

**Muskegon County  
Board of Commissioners**  
*Hall of Justice, 990 Terrace, 4<sup>th</sup> Floor  
Muskegon, MI 49442*

*Benjamin E. Cross, Chairman  
Marvin Engle  
Gary Foster  
Susie Hughes  
Kenneth Mahoney*

*Charles Nash, Vice Chair  
Robert Scolnik  
I. John Snider II  
Rillastine R. Wilkins*

*Board Minutes may be found on the web at <http://co.muskegon.mi.us/clerk>*

**Full Board Meeting**

Thursday, November 8, 2018  
4:00 p.m.

Chairman Benjamin E. Cross, Presiding

The Full Board of Commissioners meeting was called to order by Chairman Cross. In lieu of an invocation, a moment of silent prayer was observed for the families and all those affected by shooting in California. The Pledge of Allegiance was led by Chairman Cross and recited in unison.

Roll Call

Present: Benjamin E. Cross, Marvin Engle, Gary Foster, Susie Hughes,  
Kenneth Mahoney, Charles Nash, I. John Snider II, Rillastine Wilkins

Excused: Robert Scolnik

Also Present: Mark Eisenbarth, County Administrator  
Nancy A. Waters, County Clerk  
Jeanne Pezet, Interim Elections Coordinator  
Doug Hughes, Corporate Counsel

2018-416 **APPROVAL OF THE AGENDA**

Moved by Commissioner Engle, seconded by Commissioner Hughes, to approve the revised agenda.

Voice vote

**Motion Carried**

2018-417 **APPROVE THE REGULAR MINUTES OF OCTOBER 30, 2018**

Moved by Commissioner Mahoney, seconded by Commissioner Engle, to approve the Regular Minutes of October 30, 2018.

Voice vote

**Motion Carried**

**PUBLIC COMMENT (on an agenda item)**

There was no public comment on an agenda item.

**COMMITTEE/BOARD REPORTS**

2018-418 **AUTHORIZE THE CIRCUIT COURT ADMINISTRATOR TO SIGN A 5 YEAR CONTRACT WITH WESTLAW BEGINNING ON JANUARY 1, 2019, ON BEHALF OF MUSKEGON COUNTY'S CIRCUIT COURT, PROBATE COURT, DISTRICT COURT, PUBLIC DEFENDER'S OFFICE AND PROSECUTOR'S OFFICE**

CPS18/11-57

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to authorize the Circuit Court Administrator to sign a 5 year contract with Westlaw beginning on January 1, 2019, on behalf of Muskegon County's Circuit Court, Probate Court, District Court, Public Defender's Office and Prosecutor's Office.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-419 **AUTHORIZE THE MUSKEGON COUNTY 14<sup>TH</sup> CIRCUIT COURT'S ACCEPTANCE OF THE FEDERAL GRANT AWARD OF \$499,994.00, EFFECTIVE 1/1/2019 THRU 12/31/2022, AND AUTHORIZE THE COUNTY ADMINISTRATOR TO SIGN AS THE AUTHORIZED GRANTEE OFFICIAL ACCEPTING THE AWARD**

CPS18/11-58

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to authorize the Muskegon County 14<sup>th</sup> Circuit Court's acceptance of the federal grant award of \$499,994.00, effective 1/1/2019 thru 12/31/2022, and authorize the County Administrator to sign as the Authorized Grantee Official accepting the award.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-420 **APPROVE PAYMENT TO JUSTICE AV SOLUTIONS, NOT TO EXCEED \$48,000, TO COVER THE COST OF JAVS CLASSIC MAINTENANCE AGREEMENT FOR THE PERIOD OF JANUARY 1, 2019 – DECEMBER 31, 2019 TO COVER SERVICE AND MAINTENANCE OF ALL COURT RECORDING EQUIPMENT FOR THE 60<sup>TH</sup> DISTRICT COURT, 14<sup>TH</sup> CIRCUIT COURT AND MUSKEGON COUNTY PROBATE COURT**

CPS18/11-59

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve payment to Justice AV Solutions, not to exceed \$48,000, to cover the cost of JAVS Classic Maintenance Agreement for the period of January 1, 2019 – December 31, 2019 to cover service and maintenance of all court recording equipment for the 60<sup>th</sup> District Court, 14<sup>th</sup> Circuit Court and Muskegon County Probate Court.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-421 **APPROVE THE CONTRACT WITH MICHIGAN INDIGENT DEFENSE COMMISSION (MIDC) FOR THE PROVISION OF PUBLIC CRIMINAL DEFENSE SERVICES, ACCEPT A GRANT FOR THAT PURPOSE IN THE AMOUNT OF APPROXIMATELY \$917,735, AUTHORIZE THE BOARD CHAIR TO SIGN SAID CONTRACT AND AMEND THE BUDGET ACCORDINGLY**

CPS18/11-60

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve the contract with Michigan Indigent Defense Commission (MIDC) for the provision of public criminal defense services, accept a grant for that purpose in the amount of approximately \$917,735, authorize the Board Chair to sign said contract and amend the budget accordingly.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-422 **APPROVE ACCEPTANCE OF THE FY2019 STRATEGIC TRAFFIC ENFORCEMENT GRANT IN THE AMOUNT OF \$36,000.00 (PT-19-34)**

CPS18/11-61

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve acceptance of the FY2019 Strategic Traffic Enforcement Grant in the amount of \$36,000.00 (PT-19-34).

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-423 **AUTHORIZE THE SHERIFF'S OFFICE TO LEASE SIX (6) ROAD READY FORD 4WD INTERCEPTOR SUV'S WITH ALL EQUIPMENT AND LETTERING THROUGH THE BOARD APPROVED SHERIFF VEHICLE MAINTENANCE PROVIDER; AND FURTHER AUTHORIZE THE SHERIFF'S OFFICE TO LEASE THESE POLICE INTERCEPTORS FROM FORD MOTOR CREDIT FOR A TERM OF FIVE (5) YEARS WITH A \$1.00 BUYOUT AT THE TERMINATION OF THE LEASE**

CPS18/11-62

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to authorize the Sheriff's Office to lease six (6) road ready Ford 4WD Interceptor SUV's with all equipment and lettering through the Board approved Sheriff vehicle maintenance provider; and further authorize the Sheriff's Office to lease these police Interceptors from Ford Motor Credit for a term of five (5) years with a \$1.00 buyout at the termination of the lease.

