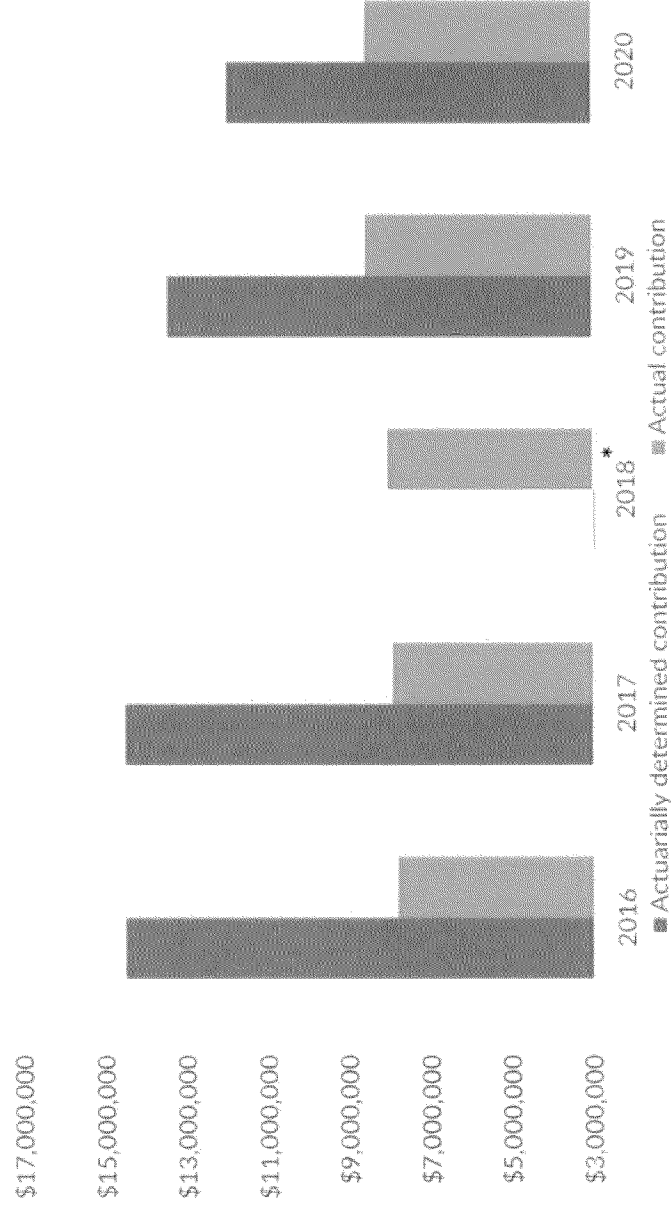


VETERANS MEMORIAL
GARDEN OF
WESTLAND

Retiree Healthcare (Other Postemployment Benefits “OPEB”) Liability



Retiree Healthcare (Other Postemployment Benefits “OPEB”) contributions



Public Act 202 of 2017 – Protecting Local Governments Retirement and Benefits Act

Corrective Action Plan (CAP) required by the State if...

- Pension plan is under 60% funded

City put together a plan on how and when the City will move the MERS plan funding level up to 60%

City Council approved the plan in November of 2018

State approved the plan in December of 2018

- Other Post Employment Benefits “OPEB” (aka - Retiree Healthcare) is under 40% funded

City put together a plan on how and when the City will move the funding level up to 40%

City Council approved the plan November of 2018

State approved the plan in December of 2018

Other Post Employment Benefits “OPEB” PA 2020 Plan Provisions

- Plan to achieve 40% by the 2043
- Establish Irrevocable Retiree Healthcare or “OPEB” Trust
 - This was completed in 2019
- Commit to funding of \$500,000 minimum into Trust annually to accumulate assets while continuing to pay for benefits from operations
 - Initial \$500,000 deposited into trust in FY 2019; Second \$500,000 deposited into trust in FY 2020

Projected Financial Opportunity and Proposed Plan for Retiree Healthcare Buyouts

Proposed voluntary program to offer retirees cash settlements as alternative to receiving traditional healthcare from the City – two options:

