COMMITTEE OF THE WHOLE

January 23, 2025

AGENDA

1. RESOLUTION BY COUNCIL PRESIDENT SAREINI SUPPORTED UNANIMOUSLY – Acknowledging the outstanding achievements of the Economic Development Director, Jordan Twardy, who was recently recognized in Crain's Detroit Magazine in December 2024 and requesting immediate effect.

2. RESOLUTION BY COUNCILMEMBER ALSAWAFY SUPPORTED UNANIMOUSLY – Acknowledging Mr. Paul Goddard for his dedication to maintaining City walking trails and requesting immediate effect.

3. RESOLUTION BY COUNCILMEMBER ALSAWAFY SUPPORTED UNANIMOUSLY – Acknowledging Mr. Hussein Hachem for his active role in student education, and bringing a positive platform to journalism in the City of Dearborn and requesting immediate effect.

4. PUBLIC COMMENT

5. RESOLUTION IN NEED OF OFFER AND SUPPORT – Approving the minutes of the previous special meeting of January 8, 2025.

6. RESOLUTION IN NEED OF OFFER AND SUPPORT – Approving the minutes of the previous regular meeting of January 14, 2025.

7. ORDINANCE ON THE TABLE - ORDINANCE NO. 24-1835 – "An Ordinance to Amend the Code of Ordinances of the City of Dearborn by adding Chapter 20, Sections 20-1 to 20-6, Entitled 'Transition Following an Election'."
   RESOLUTION IN NEED OF OFFER AND SUPPORT – To take from the table for its final reading.

8. ORDINANCE ON THE TABLE - ORDINANCE NO. 25-1836 – “An Ordinance to amend the Zoning Ordinance of the City of Dearborn by Amending Article 18, Entitled ‘I-A, Light Industrial District’.”
RESOLUTION IN NEED OF OFFER AND SUPPORT – To take from the table for its final reading.

9. ORDINANCE ON THE TABLE - ORDINANCE NO. 25-1837 – “An Ordinance to amend the Nuisances Chapter (Chapter 13) of the Code of Ordinances of the City of Dearborn by Amending Section 13-5.3 Entitled, ‘Dust Control; Paved, Partially Paved, Unpaved, and Storage Lots’.”
RESOLUTION IN NEED OF OFFER AND SUPPORT – To take from the table for its final reading.

10. ECONOMIC DEVELOPMENT – Requesting that the Finance Director be authorized to recognize and appropriate a donation toward the Dearborn Coffee Week event expenditures from the Ford World Headquarters in the amount of $1,000 to the West Dearborn Downtown Development Authority and requesting immediate effect.

11. ECONOMIC DEVELOPMENT – Requesting to approve a lease and enter into a hold harmless agreement with East Michigan Ave. Holdings LLC (13901 Michigan Avenue) and MSR Holdings LLC (13919 Michigan Avenue) for the use of approximately 111 sq. ft. of outdoor City-owned space located at the adjacent 14200 Wellesley St. Parking Lot (14200 Wellesley St.), for the installation and maintenance of a trash dumpster enclosure for the term of Five-years from February 1, 2025 through January 31, 2030 and requesting immediate effect.

12. PUBLIC WORKS & FACILITIES, ENGINEERING – Requesting to approve Contract No. 24-5576 with the Michigan Department of Transportation (MDOT) (Dearborn Job No. 2025-016) in order to obtain a grant in the amount of $500,000 for pedestrian pathway improvements; also requesting that the Mayor be authorized to execute the contract on behalf of the City and that the Finance Director be authorized to accept the grant when received and to authorize the corresponding revenue budget and appropriations and requesting immediate effect.