Roll Call:

Yes: Marvin Engle, Gary Foster, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: Susie Hughes

Excused: Robert Scolnik

**Motion Carried**

2018-424 **APPROVE THAT THE SUPPLIER/SERVICE CONTRACTOR/CONTRACTOR ARRANGEMENTS OUTLINED ON THE SCHEDULE BE APPROVED TO CONTINUE UNDER EXISTING ARRANGEMENTS FOR THE TIME PERIOD FROM OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019**

CPS18/11-63

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve that the supplier/service contractor/contractor arrangements outlined on the schedule be approved to continue under existing arrangements for the time period from October 1, 2018 through September 30, 2019.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-425 **APPROVE THE INCREASE IN FUNDING FROM MEDIATION & RESTORATIVE SERVICE FROM \$45,850.00 TO \$123,850.00 WHICH IS A \$78,000.00 CHANGE AND TAKES PLACE ON OCTOBER 1, 2018 AND RUNS THROUGH SEPTEMBER 30, 2019**

CPS18/11-64

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve the increase in funding from Mediation & Restorative Service from \$45,850.00 to \$123,850.00 which is a \$78,000.00 change and takes place on October 1, 2018 and runs through September 30, 2019.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-426 **APPROVE THE ONE-YEAR OPTION EXTENSION OF THE CONTRACT WITH CATHOLIC CHARITIES FOR THE PERIOD OCTOBER 1, 2018 TO SEPTEMBER 30, 2019 TO PROVIDE COGNITIVE BEHAVIORAL SERVICES IN THE COMMUNITY AND AUTHORIZE THE COUNTY BOARD CHAIRMAN TO SIGN THE CONTRACT EXTENSION FOR SERVICES WHEN IT BECOMES AVAILABLE**

CPS18/11-65

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve the one-year option extension of the contract with Catholic Charities for the period October 1, 2018 to September 30, 2019 to provide cognitive behavioral services in the community and authorize the County Board Chairman to sign the contract extension for services when it becomes available.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-427 **APPROVE THE ONE-YEAR OPTION EXTENSION OF THE CONTRACT WITH KELLY SADLER-RADER FOR THE PERIOD OCTOBER 1, 2018 TO SEPTEMBER 30, 2019 TO PROVIDE COGNITIVE BEHAVIORAL SERVICES IN THE JAIL AND AUTHORIZE THE COUNTY BOARD CHAIRMAN TO SIGN THE CONTRACT EXTENSION FOR SERVICES WHEN IT BECOMES AVAILABLE**

CPS18/11-66

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to approve the one-year option extension of the contract with Kelly Sadler-Rader for the period October 1, 2018 to September 30, 2019 to provide cognitive behavioral services in the jail and authorize the County Board Chairman to sign the contract extension for services when it becomes available.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-428 **AUTHORIZE THE BOARD CHAIRPERSON TO SIGN THE CONTRACT WITH THE MICHIGAN DEPARTMENT OF CORRECTIONS AND ACCEPT THE FY19 COMMUNITY CORRECTIONS GRANT IN THE AMOUNT OF \$187,100**

CPS18/11-67

The Courts and Public Safety Committee recommends, moved by Commissioner Snider, seconded by Commissioner Engle, to authorize the Board Chairperson to sign the contract with the Michigan Department of Corrections and accept the FY19 Community Corrections grant in the amount of \$187,100.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-429 **AUTHORIZE PUBLIC HEALTH TO ACCEPT FUNDING FROM THE LAKESHORE REGIONAL ENTITY IN THE AMOUNT OF \$410,000 FOR SUBSTANCE ABUSE PREVENTION SERVICES IN MUSKEGON COUNTY EFFECTIVE OCTOBER 1, 2018 TO SEPTEMBER 30, 2019; AND FURTHER AUTHORIZE THE PUBLIC HEALTH DIRECTOR TO SIGN THE RELATED AGREEMENT**

HS18/11-29

The Human Services Committee recommends, moved by Commissioner Hughes, seconded by Commissioner Engle, to authorize Public Health to accept funding from the Lakeshore Regional Entity in the amount of \$410,000 for substance abuse prevention services in Muskegon County effective October 1, 2018 to September 30, 2019; and further authorize the Public Health Director to sign the related agreement.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-430 **AUTHORIZE THE PUBLIC HEALTH DIRECTOR TO SIGN THE AGREEMENT WITH THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY FOR THE RENDERING OF TECHNICAL SERVICES IN THE AMOUNT OF \$65,331 EFFECTIVE OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

HS18/11-30

The Human Services Committee recommends, moved by Commissioner Hughes, seconded by Commissioner Engle, to authorize the Public Health Director to sign the agreement with the Michigan Department of Environmental Quality for the rendering of technical services in the amount of \$65,331 effective October 1, 2018 to September 30, 2019.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-431 **AUTHORIZE THE PUBLIC HEALTH DIRECTOR TO SIGN THE COMPREHENSIVE, PLANNING, BUDGET AND CONTRACTING AGREEMENT WITH THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR THE PROVISION OF PUBLIC HEALTH PROGRAMS AND SERVICES IN THE AMOUNT OF \$2,537,514 EFFECTIVE OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

HS18/11-31

The Human Services Committee recommends, moved by Commissioner Hughes, seconded by Commissioner Engle, to authorize the Public Health Director to sign the Comprehensive, Planning, Budget and Contracting Agreement with the Michigan Department of Health and Human Services for the provision of public health programs and services in the amount of \$2,537,514 effective October 1, 2018 to September 30, 2019.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**



2018-432 **AUTHORIZE THE PUBLIC HEALTH DIRECTOR TO SIGN THE AGREEMENT WITH THE KENT COUNTY HEALTH DEPARTMENT FOR THE PROVISION OF SERVICES AND PARTICIPATION IN THE REGIONAL PERINATAL CARE SYSTEM QUALITY IMPROVEMENT INITIATIVE IN THE AMOUNT OF \$9,500 EFFECTIVE OCTOBER 1, 2018 TO SEPTEMBER 30, 2019**