- Lump-sum buyout
- Annual stipend

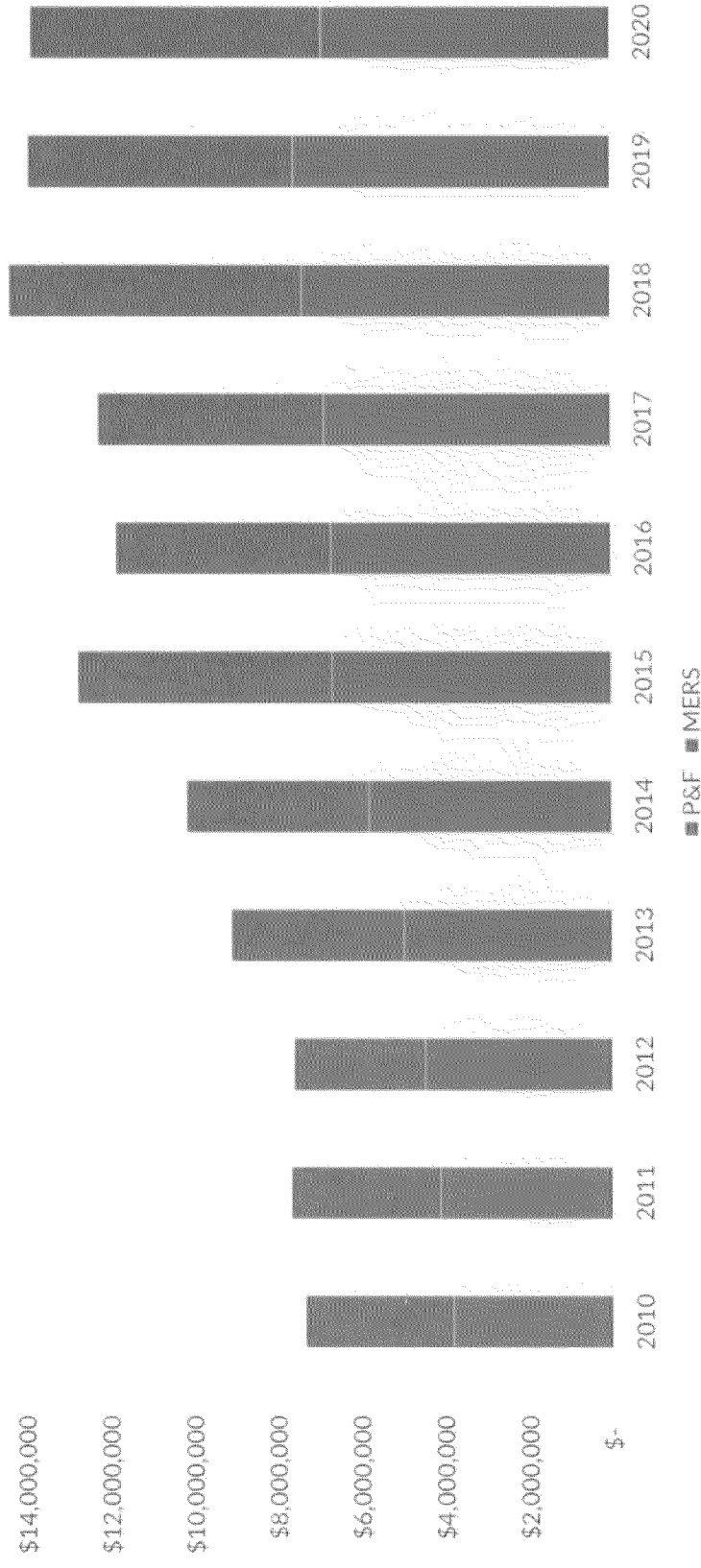
Benefits to the City

- Annual cost savings that directly impact City budget
- Reduction of legacy retiree health care cost liabilities

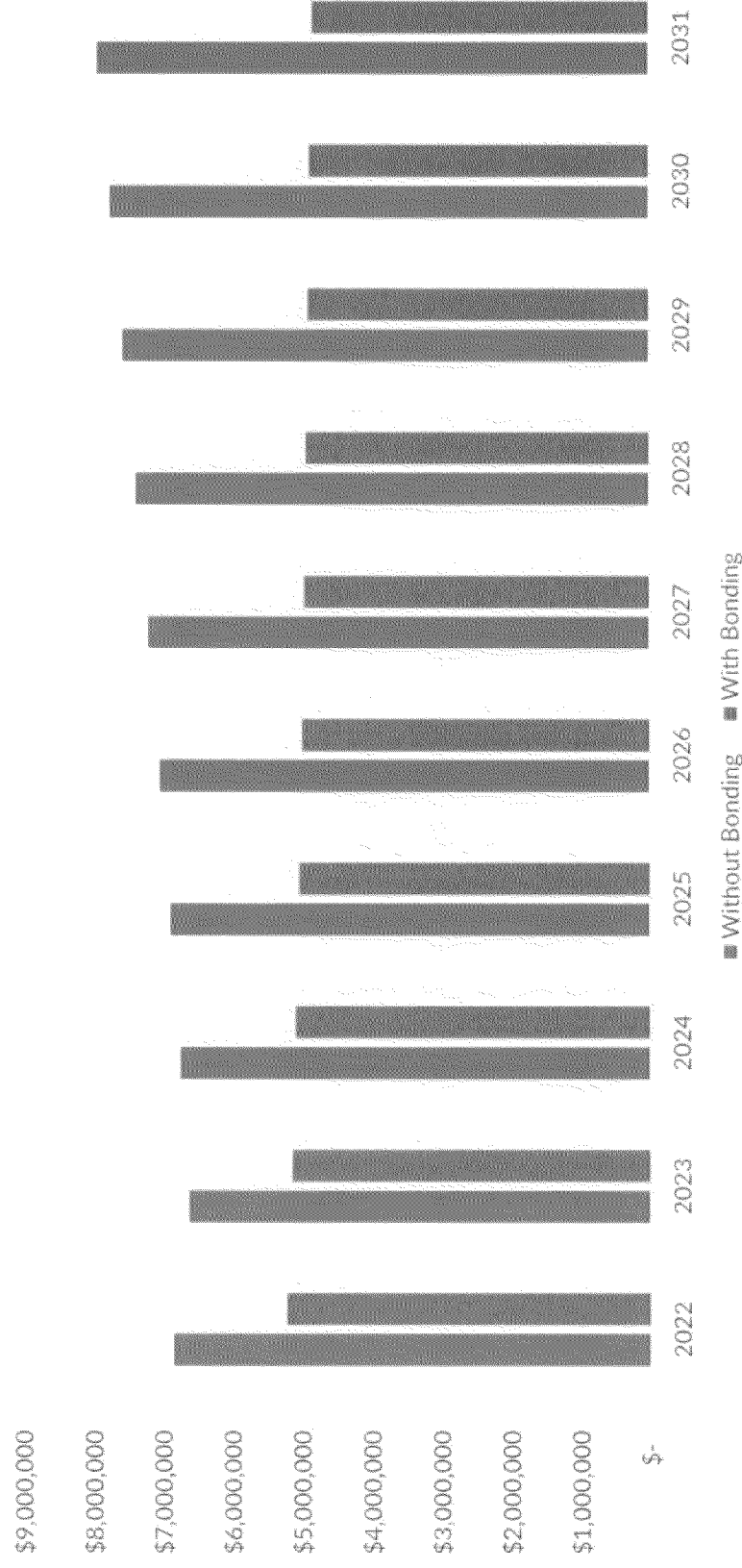
Projected financial impact

- Budgeted \$150,000 to fund program in year 1 (fiscal year 2021); will ultimately result in annual net savings for City but amount will vary based on mix of lump-sum vs. stipend offers accepted and which retirees accepts
- Reduction of legacy costs

Past 10 years of pension contributions



Projected Financial Opportunity for Pension Bonding - Annual Pension Payments



Note: From the years 2022-2052, estimated savings are \$69.5 million, which equates to a net present value of \$46.5 million
 Data source: Actuary projection completed by Nyhart in 2020

City Recent Bond Rating Process for Pension Bonds - Rating Considerations

What is a bond rating?

- Rating of credit quality

What is consider in establishing bond rating?

- Several metrics evaluated to determine a bond issuer's financial strength, including ability to pay principal and interest timely

Why is this important?

- Alerts investors as to the quality and risk/stability of the bond

Outcome of City's recent bond rating process with S&P

- A+/stable rating
- Strong – Financial practices, budget flexibility, GF fund balance (9.6%), overall liquidity*
- Adequate – Financial performance (break-even operating results), economy with access to diverse metropolitan area
- Opportunity for improvement – Legacy cost obligations

* Total gov't available cash available

Bond Rating			
Moody's	Standard & Poor's	Grade	Risk
Aaa	AAA	Investment	Lowest Risk
Aa	AA	Investment	Low Risk
A	A	Investment	Low Risk
Baa	BBB	Investment	Medium Risk
Ba, B	BB, B	Junk	High Risk
Caa/Ca/C	CCC/CC/C	Junk	Highest Risk
C	D	Junk	In Default

Investopedia



Revenue and Expense Options/Opportunities to Consider

First, Revisit Current Property Tax Structure

Source	Millage	Expiration Date	Original Millage Authorized by Election	2019 Millage Rate		2020 Current Year "Headlee" Millage Fraction Reduction	Maximum Allowable Levy	Mills Levied
				Permanent Reduced by MCL 211.34d "Headlee"				
PA 167	Library	N/A	1.0000	0.9419		0.9909	0.9333	0.9333
Charter	Operating	N/A	8.0000	6.4438		0.9909	6.3851	6.3851
PA 359	Promotion	N/A	\$50k Max	3.2211		0.9909	3.1917	0.0272
PA 298	P/F Retirement	N/A	Unlimited	Unlimited		N/A	Unlimited	8.0000
PA 298	Rubbish	N/A	3.0000	2.4156		0.9909	2.3936	2.3936
Voted	Rubbish	12/31/2029	1.0000	N/A		N/A	1.0000	1.0000
Voted	Library	12/31/2021	0.9900	0.9839		0.9909	0.9749	0.9749
Total City Mills							19.7141	

Note: Management's five-year forecast projects mills levied to remain flat

Structural Revenue Options/Opportunities to Consider

- Seek Headlee override to return millages back to original authorized (refer to prior slide)
- Consider voter approval for new millages – roads, capital improvements, future debts, etc.
- Utilize special assessments to fund certain projects as currently done with street lighting (i.e. paving roads)
- Opportunities to increase tax base - new development within City
- Create or join separate authorities for certain services
- Implement or increase charges for services
- Consider an income tax
- Marijuana business application fees

One-time (New) Revenue Options/Opportunities

City assets – Sale/developmental opportunities to increase tax base

- Hawthorne Valley
- Ford Road Property (previous City Hall)
- To consider other City assets that could be sold/leveraged

Expense Options/Opportunities to Consider


Retiree healthcare (proposed buyout program)

Seek opportunities for service consolidation or sharing with other communities or school district (i.e. information technology, recycling/landfill, court services, public safety, etc.)

Explore changes to the service delivery model – increase automated/online services

Challenges/Constraints

- Competitive property tax rate
- Development opportunities
- Budget constraints
- Competing priorities
- Existing contractual obligations
- Limitations on revenue growth



Department Trend and Planning Data

Organizational Trends

- In-person sensitivities to communicable disease potential are likely to continue leading to changing expectations toward contactless services
- Remote service through portals and virtual delivery demands will increase; not all residents are positioned to take advantage of remote services
- Some services, such as building inspection procedures, may remain post-pandemic
- Residents are becoming more sophisticated in desiring data visualization
- If enacted, an increase in minimum wage will cause fees to increase
- Codify ordinances and internal procedures to match service expectations
- Opening and closing services may continue through 2021

Department Specific Trends

- “Raise the Age” opens door to allow community diversion programs for 17-year-olds
- Trends in self-medication, mental health, and isolation
- May be a declining demand for commercial real estate
- Pathogen mitigation in city facilities
- As public works requests for service become easier, they are challenged by becoming more reactive than proactive
- Lead and copper rules increase costs on infrastructure

Department Specific Goals

- Economic Development: Stronger support system for new businesses; Redevelopment Ready Community certification
- Fire Department: Move toward telemedicine; retain positions when SAFER grants expire in 2023
- Planning: Comprehensive update of zoning ordinance

An aerial photograph of a coastal area. In the foreground, a multi-lane road runs horizontally, with a line of parked cars along its right side. To the right of the road is a paved area with some buildings and structures. Further right is a large, dark body of water, possibly a bay or harbor, with a rocky shoreline. The background shows more land and some distant structures. The word "Appendix" is centered over the image in a large, white, sans-serif font.

Appendix

Property Tax Terms

Market Value – what a property is worth in an arms-length transaction

Assessed Value – half of market value as determined through existing sales

State Equalized Value (SEV) – Assessed value after it's approved by County and State

Capped Value – Prior year's taxable value plus additions minus losses, times CPI rate

Taxable Value

- Lower of the SEV or capped value
- Annual increases limited to lesser of CIP or 5% - no limitations on annual declines

Millage rates are applied to taxable value:

- Formula: millage rate x taxable value = tax amount levied

Revenue Limitation Measures

Headlee Amendment (1978) – limits total revenue collected on property tax millages

Proposal A (1994) – limits revenue collected on individual property tax bills via assessment

Bolt v. City of Lansing (1998) – limits revenues from user fees

Statutory Revenue Sharing/ City, Village, Township Revenue Sharing – declining revenue source

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, $\frac{1}{2}$ 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



City of Westland Policemen and Firemen Retirement System

June 30, 2019
Actuarial Valuation Report

Table of Contents

Actuarial Certification	3
Executive Summary	5
Summary Results	6
Changes Since Prior Valuation and Key Notes	7
Historical Valuation Summary	8
Identification of Risks	9
Plan Maturity Measures	10
Assets and Liabilities	11
Present Value of Future Benefits	12
Actuarial Accrued Liability	13
Asset Information	14
Reserve Allocation	16
Funding Results	17
Reconciliation of Gain/Loss	18
Development of Recommended Contribution	19
Michigan PA 202 Reporting Requirements	20
Data, Assumptions, and Plan Provisions	21
Demographic Information	22
Participant Reconciliation	24
Active Participant Schedule	25
Plan Provisions	26
Actuarial Assumptions	29