HS18/11-32

The Human Services Committee recommends, moved by Commissioner Hughes, seconded by Commissioner Engle, to authorize the Public Health Director to sign the agreement with the Kent County Health Department for the provision of services and participation in the Regional Perinatal Care System Quality Improvement Initiative in the amount of \$9,500 effective October 1, 2018 to September 30, 2019.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-433 **APPROVE PAYMENT OF THE ACCOUNTS PAYABLE OF \$2,939,450.99, COVERING THE PERIOD OF OCTOBER 13, 2017 THROUGH OCTOBER 18, 2017 FOR CHECKS AND SEPTEMBER 1, 2018 THROUGH SEPTEMBER 30, 2018 FOR P-CARD PAYMENTS, AS PRESENTED BY THE COUNTY CLERK**

WM18/11-135

The Ways and Means Committee recommends, moved by Commissioner Nash, seconded by Commissioner Engle, to approve payment of the accounts payable of \$2,939,450.99, covering the period of October 13, 2017 through October 18, 2017 for checks and September 1, 2018 through September 30, 2018 for P-Card payments, as presented by the County Clerk.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes (see below), Kenneth Mahoney,  
Charles Nash, I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

Abstain: Susie Hughes on Pioneer Resources and MOKA portion of Accounts Payable

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-434 **AUTHORIZE AWARDING THE FOOD AND VENDING SERVICES CONTRACT,  
AS SPECIFIED IN COUNTY RFP18-2315 TO MORAT'S BAKERY**

WM18/11-136

The Ways and Means Committee recommends, moved by Commissioner Nash, seconded by Commissioner Engle, to authorize awarding the Food and Vending Services contract, as specified in County RFP18-2315 to Morat's Bakery.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

2018-435 **TENTATIVELY APPROVE TO ALLOW THE LIBERTY MUSIC FESTIVAL AT  
THE MUSKEGON COUNTY FAIRGROUNDS, DURING THE JULY 4<sup>TH</sup> 2019  
HOLIDAY, CONTINGENT UPON SULLIVAN TOWNSHIP APPROVAL OF THE  
PLAN**

WM18/11-137

The Ways and Means Committee recommends, moved by Commissioner Nash, seconded by Commissioner Engle, to tentatively approve to allow the Liberty Music Festival at the Muskegon County Fairgrounds, during the July 4<sup>th</sup> 2019 holiday, contingent upon Sullivan Township approval of the plan.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

4018-436 **UNANIMOUSLY APPROVE A RESOLUTION IN RECOGNITION OF THE  
HONORABLE GREGORY C. PITTMAN FOR HIS RECENT JURIST OF THE  
YEAR 2018 AWARD RECEIVED FROM THE MICHIGAN COURT APPOINTED  
SPECIAL ADVOCATE ASSOCIATION**

WM18/11-138

The Ways and Means Committee recommends, moved by Commissioner Nash, seconded by Commissioner Engle, to unanimously approve a Resolution in Recognition of the Honorable Gregory C. Pittman for his recent Jurist of the Year 2018 Award received from the Michigan Court Appointed Special Advocate Association.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

## **CHAIRMAN'S REPORT/COMMITTEE LIAISON REPORTS**

Chairman Cross reminded everyone about the following events:

- A. Veterans Day Ceremony on Sunday, November 11<sup>th</sup> at 11 a.m. at Veterans Memorial Park. For additional information visit:  
<https://visitmuskegon.org/event/veterans-day-ceremony-at-veterans-memorial-park/>
  
- B. Global Entrepreneur Week Celebration on Tuesday, November 13<sup>th</sup> at 4 p.m. at the Muskegon Innovation Hub. For more information visit:  
<https://visitmuskegon.org/event/global-entrepreneur-week-celebration/>
  
- C. 24<sup>th</sup> Annual White Lake Holiday Walk will take place Friday, November 16<sup>th</sup> beginning at 2 p.m. to 8 p.m. and on Saturday, November 17<sup>th</sup> beginning at 10 a.m. to 4 p.m. For more information visit:  
<https://visitmuskegon.org/event/24th-annual-white-lake-holiday-walk/>

**ADMINISTRATOR'S REPORT**

2018-437     **AUTHORIZE SETTLEMENT OF THE PUBLIC WORKS UNIT COLLECTIVE BARGAINING AGREEMENT WITH A TERM OF NOVEMBER 9, 2018 THROUGH SEPTEMBER 30, 2023 AND AUTHORIZE THE COUNTY BOARD CHAIR AND COUNTY CLERK TO SIGN THE AGREEMENT SUBSEQUENT TO SIGNATURES BEING OBTAINED FROM UNION REPRESENTATIVES AND AUTHORIZE SALARY ADJUSTMENTS FOR THE CHEMIST POSITION X12004 FROM NX-00220, \$22.531/HR – \$28.393/HR, TO NX-00225, \$22.531/HR – \$29.813/HR, LAB SUPERVISOR X48501 FROM NX-00290, \$25.888/HR – \$32.671/HR, TO NX-00295, \$25.888/HR – \$34.304/HR, ENVIRONMENTAL COMPLIANCE MANAGER X33401 FROM NX-00290, \$25.888/HR – \$32.671/HR, TO NX-00295, \$25.888/HR – \$34.304/HR AND QUALITY ASSURANCE SUPERVISOR X79901 FROM NX-00290, \$25.888/HR – \$32.671/HR, TO NX-00295, \$25.888/HR – \$34.304/HR**

The Administrator recommends, moved by Commissioner Engle, seconded by Commissioner Snider, to authorize settlement of the Public Works Unit collective bargaining agreement with a term of November 9, 2018 through September 30, 2023 and authorize the County Board Chair and County Clerk to sign the agreement subsequent to signatures being obtained from union representatives and authorize salary adjustments for the Chemist position X12004 from NX-00220, \$22.531/hr – \$28.393/hr, to NX-00225, \$22.531/hr – \$29.813/hr, Lab Supervisor X48501 from NX-00290, \$25.888/hr – \$32.671/hr, to NX-00295, \$25.888/hr – \$34.304/hr, Environmental Compliance Manager X33401 from NX-00290, \$25.888/hr – \$32.671/hr, to NX-00295, \$25.888/hr – \$34.304/hr and Quality Assurance Supervisor X79901 from NX-00290, \$25.888/hr – \$32.671/hr, to NX-00295, \$25.888/hr – \$34.304/hr.