Actuarial Certification

At the request of the plan sponsor, this report summarizes the City of Westland Policemen and Firemen Retirement System as of June 30, 2019. The purpose of this report is to communicate the following results of the valuation:

- Funded Status;
- and Determine Recommended Contribution;

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census and asset information has been provided to us by the employer. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods were chosen by the Board. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

Attachment 3c
Actuarial Certification

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



Nick H. Meggos, EA, FCA
Enrolled Actuary No. 17-7406



Danielle Winegardner, FSA, EA, MAAA
Enrolled Actuary No. 17-8260

March 2, 2020
Date

Executive Summary

The actuarial report provides the plan sponsor with several ways to measure the funded status of the pension plan. The following detail is included in the report:

- Recommended Contribution
- Asset Performance
- Plan Demographics

This report is filled with actuarial terminology. However, the ultimate objective of the valuation is to provide a rational method of funding the plan. It is necessary to fund the benefit promised by the employer in a manner that is logical and employer friendly, yet safeguards the participants' interest. The actuarially derived contribution, however, is not the true cost of the pension plan. The true cost is illustrated by the following formula:

$$\text{Ultimate Pension Cost} = \text{Benefits Paid} - \text{Investment Income} + \text{Plan Expenses}$$

While the plan's liability and normal cost determine the current contribution recommendations, the true cost is controlled only by the "defined" benefit and investment income generated by the underlying assets. The actuarial process only controls the timing of costs.

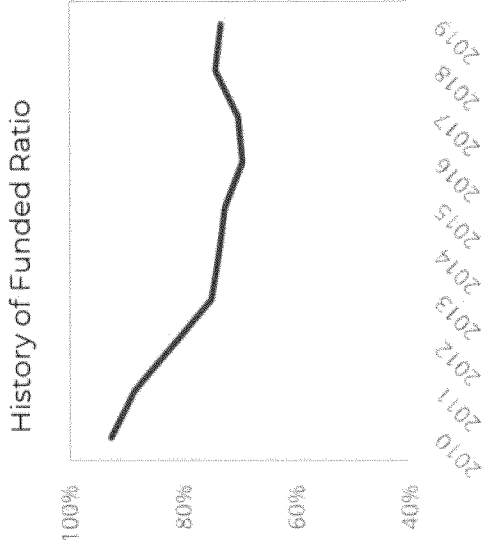
We suggest that a plan sponsor treat the actuarial report as you would treat a scorecard. It is simply a measure of progress toward the ultimate goal of paying all pension benefits when participants retire.

Attachment 3c Executive Summary

Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	June 30, 2018	June 30, 2019
Funded Status Measures		
Accrued Liability	\$227,215,316	\$230,177,436
Actuarial Value of Assets	168,541,032	\$167,124,682
Unfunded Actuarial Accrued Liability (UAAL)	\$58,674,284	\$63,052,754
Funded Percentage (AVA)	74.18%	72.61%
Funded Percentage (MVA)	73.26%	73.25%
Cost Measures		
Recommended Contribution for Next Fiscal Year	\$6,930,726	\$7,595,440
Recommended Contribution (as a percentage of payroll)	57.11%	63.58%
Asset Performance		
Market Value of Assets (MVA)	\$166,449,954	\$168,608,364
Actuarial Value of Assets (AVA)	\$168,541,032	\$167,124,682
Actuarial Value/Market Value	101.26%	99.12%
Market Value Rate of Return	6.14%	5.82%
Actuarial Value Rate of Return	7.73%	5.98%
Participant Information		
Active Participants	143	142
Terminated Vested Participants	1	3
Retirees and Beneficiaries	263	268
Disabled Participants	13	13
Total	420	426
Valuation Payroll	\$11,383,779	\$11,946,038



Changes since Prior Valuation and Key Notes

Effective June 30, 2019, there was a change in firm and enrolled actuary for the plan. The methods are substantially the same and the accrued liability, normal cost, and plan assets for the prior year are within 5%. Results from June 30, 2018 and prior plan years shown in this report were obtained from valuation results prepared by GRS Retirement Consulting.

The beginning of year Actuarial Value of Assets (AVA) as of June 30, 2018 used to determine the June 30, 2019 AVA was adjusted for the corrected contribution in the prior year AVA development. The June 30, 2018 AVA and results were not revised for this change. The impact only flows through the development of the current year AVA.

Executive Summary**Historical Valuation Summary**

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Funding					
Accrued Liability	\$213,099,595	\$223,150,535	\$226,893,469	\$227,215,316	\$230,177,436
Actuarial Value of Assets	\$154,516,130	\$154,907,025	\$159,167,192	\$168,541,032	\$167,124,682
Unfunded Actuarial Accrued Liability	\$58,583,465	\$68,243,510	\$67,726,277	\$58,674,284	\$63,052,754
Funded Percentage	72.51%	69.42%	70.15%	74.18%	72.61%
Actual Contribution	\$6,693,504	\$6,717,939	\$6,879,391	\$7,398,670	\$7,597,694
Recommended Contribution	\$6,693,504	\$6,717,939	\$6,841,964	\$7,398,670	\$7,597,694
Interest Rate	7.50%	7.50%	7.25%	7.25%	7.25%
Rate of Return					
Actuarial Value of Assets	8.25%	5.40%	7.97%	7.73% ¹	5.98%
Market Value of Assets	2.12%	-1.74%	15.24%	6.14% ¹	5.82%
Demographic Information					
Active Participants	139	149	149	143	142
Terminated Vested Participants	2	1	2	1	3
Retired Participants	258	259	257	260	258
Beneficiaries	3	3	3	3	10
Disabled Participants	12	13	13	13	13
Total Participants	414	425	424	420	426
Covered Payroll (prior year)	\$10,114,775	\$11,123,938	\$11,787,821	\$11,383,779	\$11,946,038
Average Covered Pay	\$72,768	\$74,657	\$79,113	\$79,607	\$84,127

¹ When corrected contributions were used, actual rates of return were 8.34% on the Actuarial Value of Assets basis and 9.13% on a Market Value of Assets basis

Attachment 3c.
Executive Summary

Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the City of Westland Policemen and Firemen Retirement System. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Method to Assess Risk
Investment Return	Scenario Testing; Asset Liability Study
Participant Longevity	Projections and Contribution Strategy
Demographic	Projections and Contribution Strategy
Salary Growth	Review salary history and future budgets; scenario testing

Plan Maturity Measures - June 30, 2019

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of Westland Policemen and Firemen Retirement System falls in its life-cycle.