Roll Call:

Yes:   Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
      I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No:    None

Excused: Robert Scolnik

**Motion Carried**

2018-438 **APPROVE THE MAXIMUM AMORTIZATION EXTENSIONS PROVIDED BY MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM IN THE ATTACHED CERTIFIED REPORT CONTINGENT UPON THE ISSUANCE OF PENSION BONDS AND A LUMP SUM PAYMENT FROM WASTEWATER OF \$6.9 MILLION AND AUTHORIZE THE BOARD CHAIR TO SIGN THE AMORTIZATION EXTENSION AGREEMENT**

The Administrator recommends, moved by Commissioner Engle, seconded by Commissioner Snider, to approve the maximum amortization extensions provided by Municipal Employees' Retirement System in the attached certified report contingent upon the issuance of pension bonds and a lump sum payment from Wastewater of \$6.9 million and authorize the Board Chair to sign the Amortization Extension Agreement.

Commissioner Hughes asked for an explanation of this motion.

Administrator Eisenbarth explained that this had been removed from the last full board agenda pending MERS final amortization, which has since been provided and it falls in line for the County to do the pension bonds and the Wastewater \$6.9 million. The Administrator noted he is scheduled to meet with the County Treasurer next Tuesday, November 13<sup>th</sup>, and will be back at the Ways and Means Committee meeting and we will move forward on past motions approved by the Board.

Commissioner Hughes asked if this is good news and the Administrator replied that it is very good news.

Roll Call:

Yes: Marvin Engle, Gary Foster, Susie Hughes, Kenneth Mahoney, Charles Nash,  
I. John Snider II, Rillastine Wilkins, Benjamin E. Cross

No: None

Excused: Robert Scolnik

**Motion Carried**

**OLD BUSINESS**

There was no old business to come before the Board.

**NEW BUSINESS**

Administrator Eisenbarth asked Jonathan Wilson to provide an update on Brookhaven property.

Jonathan Wilson, Economic Development Manager, provided an update on the Brookhaven property since it was approved to be listed with the County's broker in March of 2018. Mr. Wilson noted the County has had several inquiries and tours of the property to developers and organizations although have not received any offers so waiting for proposals. He further noted interest has been from both local and national organizations.

Mr. Wilson announced that tomorrow, Friday, November 9<sup>th</sup>, will be his last day with Muskegon County as he has accepted a position with DTE Energy. He noted the Brookhaven project is being transferred to Matt Farrar, Director of Public Works and Steven Fink, P.E., Public Works Project Manager who has partnered with Mr. Wilson on the site tours. Mr. Wilson thanked all Commissioners, Administrator Eisenbarth, County Clerk Waters, and Corporate Counsel for their support, encouragement, and everything they have taught him during his four years of employment with Muskegon County.

Commissioners and Administrator Eisenbarth thanked Jonathan Wilson and wished him well on his endeavors.

2018-439 **PREPARE A RESOLUTION TO BE SIGNED BY ALL COMMISSIONERS AND TO BE PRESENTED TO JONATHAN WILSON THANKING HIM FOR HIS SERVICE**

Moved by Commissioner Snider, seconded by Commissioner Hughes, to prepare a resolution to be signed by all Commissioners and to be presented to Jonathan Wilson thanking him for his service.

Commissioner Snider noted Jonathan Wilson has been a blessing to the County, has a great reputation in the community and is a credit to the County.

Voice vote

**Motion Carried**

Administrator Eisenbarth asked Matt Farrar to provide an update regarding Kent County and the State of Michigan's proposal for a 475' tower at the County's Moore Park facility and would like to partner with our Central Dispatch even though the recent millage failed, to determine if this is a good location for a radio tower since it is the highest elevation in Muskegon County and can cover a large area. No action needs to be taken at this time as they will also have to go to the Casnovia Township Planning Commission.

Administrator Eisenbarth noted that our Central Dispatch will not be connecting at this time, in the future we will have the option to hook into it. This information is just to update Commissioners and no motion is necessary.

**PUBLIC COMMENT (on a non-agenda item)**

County Clerk Nancy A. Waters addressed the Board thanking them for their support on the election. She stated to media that she expected a 60% and the turnout was actually 58.76%, which means we can expect 80% voter turnout in 2020.

County Clerk Waters also thanked Administrator Eisenbarth and Public Works Director Farrar for providing a designated parking spot for a Muskegon County Genealogical Society Volunteer for Wednesday between 1 p.m. and 5 p.m. After more than 45 years of volunteering and assisting researchers, the Genealogical Society informed County Clerk Waters that they would not be able to provide research assistance due to the parking issue, especially since most of their volunteers are seniors.

2018-440 **MOVED BY COMMISSION ENGLE, SECONDED BY COMMISSION MAHONEY, TO ADJOURN**

Voice vote

**Motion Carried**

Meeting adjourned at 4:16 p.m.

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Nancy A. Waters, County Clerk

NAW/jmp

To be approved at the Full Board Meeting on Tuesday, November 20, 2018.

# Municipal Employees' Retirement System of Michigan

Amortization Extension Study – REVISED  
Muskegon Co (6103)







November 2, 2018

In care of:

Municipal Employees' Retirement System of Michigan  
1134 Municipal Way  
Lansing, Michigan 48917

This report is a follow-up to our report issued October 29, 2019. This report includes additional analysis to supplement the prior report at the request of MERS staff. We understand that Muskegon Co is exploring issuing Long-Term Securities under PA 329 of 2012. At the direction of MERS Staff, we have incorporated anticipated proceeds from those securities to fund a portion of the Unfunded Actuarial Liability (UAL) in the analysis of the request for amortization extension. Our understanding is that reflecting such proceeds in advance is a departure from the standard request for amortization extensions anticipated in the MERS Actuarial Policy.

A discussion of pension obligation bonds is beyond the scope of this letter. However it is important for the County to understand and acknowledge the following implications of funding the UAL using pension obligation bonds:

- 1. The County will continue to be responsible for funding the employer normal cost as long as there are active members in the plan,**
- 2. The County will continue to be responsible for funding the remaining portion of the UAL after contributing the proceeds of the bonds,**
- 3. The County will be responsible for funding any additional UAL resulting from future changes in actuarial assumptions adopted by the MERS Retirement Board,**
- 4. If future financial or demographic experience is less favorable than assumed, additional UAL may emerge which would require additional County contributions, and**
- 5. Fully funding the current UAL does not guarantee that there will be no employer contribution requirements in the future.**

This actuarial report was not developed for purposes of bond disclosures and may not be appropriate for that purpose. We are not experts at these types of disclosures. It is possible that we may have included material that is not appropriate to the situation, or that we may have omitted material that is appropriate or even required. We do not accept responsibility for errors in the bond disclosure even if such errors are directly related to the services we have performed. We are not registered municipal advisors with the SEC. Nothing in this report should be construed as advice to the County regarding the issuance of bonds.

The purpose of this report is to determine whether it is reasonable to extend the period over which the Outstanding Initial Unfunded Accrued Liability as of December 31, 2017 (the "UAL") is amortized, for participants covered by the MERS Defined Benefit plan sponsored by Muskegon Co. The County is requesting that the period for amortizing the UAL be extended to the maximum period allowed. Our analysis was prepared in the context of the MERS Defined benefit plan only. Any additional analysis regarding the financial condition of the employer is outside the scope of this project and it not our area of expertise.

This report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The information in this report is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, and investment advice.

This report was prepared at the request of MERS and the municipality and may be provided only in its entirety by the municipality to other interested parties. Gabriel, Roeder, Smith & Company is not responsible for the consequences of any unauthorized use.

The results of this analysis and the conclusions drawn, are based on the unique participant data, benefit provisions, and funded status of Muskegon Co. Because each MERS municipality is unique in these respects, it is inappropriate to apply the conclusions in this report to another municipality.

The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the prior actuary. A description of these assumptions and methods can be found as follows:

- Plan Document, v03152018,
- Actuarial Policy, DOC 8062 (2018-05-01), and
- 2017 Appendix to the Annual Actuarial Valuation Report.

The Board is currently reviewing the Plan's economic assumptions and has a review of the demographic assumptions scheduled during 2019-2020. Changes resulting from these studies will have an impact on the level of calculated employer contributions.



## Request for Extension of the Amortization Period

Muskegon Co has requested that the period for amortizing the Outstanding Initial UAL as of December 31, 2017 be extended from the current period (summarized in the following table) to the maximum period allowed, beginning with the 2019 fiscal year contribution. As a result of their overfunded status, Divisions 19 and 42 were excluded from the request.

Division(s)	Current Period (Years)
01, 04, 10, 14, 20, 22, 23, 24, 25, 90, 91	16
11, 15, 17	14
12	8
13	6
41	10

Actuarial standards of practice (ASOPs) provide guidance for actuaries selecting or making recommendations on contribution allocation procedures that are generally not prescriptive. In other words, the ASOPs do not spell out specific amortization periods or other policy elements for actuarial approval. As the actuary to the plan, we look to the MERS Retirement Board for stated goals and objectives to guide us in our analysis.

Our understanding is that the amortization extension policy as described in Section III. Subsection 4. of the MERS Actuarial Policy only applies to the Initial UAL, allows for flexibility in the length of reset period, the type of amortization (level percent of pay or level dollar), and the treatment of the number of years of decreasing amortization. Additional restrictions apply to closed (non-linked) division which is the case for each division requesting an extension.

Furthermore, we understand that many of the affected divisions in this plan closed prior to September 12, 2016 and adopted the first of the two stated amortization acceleration policies of Section III. Subsection 2. of the MERS Actuarial Policy, "accelerate to 5 years." The second amortization acceleration policy, "accelerate to 15 years," stated above provides clear guidance on an alternative amortization policy approved by the Board.

In the event that our understanding of the MERS Actuarial Policy as described in this report differ from MERS' past practice or interpretation, please let us know and we will revise the report as needed.

We approve an extension to the accelerate to 15 years policy independent of whether or not the County issues bonds, as noted in our prior report dated October 29, 2018.

MERS Staff requested that we consider a period of at least 20 years in conjunction with the County's bonding objectives. As the actuary for the System, our task is to advise the Retirement Board in their role as fiduciaries on the amount needed to fund the plan to accumulate sufficient assets to pay benefits when



due. To be clear, we are not the actuary for the County and any analysis of amortization periods of 20 years or longer at the request of MERS Staff is not to be construed as an actuarial opinion for the County in regards to their bonding. For purposes of the analysis in this report, Alternative Policy 1 is described as follows.

Division(s)	Current Period (Years)	Alternative Policy 1	
		Extended Period (Years)	Policy for Future Changes to the Period
01, 04, 10, 14, 20, 22, 23, 24, 25, 90, 91	16	20	Decrease by one year each year until paid off
11, 15, 17	14	20	Decrease by one year each year until paid off
12	8	20	Decrease by one year each year until paid off
13	6	11	Decrease by one year each year until paid off
41	10	20	Decrease by one year each year until paid off

Extending the amortization period does not alter the promised benefits, and so does not change the ultimate cost of providing those benefits. It does lower contribution levels in the short term, by extending the period of time over which the contributions are required to be made. Therefore, extending the amortization period is a deferral of contributions to future years. Depositing bond proceeds improves the funded status immediately which is expected to reduce future UAL contributions if all assumptions are met.

Whether or not the analysis includes bond proceeds, extending the amortization period does not improve the funding goal of adequacy, and runs counter to the goal of intergenerational equity. Lengthening the amortization period means missed opportunities for investment earnings, puts a greater burden on future taxpayers, and reduces the financial security for members covered under the plan. The MERS Actuarial Policy as adopted by the Retirement Board does not provide additional specific guidance on the definitions or relative weighting of the aforementioned policy objectives.

## Analysis

We have prepared projections of the current funding policy and Alternative Policy 1, using the following:

- The same benefits that were used in preparing the December 31, 2017 annual actuarial valuation report.
- We understand that the County is evaluating a change in benefit structure (bridging benefits to a lower multiplier and freezing the FAC at the date of bridge) for Divisions 10, 11, 15, 17, 22, 23, 25, and 91. The proposed effective date for this change in benefit



structure is December 1, 2018. Due to the short turnaround of this request, no changes in benefits were modeled.