Duration of Liabilities: 10.3

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 33.3%

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 7.1%

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 9.2%

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.

Assets and Liabilities

The basic building blocks of the actuarial report are contained in this section. These include:

- Actuarial Accrued Liabilities
- Asset Information
- Reserve Allocation

Attachment 3c

Assets and Liabilities

Present Value of Future Benefits

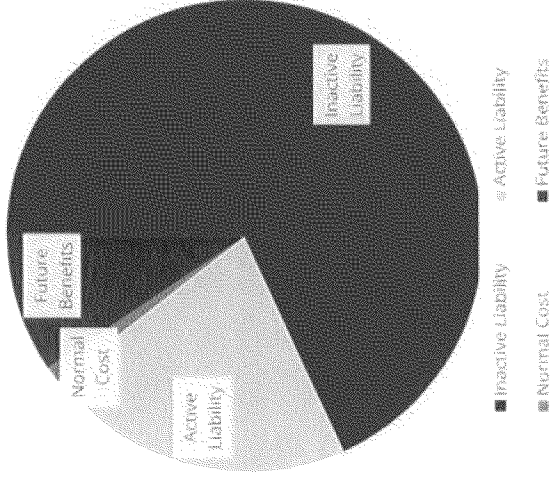
The Present Value of Future Benefits represents the future benefits payable to the existing participants.

June 30, 2019

Present Value of Future Benefits

Active participants	
Retirement	\$73,294,035
Disability	5,618,751
Death	1,334,458
Termination	1,444,714
Refund of contributions	248,364
Total active	<u>\$81,940,322</u>
Inactive participants	
Retired participants	\$164,856,354
Beneficiaries	3,044,154
Disabled participants	5,372,274
Terminated vested participants	2,067,685
Total inactive	<u>\$175,340,467</u>
Total	\$257,280,789
Present value of future payrolls	\$115,739,634

Breakdown of Present Value of Future Benefits



Attachment 3c
Assets and Liabilities

Actuarial Accrued Liability

The Actuarial Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions.

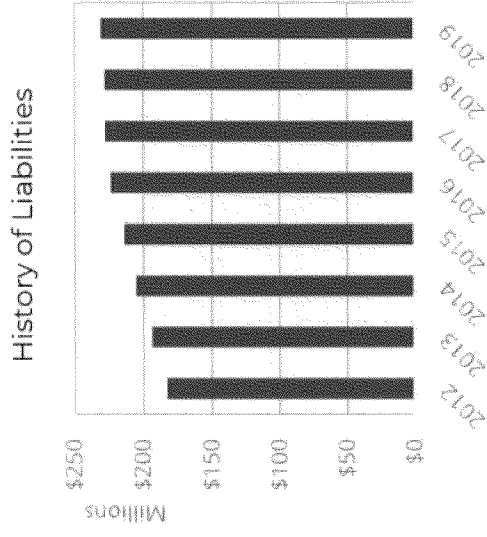
June 30, 2019

Funding Liabilities - Entry Age Normal as Percent of Pay

Active participants	
Retirement	\$51,526,867
Disability	2,102,493
Death	606,879
Termination	497,576
Refund of contributions	103,154
Total Active	\$54,836,969

Inactive participants	
Retired participants	\$164,856,354
Beneficiaries	3,044,154
Disabled participants	5,372,274
Terminated vested participants	2,067,685
Total Inactive	\$175,340,467
Total	\$230,177,436

Normal Cost	\$2,965,918
Interest Rate	7.25%



Attachment 3c: Assets and Liabilities

Asset Information

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

June 30, 2019

Market Value Reconciliation

Market value of assets, beginning of prior year \$166,449,954

Contributions

Employer contributions 7,597,694

Employee contributions 670,772

Total

Investment income \$8,268,466

Benefit payments \$9,476,694

Market value of assets, beginning of current year \$(15,586,750)

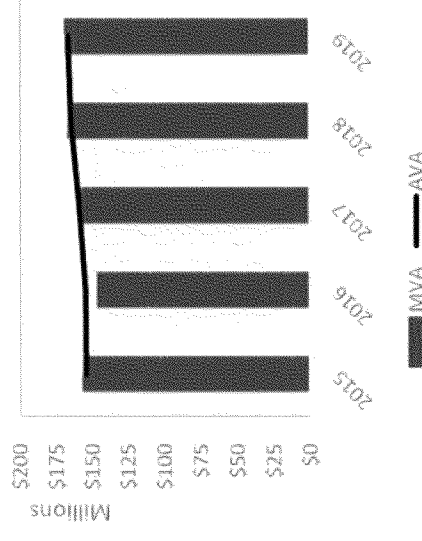
Return on Market Value \$168,608,364

Market value of assets available for pension benefits 5.82%

Actuarial Value of Assets

Value at beginning of current year \$167,124,682

History of Assets



Monitoring the pension plan's investment performance is crucial to eliminating surprises.

Attachment 3c

Assets and Liabilities

Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements.