- The County anticipated receiving and contributing \$42.7M of bonding proceeds. At the request of MERS Staff, our revised analysis includes this potential change in fiduciary net position, assumed to occur at January 1, 2019 and applied to the Outstanding Initial UAL. MERS Staff also indicated that the County intends to repay the issued debt over 20 years, that Treasury generally requires the debt repayment period to be no longer than the UAL amortization period, and that we consider amortization periods of at least 20 years in our analysis.
- The County may also contribute an additional \$6.9M in employer contributions, disbursed among Divisions 01, 11, 17, and 90. At the request of MERS Staff our revised analysis includes this potential change in fiduciary net position, assumed to occur at January 1, 2019 and applied to the Outstanding Initial UAL, whereas the prior study excluded it.
- Current valuation assumptions (except where otherwise noted), and an assumed annual rate of return on the market value of assets of 7.75%. The results of these projections are shown on page 8 of this report.
- Sensitivity scenario assuming an annual rate of return on the market value of assets of 6.75%. Liabilities were based on a 6.75% discount rate to reflect the lower asset return assumption in this scenario. All other current valuation assumptions are unchanged. The results of these projections are shown on page 9 of this report.
- The calculations do not reflect the phase-in of the new assumptions.

As with the prior study, we also analyzed the following statistics for each division and for the entire plan in order to reach our conclusion:

- The current and projected funded percentage.
- Retiree funded percentage. This is the portion of retiree liability that is currently covered by plan assets (excluding any active or terminated vested account balances).
- Average age of retirees and average age of actives as of December 31, 2017.
- Ratio of actives to retirees.
- Net cash-flows of the plan and each division as a percent of assets.

Depositing the bond proceeds and the additional employer contributions will immediately improve the overall funded status and would improve the retiree funded percentage to 100% in most divisions. The net cash flows would be significantly positive in the year of deposit (the bond proceeds are expected to exceed the current year's benefit payment), but absent a change in policy, the reduction in future contributions would make the net cash flows as a percent of assets more negative changing from approximately (5.5)% to (6)% - (7)% of assets over the next few years. As discussed in our prior report, the more negative the net cash flow gets, the greater the risk that investment return will not be sufficient to prevent reduction in plan assets over time.

Other actuarial considerations include the average remaining service lifetime for future actives in closed divisions and the concept of negative amortization. For all divisions with active members, the remaining



active service lifetime varies between 3 and 13 years, well below the accelerate to 15 policy approved by the Board. Negative amortization is the scenario where the UAL dollar amount is expected to increase year-to-year because the amortization payment is smaller than the interest credit on the outstanding UAL balance. Negative amortization can be a natural consequence in an amortization policy with longer amortization periods. Prolonged periods of negative amortization can add risk to the plan if the UAL increases but is never paid off. Under the 7.75% assumed discount rate, negative amortization occurs until the amortization period reduces to approximately 18 years. These facts would support decreasing the amortization periods, not increasing them.

One other factor which we mentioned in our October 29, 2018 report but did not emphasize strongly is that the Retirement Board may adopt new actuarial assumptions which could increase contributions in the next few years. While we are unable to assess the County's financial conditions, we observe that the request for an amortization extension is a one-time request. If this request is granted now and contributions increase in the next few years, the County would not have the ability to request an additional extension. This was part of our analysis for our original conclusion.

## Conclusion

In general, our preference as the actuary is to caution against decreasing employer contributions.

Based on the results of our current and prior analysis we have concluded that allowing an extension of the amortization period (for the Outstanding Initial UAL as of December 31, 2017) under the Alternative Policy (as shown in the October 29, 2018 letter) may be approved. As discussed in our prior report, the plan as a whole is projected to be 100% funded in all divisions by December 31, 2035, five years later than the current expectation.

Regarding the specific request to study periods of 20 years or longer, Alternative Policy 1, is also approved. However we believe that there is a risk that future contribution increases may occur that negatively affect the contributions to such an extent that the County may seek further relief after having exhausted their one opportunity for an amortization extension. We are unable to assess the County's ability to make contributions when due and such an assessment is outside our area of expertise and the scope of this assignment. However, we recommend that if the amortization periods are extended to 20 years, MERS begins invoicing future contributions to the County under the 6.75% assumed rate of return scenario.

Other alternative funding policies may also be acceptable such as a level dollar amortization or use of another lower discount rate. For reference, we have included a GRS publication on solvency liability which has a discussion on bonding, pension funding, and risk.



Ultimately, whether the plan accumulates enough assets to pay the benefits promised will depend, among other things, upon the plan sponsor's and the members' ability to make the contributions. If the plan sponsor makes at least the required minimum contributions (under the current policy or under the proposed longer amortization policy), the plan is expected to pay the benefits promised if future experience is in line with the actuarial assumptions used.

MERS staff and the actuaries will monitor the funding progress of all divisions. While not currently anticipated, the actuaries may recommend changes to the amortization policy in the future if it is deemed necessary for the financial security of the benefits promised under this plan.

David T. Kausch and Rebecca L. Stouffer are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

If you need further information to make an informed decision, please contact MERS at 800.767.6377 for assistance.