	June 30 , 2018 ¹	June 30 , 2019
1. Expected Investment Income		
(a) Actuarial value of assets, beginning of prior year	\$159,167,192	\$168,541,032
(b) Actuarial value of assets, beginning of prior year, corrected value	\$159,167,192	\$164,800,644
(c) Employee Contributions	640,248	670,772
(d) Employer Contributions	7,398,670	7,597,694
(e) Benefit payments	(15,371,001)	(15,586,750)
(f) Expected investment income – end of year $[7.25\% \times (b) + 7.25\% \times (1/2) \times \{(c)+(d)+(e)\}]$	11,273,833	11,682,759
(g) Expected actuarial value of assets	\$163,108,942	\$169,165,119
2. Actual Market Value Investment Income	\$14,227,761	\$9,476,694
3. Amount subject to phase in $[(2) - (1f)]$	\$2,953,928	\$(2,206,065)
4. Phase in of gain/(loss) $[20\% \times (3)]$	\$590,786	\$(441,213)
5. Phased-In Recognition of Investment Income		
(a) Current Year Phase in of gain/(loss) (4)	590,786	\$(441,213)
(b) First Prior Year	2,132,568	590,786
(c) Second Prior Year	(2,788,958)	2,132,568
(d) Third Prior Year	(1,533,619)	(2,788,958)
(e) Fourth Prior Year	3,290,925	(1,533,620)
(f) Total	\$1,691,702	\$(2,040,437)
6. Preliminary actuarial value of assets, beginning of current year $[(1g)+(5f)]$	\$164,800,644	\$167,124,682
7. Market Value of Assets	\$166,449,954	\$168,608,364
8. 80% Market value of assets $(.80 \times (7))$	\$133,159,963	\$134,886,691
9. 120% Market value of assets $(1.20 \times (7))$	\$199,739,945	\$202,330,037
10. Final actuarial value of assets	\$164,800,644	\$167,124,682
11. Return on actuarial value of assets	8.34%	5.98%

¹ The development of the actuarial value of assets for June 30, 2018 in this exhibit uses the corrected contribution amount. The final AVA shown in the June 30, 2018 report was \$168,541,032.

Attachment 3c
Assets and Liabilities

Reserve Allocation

In financing the Actuarial Accrued Liabilities, the Valuation Assets were distributed as follows:

Reserves For	
Employees' Contributions	\$ 3,650,877
Employer Contributions	(11,765,233)
Retired Benefit Payments	176,722,720
Total	\$168,608,364
Market Adjustment	(1,483,682)
Total Valuation Assets	\$167,124,682

Recommendation: As of June 30, 2019, reserve assets exceeded the liability for Retired Benefit Payments by \$3,449,938. We recommend transferring this amount to the Reserve for Employer Contributions.

Funding Results

The basic building blocks of the actuarial report are contained in this section. These include:

- Reconciliation of Gain/Loss
- Recommended Contribution

Attachment 3c
Funding Results

Reconciliation of Gain/Loss

June 30, 2019

Liability (Gain)/Loss

1. Actuarial liability, beginning of prior year	\$227,215,316
2. Normal cost for prior year	3,025,509
3. Benefit payments	(15,586,750)
4. Expected Interest	16,127,440
5. Change in Assumptions	0
6. Change in Plan Provisions	0
7. Expected actuarial liability, beginning of current year	230,781,515
8. Actual actuarial liability	230,177,436
9. Liability (Gain)/Loss, (8) - (7)	\$(604,079)

Asset Gain/(Loss)

10. Actuarial value of assets, beginning of prior year	\$168,541,032
11. Adjustment for corrected contribution amount in prior year development	(3,740,388)
11. Contributions	8,268,466
12. Benefit payments	(15,586,750)
13. Expected Investment return	11,682,759
14. Expected actuarial value of assets, beginning of current year	\$169,165,119
15. Actual actuarial value of assets, beginning of current year	167,124,682
16. Asset (Gain)/Loss, (14) - (15)	\$2,040,437

Total (Gain)/ Loss, (9) + (16)

\$1,436,358

Attachment 3c

Funding Results

Development of Recommended Contribution

The recommended contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

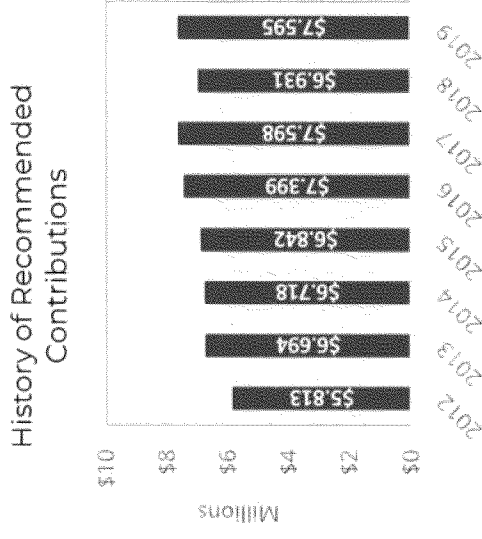
June 30, 2019

Funded Position	
1. Entry age accrued liability	\$230,177,436
2. Actuarial value of assets	167,124,682
3. Unfunded actuarial accrued liability (UAAL)	\$63,052,754

Employer Contributions¹

1. Normal Cost	
(a) Total normal cost	\$2,965,918
(b) Expected participant contributions	(579,173)
(c) Net normal cost	\$2,386,745
2. Administrative expenses	0
3. Amortization of UAAL (19 years)	4,572,407
4. Interest	636,288
5. Total recommended contribution for 2020	\$7,595,440

6. Expected valuation payroll	\$11,946,038
7. Total contribution as a percentage of valuation payroll	63.58%
8. Total normal cost as a percentage of valuation payroll	24.83%



Attachment 3c
Funding Results

Michigan PA 202 Reporting Requirements

	June 30, 2019	
Funding Assumptions	Plan Assumptions	State Treasury Uniform Assumptions
Funded Ratio		
Interest Rate	7.25%	7.00%
Mortality	RP-2014 Blue Collar with SOA Scale MP 2016	No change
Accrued Liability	\$229,770,309	\$235,805,876
Market Value of Assets	\$168,608,364	\$168,608,364
Unfunded Accrued Liability, MVA Basis	\$61,161,945	\$67,197,512
Funded Percentage (MVA)	73.38%	71.50%
Underfunded Status	Not Underfunded	Not Underfunded
Actuarially Determined Contribution July 1, 2019 – June 30, 2020	\$6,930,726	\$7,171,010