Sincerely,

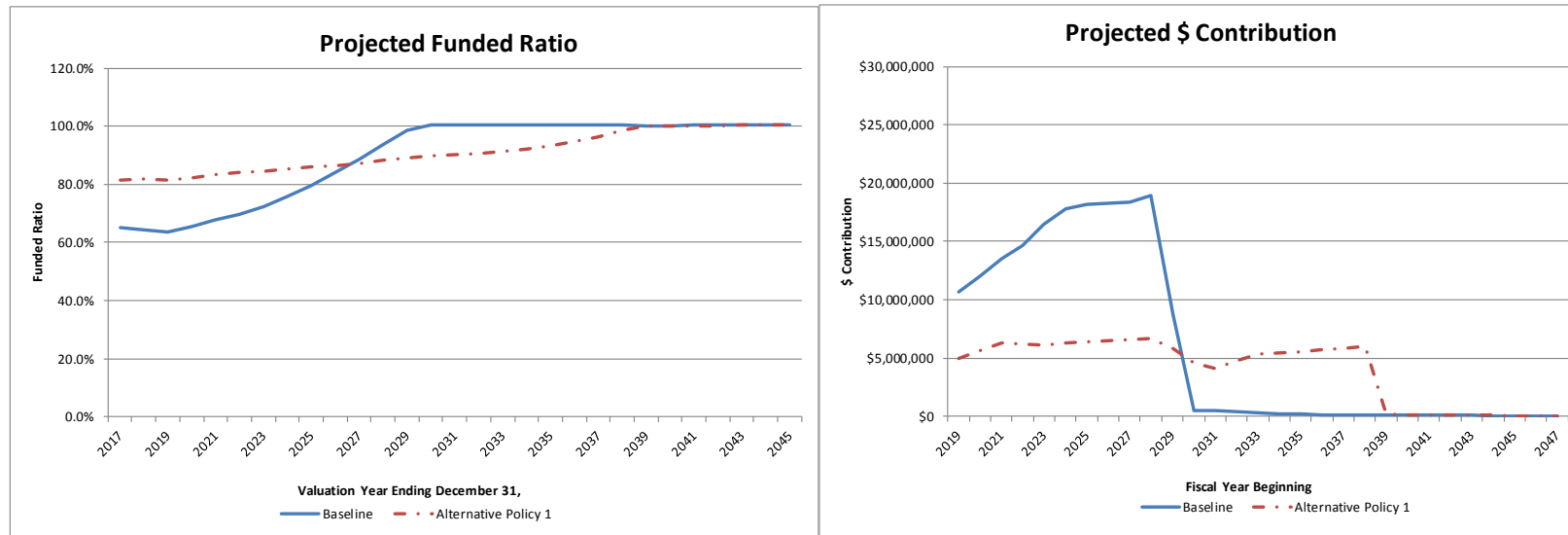


David T. Kausch, FSA, EA, FCA, MAAA, PhD  
Chief Actuary



Rebecca L. Stouffer, ASA, FCA, MAAA  
Consultant

# Municipal Employees' Retirement System of Michigan Muskegon Co. (6103) – Total of All Divisions 7.75% Assumed Annual Market Return



Baseline – Current Policy  
Alternative Policy 1 – see description on page 6 of this report.

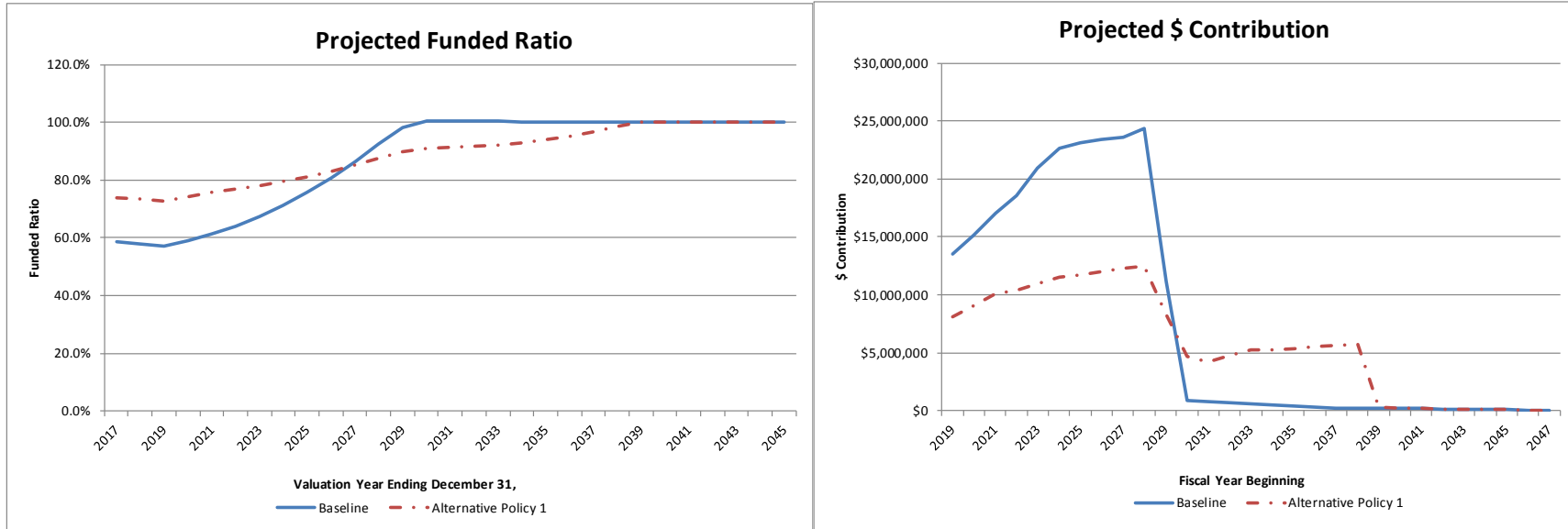
Valuation Year Ending December 31,	Baseline			Alternative Policy 1			Fiscal Year Beginning January 1,	Baseline	Alternative Policy 1
	Actuarial Accrued Liability	Valuation Assets	Funded Ratio	Actuarial Accrued Liability	Valuation Assets	Funded Ratio		Total Employer Contribution	Total Employer Contribution
2017	\$280,700,000	\$182,400,000	65%	\$280,700,000	\$229,000,000	82%	2019	\$10,700,000	\$5,000,000
2018	284,700,000	183,300,000	64%	284,700,000	232,900,000	82%	2020	12,000,000	5,600,000
2019	289,100,000	184,300,000	64%	289,100,000	235,300,000	81%	2021	13,600,000	6,340,000
2020	293,200,000	192,200,000	66%	293,200,000	241,600,000	82%	2022	14,700,000	6,170,000
2021	296,800,000	201,000,000	68%	296,800,000	247,900,000	84%	2023	16,500,000	6,120,000
2022	299,800,000	209,500,000	70%	299,800,000	252,200,000	84%	2024	17,800,000	6,320,000
2023	302,300,000	219,200,000	73%	302,300,000	255,900,000	85%	2025	18,100,000	6,410,000
2024	304,000,000	230,600,000	76%	304,000,000	259,000,000	85%	2026	18,300,000	6,510,000
2025	304,900,000	243,200,000	80%	304,900,000	261,800,000	86%	2027	18,400,000	6,590,000
2026	305,000,000	256,100,000	84%	305,000,000	264,000,000	87%	2028	18,900,000	6,690,000
2027	304,100,000	269,500,000	89%	304,100,000	265,700,000	87%	2029	8,740,000	5,810,000

\* The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.