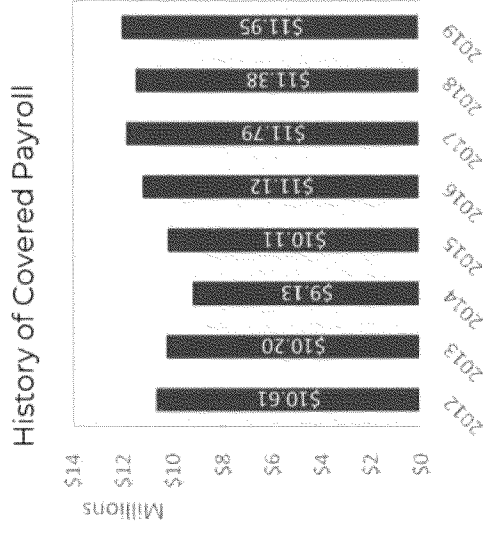
Data, Assumptions, and Plan Provisions

- Demographic Information
- Plan Provisions
- Assumptions and Methods

Demographic Information

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

	June 30, 2018	June 30, 2019
Participant Counts		
Active Participants	143	142
Retired Participants	260	258
Beneficiaries	3	10
Disabled Participants	13	13
Terminated Vested Participants	1	3
Total Participants	420	426
Active Participant Demographics (Ongoing)		
Average Age	40.1	40.0
Average Service	11.9	12.1
Average Compensation	\$79,607	\$84,127
Total Covered Payroll	\$11,383,779	\$11,946,038



Demographic Information (continued)

	June 30, 2018	June 30, 2019	
Retiree Statistics			
Average Age	64.8	65.5	Monitoring the average age of the population is important due to the relationship of actuarial cost to age. Generally speaking, an older population generates a higher actuarial cost.
Average Monthly Benefit	\$4,703	\$4,773	
Beneficiary Statistics			
Average Age	53.8	63.6	
Average Monthly Benefit	\$2,567	\$2,269	
Disabled Participant Statistics			
Average Age	64.0	65.0	Changes in the ratio of active to retired participants can be a significant driver of costs in a volatile asset market.
Average Monthly Benefit	\$3,168	\$3,189	
Terminated Vested Participant Statistics			
Average Age	49.8	49.5	
Average Monthly Benefit	\$3,096	\$4,933	

Attachment 3c
Data, Assumptions, and Plan Provisions

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	143	1	13	260	3	420
Active						
To Retired	(3)			3		
To Terminated Vested	(2)	2				
To Terminated Non-Vested	(4)					(4)
Terminated Vested						
To Retired						
Retired				(5)		(5)
To Death						
Survivor						
To Death						
Additions	8				7	15
Departures						
Current Year	142	3	13	258	10	426

Attachment 3c
Data, Assumptions, and Plan Provisions

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service									Total	Average Payroll
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up		
Under 25	4									4	\$21,213
25 to 29	6	3								9	\$42,407
30 to 34	4	21								25	\$72,014
35 to 39	3	14	10	2						29	\$77,302
40 to 44	1	11	6	4	5					27	\$93,172
45 to 49	1	3	3	6	15	2				30	\$102,902
50 to 54		1	1	1	9	4				16	\$101,488
55 to 59					1		1			2	\$105,452
60 to 64											
65 to 69											
70 & up											
Total	19	53	20	13	30	6	1			142	\$84,127

Plan Status

Michigan Act 345 of the Public Act of 1937 and amended by Westland Police and Fire bargaining groups. The plan provides ongoing benefit accruals and participation is open to new entrants

Accrual of Benefits

A participant shall accumulate a benefit payable at normal retirement date based upon compensation and credited service earned as of the date of determination.

Benefits

Normal Retirement

Eligibility
Benefit

See the *Plan Provision by Group* table for details.
The benefit amounts attributable to service retirements and the conditions under which such benefits may be paid are described *Plan Provision by Group* table

Deferred Retirement

Eligibility
Benefit

10 or more years of service
Computed as service retirement but based upon service, AFC and benefit in effect at termination. Benefit begins at date retirement would have occurred had member remained in employment.

Non-Duty Death-In-Service

Eligibility
Benefit

Payable to a surviving spouse, if any, upon the death of a member with 10 or more years of service.
Accrued straight life pension actuarially reduced in accordance with an Option I election.

Duty Death-In-Service

Eligibility
Benefit

Payable to a surviving spouse, if any, of a member who died in the line of duty. Payable for life of spouse.
Accrued straight life pension, assuming the member had accrued (at least) 25 years of service prior to death. Pension computed using base pay of a 25-year employee for WLSA, WPOAM, and WWFF.

Non-Duty Disability

Eligibility
Benefit

Payable upon the total and permanent disability of a member with 5 or more years of service.
To Age 55: 1.5% of AFC times years of service.
At Age 55: Same as Service Retirement pension.

Duty Disability

Eligibility
Benefit

Payable upon the total and permanent disability of a member in the line of duty.
Before Conversion: 85% of base pay for all Police Employees & 85% of the current gross wage for all Fire Employees.
After Conversion: Same as Service Retirement pension. Conversion occurs at date regular retirement would have occurred had member remained in active employment. Service credit granted for period on disability retirement.

Post-Retirement Increase

Eligibility
Benefit

Police Patrol Officers retiring after July 1, 1990, and hired before June 30, 2014. Police Command hired prior to July 1, 2014, and Firefighters prior to November 1, 2014.
One-time adjustment of 5% of monthly pension after completion of 6 full years of retirement.

Credited Service

It is assumed that members accrue one year of service credit per year. Exact Fractional service is used to determine the amount of benefit payable.
Military service or police or fire service prior to employment may be purchased at one-year credit for three years' service, limited to three years' worth of pension service credit.

Payment Forms

Normal Form
Optional Forms

A 60% automatic joint and survivor payment is the assumed normal form of benefit.
50% and 100% Joint and Survivor Annuity
The participant may also elect a combination of a Return of Employee Contributions with a residual annuity in any of the forms listed.

Actuarial Equivalence

7.25% interest and RP-2006 healthy annuitant mortality table with blue collar adjustment projected to 2020 with scale MP-2016.

Attachment 3c
Data, Assumptions, and Plan Provisions

Annuity Withdrawal Factor

The reduction in the benefit resulting from a participant electing to receive a return of their contributions including interest and contributions made by the City

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report

Attachment 3c:
Data, Assumptions, and Plan Provisions

Plan Provisions by Group

Group	Eligibility		Benefit Formula		AFC (Average Final Compensation)	Covered Comp in AFC	Member Contribution Rate	One-Time Adjustment
	Age	Service	Multiplier X Service	Multiplier X Service				
Police								
Tier 1: hired prior to 1/1/2010	-	25	2.80%	first 30 + 1.00%	3 out of last 10	*	5.00%	5% after 6 full years of retirement
Tier 2: hired 1/1/2010 through 6/30/2014	-	25	2.80%	first 30 + 1.00%	3 out of last 10	Base, Overtime	5.00%	5% after 6 full years of retirement
Tier 3: hired on or after 7/1/2014	50	25	1.75%	for all years of service	5 out of last 10	Base	3.00%	Not Eligible
Police Command								
Tier 1: hired prior to 1/1/2010	-	25	2.80%	first 30 + 1.00%	3 out of last 10	*	5.00%	5% after 6 full years of retirement
Tier 2: hired 1/1/2010 through 6/30/2014	-	25	2.80%	first 30 + 1.00%	3 out of last 10	Base, Overtime	5.00%	5% after 6 full years of retirement
Tier 3: hired on or after 7/1/2014	50	25	1.75%	for all years of service	5 out of last 10	Base	3.00%	Not Eligible
Fire								
Tier 1: hired prior to 1/1/2010	-	25	2.80%	until 11/1/2014 + 2.50% remaining years	3 out of last 10	*	5.00%	5% after 6 full years of retirement
Tier 2: hired 1/1/2010 through 11/1/2014	-	25	2.80%	until 11/1/2014 + 2.50% remaining years	3 out of last 10	**	5.00%	5% after 6 full years of retirement
Tier 3: hired after 11/1/2014	50	25	2.25%	for all years of service	5 out of last 10	Base	3.00%	Not Eligible

*Base, pay in lieu of holiday, sick and/or vacation time, and other allowances may be included. See union contracts for specific allowances and limits.

**Base, overtime, and 240 hours of unused sick and/or vacation time.

Attachment 3c.
Data, Assumptions, and Plan Provisions

Except where otherwise indicated, the following assumptions were selected by the plan sponsor with the concurrence of the actuary. The assumptions and methods are based, in part, on an assumption study dated August 4, 2016 and assumptions adopted by the Board October 11, 2016 and effective January 1, 2017 (res#12-16-110).

Actuarial Assumptions, Methods and Additional Information for Funding

Valuation Date	June 30, 2019
Participant Information as of	June 30, 2019
Asset Information as of	June 30, 2019
Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percent of payroll
Remaining amortization period	19 years, reduced by 1 each year
Payroll Growth Assumptions	3.25%
Final Average Pay Adjustment	For those hired prior to January 1, 2010, age and service retirement present values were adjusted by 25% to account for the additional amount included in the average future compensation due to unused sick time and unused vacation time. No adjustment is made for Police and Police Command Employees hired after January 1, 2010. No adjustment is made for Fire Employees hired after November 1, 2014.
Asset Valuation Method	5-year adjusted market value
Interest Rates	7.25%, net of expenses
Investment Rate of Return	The interest rate is the long term rate of return on assets. This assumption is supported by the investment mix of the plan assets and long-term capital market return assumptions.
Expense Loading	None assumed
Marital Status and Ages	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. 90% of active members are assumed to be married at time of retirement. Male spouses are assumed to be three years older than female spouses.

Annual Pay Increases

If the number of active members remains constant, then the total active member payroll will increase 3.25% annually, the base portion of the individual salary increase assumptions. *The rates of salary increase* used for individual members are in accordance with the following table.

Sample Ages	Annual Rate of Pay Increases of Sample Ages		
	Base (Economic)	Merit and Longevity	Total
20	3.25%	4.0%	7.25%
25	3.25%	3.5%	6.75%
30	3.25%	2.9%	6.15%
35	3.25%	2.2%	5.45%
40	3.25%	1.3%	4.55%
45	3.25%	0.9%	4.15%
50	3.25%	0.6%	3.85%
55	3.25%	0.4%	3.65%
60	3.25%	0.0%	3.25%

Mortality Rates

Healthy

RP-2006 Blue Collar Mortality with generational improvements projected beginning in 2006 based on Scale MP-2016

Disabled

RP-2006 Disabled Mortality with generational improvements projected beginning in 2006 based on Scale MP-2016

50% of Pre-Retirement deaths are assumed to be duty related and 50% are assumed to be non-duty related.

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends. Consistent with the processes described in the Society of Actuaries report accompanying the release of the RP-2006 mortality table, a blue collar adjustment is included based on the plan population.

Retirement Rates

Tier 1 and Tier 2 members (from Plan Provisions by Group table) are eligible for retirement at any age with 25 years of service. Members often purchase service when they near retirement and retire after 24 (or less) years of service with the System.

Tier 3 members are eligible for retirement upon attainment of age 50 with 25 or more years of service. The above rates are not utilized until a Tier 3 member satisfies the 50/25 requirement.

Years of Service	% of Active Members Retiring within Next Year
24	30%
25	30%
26	30%
27	30%
28	20%
29	20%
30	20%
31	20%
32	20%
33	15%
34	15%
35	15%
36	15%
37	15%
38	15%
39	25%
40	100%

Additionally, members age 60 who have not met the Tier 1, 2, or 3 retirement eligibility condition are assumed to retire with 100% probability.

Retirement rates, Disability rates, and Withdrawal rates are based on the most recent experience study.

Data, Assumptions, and Plan Provisions

Disability Rates

Disability rates vary by age and gender. This assumption measures the probability of members retiring with a disability benefit. 90% of disabilities are assumed to be duty disabilities and 10% not on duty.

Disability decrements are not assumed to occur during the first 5 years of service

Sample Age	Probability of Becoming Disabled within Next Year	
	MALE	FEMALE
20	0.15%	0.15%
25	0.18%	0.18%
30	0.20%	0.20%
35	0.29%	0.29%
40	0.42%	0.42%
45	0.65%	0.65%
50	1.05%	1.05%

Withdrawal Rates

Withdrawal rates vary by age. *Rates of withdrawal from active membership* were as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	% of Active Members Withdrawing within Next Year
20	0.75%
25	0.75%
30	0.75%
35	0.75%
40	0.75%
45	0.53%
50	0.38%
55	0.30%
60	0.30%

Changes Since the Prior Year

There are no changes from the prior year.