^ There has been a change in actuary and actuarial software since the December 31, 2017 valuation. As a normal part of any actuarial transition, modeling the current benefits in new actuarial software may result in a change in value when compared to the published 2017 annual valuation.



# Municipal Employees' Retirement System of Michigan Muskegon Co. (6103) – Total of All Divisions 6.75% Assumed Annual Market Return



Baseline – Current Policy  
Alternative Policy 1 – see description on page 6 of this report.

Valuation Year Ending December 31,	Baseline			Alternative Policy 1			Fiscal Year Beginning January 1,	Baseline	Alternative Policy 1
	Actuarial Accrued Liability	Valuation Assets	Funded Ratio	Actuarial Accrued Liability	Valuation Assets	Funded Ratio		Total Employer Contribution	Total Employer Contribution
2017	\$310,000,000	\$182,400,000	59%	\$310,000,000	\$229,400,000	74%	2019	\$13,500,000	\$8,160,000
2018	314,000,000	181,600,000	58%	314,000,000	231,200,000	74%	2020	15,200,000	9,090,000
2019	318,400,000	181,500,000	57%	318,400,000	232,100,000	73%	2021	17,000,000	10,100,000
2020	322,400,000	190,300,000	59%	322,400,000	239,100,000	74%	2022	18,600,000	10,400,000
2021	325,800,000	200,400,000	62%	325,800,000	246,500,000	76%	2023	20,900,000	11,000,000
2022	328,700,000	210,500,000	64%	328,700,000	252,200,000	77%	2024	22,600,000	11,500,000
2023	330,800,000	222,400,000	67%	330,800,000	258,000,000	78%	2025	23,100,000	11,800,000
2024	332,100,000	236,500,000	71%	332,100,000	263,900,000	79%	2026	23,400,000	12,000,000
2025	332,600,000	252,200,000	76%	332,600,000	269,900,000	81%	2027	23,600,000	12,300,000
2026	332,100,000	268,500,000	81%	332,100,000	275,700,000	83%	2028	24,300,000	12,500,000
2027	330,600,000	285,500,000	86%	330,600,000	281,400,000	85%	2029	11,200,000	8,260,000

\* The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.

^ There has been a change in actuary and actuarial software since the December 31, 2017 valuation. As a normal part of any actuarial transition, modeling the current benefits in new actuarial software may result in a change in value when compared to the published 2017 annual valuation.

## Additional Supporting Data

We used the allocation of lump sum on POB proceeds as provided and did not review the allocation methodology.

<b>Date of Contribution (Assumed January 1, 2019)</b>			
<b>Division</b>	<b>Lump Sum</b>	<b>POB Proceeds</b>	<b>Total</b>
1	\$4,305,000	\$ 0	\$4,305,000
4	0	0	0
10	0	5,356,680	5,356,680
11	1,627,000	12,689,530	14,316,530
12	0	920,000	920,000
13	0	657,155	657,155
14	0	0	0
15	0	362,000	362,000
17	894,000	8,514,460	9,408,460
19	0	0	0
20	0	1,054,200	1,054,200
22	0	5,756,332	5,756,332
23	0	6,862,800	6,862,800
24	0	33,550	33,550
25	0	0	0
41	0	478,542	478,542
42	0	0	0
90	77,000	0	77,000
91	0	0	0
	6,903,000	42,685,249	49,588,249

## Important Comments

1. The actuarial value of assets used to determine both the funded ratio and the required employer contribution is based on a smoothed value of assets. Only a portion of each year's investment market gain or loss is recognized in the current actuarial value of assets; the remaining portions of gains and losses will be reflected in future years' actuarial value of assets. This reduces the asset volatility impact on the determined required employer contribution and funded ratio. The smoothed actuarial rate of return for 2017 was 6.08%.

As of December 31, 2017, the actuarial value of assets is 101% of market value. This means that there is a net outstanding asset loss that is not yet recognized in the actuarial value of assets. Absent future asset gains offsetting the net outstanding asset loss, the net outstanding asset loss will be recognized in future actuarial valuations and is expected to decrease funded ratios and increase employer contribution requirements.

2. Unless otherwise indicated, a funded status measurement is based upon the actuarial accrued liability and the actuarial value of assets. The measurement is:
  - a. Inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.
  - b. Inappropriate for assessing benefit security for the membership.
  - c. Dependent upon the actuarial cost method which, in combination with the amortization policy and asset valuation method, affects the timing and amounts of future contributions. The amounts of future contributions will differ from those assumed due to future actual experience differing from assumed.

A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., the cost of the active membership accruing an additional year of service credit).

3. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
4. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
5. 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 due to changing conditions; 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, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.

6. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800.767.MERS if you believe that:
  - a. The assumptions are unreasonable,
  - b. The plan provisions are missing or incorrectly described,
  - c. Conditions have changed since the calculations were made,
  - d. The information provided in this report is inaccurate or is in any way incomplete, or
  - e. You need further information to make an informed decision.
  
7. Unless otherwise noted, the following information, assumptions, and funding methods were used in the projections under the various options:
  - a. Demographic, financial information, and benefit provisions provided by MERS for the December 31, 2017 valuation.
  - b. The assumptions and methods used in the December 31, 2017 annual valuation.
  - c. All demographic assumptions will be met during the projection period.
  - d. If new hires are included in the valuation, the active population is assumed to remain stable during the projection period.
  - e. Demographic assumptions under the DC plan are unchanged from those of the DB plan, if applicable.
  - f. The Market Value of Assets will earn the assumed investment return each year during the projection period.
  - g. There will be no benefit changes during the projection period.
  - h. The employer contributions through September 30, 2019 are not affected, and are based on previous annual actuarial valuations.