13. PURCHASING – Requesting to award a contract to Laser Striping and Sport Surfacing in the amount of $90,900 for the Installation of Pickleball Courts at Ford Woods Park; also requesting that the Finance Director be authorized to transfer current funding in the amount of $100,000 from the Facility Fund to the General Capital Improvement Fund, project I50725, and to recognize and appropriate the transfer and requesting immediate effect. [2-568 (6) e]

14. PURCHASING – Requesting to award a single source contract to Servepro in the amount of $45,000 for Inspections of Camp Dearborn Tailers and Sites to comply with EGLE (Michigan Department of Environment, Great Lakes and Energy) laws and regulations and requesting immediate effect. [2-568 (6) c]

15. PURCHASING – Requesting to authorize a sole source contract purchase from M-Tech Company in the amount of $324,989 for the purchase of an E-550 CUES TV truck for the Department of Public Works and Facilities, Sewer Division and requesting immediate effect. [2-568A (c) (3)]

16. PURCHASING – Requesting to authorize a cooperative contract purchase from Lunghamer Ford, through the 2024 Vehicle State of Michigan Cooperative contract and Macomb Contract Alternate, in the total amount of $592,600 for the purchase of eleven (11) vehicles for the Department of Public Works and requesting immediate effect. [2-568A (c)(3)]

17. PURCHASING – Requesting to authorize a cooperative contract purchase from Caterpillar, through the Sourcewell Cooperative contract in the amount of $550,188 for the purchase of two (2) Caterpillar Loaders for the Department of Public Works and requesting immediate effect. [2-568A (c)(3)]

18. PURCHASING – Requesting to authorize a cooperative contract purchase from Revels Turf & Tractor, through the MiDeal Cooperative contract in the amount of $168,296.86 for the purchase of two (2) John Deer Mowers for use at Mystic Creek Golf Course and requesting immediate effect. [2-568A (c)(3)]

19. PURCHASING – Requesting to authorize a cooperative contract purchase from Spartan Distributors, Inc., through the Omnia Cooperative contract in the amount of $131,267 for the purchase of two (2) Toro Mowers for use at Dearborn Hills Golf Course and requesting immediate effect. [2-568A (c)(3)]

20. PURCHASING – Requesting to award a cooperative contract to Penchura LLC, through the Sourcewell Cooperative contract in the amount of $998,886 for the Creation of an Inclusive Playground at Lapeer Park. [2-568 (3)]

21. PURCHASING – Requesting to authorize the first of two (2), one-year renewal options with Colliers Engineering & Design (Formerly Bergmann Associates), in the amount of $50,000 for Traffic Engineering Services on an as-needed basis, from January 30, 2025 through February 1, 2026 and requesting immediate effect. [2-568A (6) e]

22. POLICE – Requesting that the Finance Director be authorized to recognize the Michigan Commission on Law Enforcement Standards (MCOLES) Public Safety Academy Assistance Program Grant awarded to Dearborn Police Department in the amount of $24,000 in account 101-2410-330.04-90 and appropriate the same in account 101-2410-515.58-10 and requesting immediate effect.

23. POLICE – Requesting that the Finance Director be authorized to recognize the Michigan Commission on Law Enforcement Standards (MCOLES), Continuing Professional Education (CPE) Program Grant awarded to Dearborn Police Department in the amount of $93,000 in account 101-2410-330.04-15 and appropriate the same in account 101-2410-515.58-15 and requesting immediate effect.

24. POLICE – Requesting that the Finance Director be authorized to recognize the Michigan Commission on Law Enforcement Standards (MCOLES), Continuing Professional Education (CPE) Program Grant awarded to Dearborn Police Department in the amount of $186,000 in account 101-2410-330.04-15 and appropriate the same in account 101-2410-515.58-15 and requesting immediate effect.

25. FINANCE – Requesting that the Finance Director, or their designee, be authorized to recognize and appropriate the final payment of the Brownfield Cleanup Revolving Loan and Gun Range Agreement Loan in the amount of $71,014 and $123,925, respectively and requesting immediate effect.

26. FINANCE – Requesting to authorize funds in the amount of $153,934.09 be spread on the 2024 Miscellaneous Receivable and Special Assessment Roll, which includes the 25% transfer fee, for transfer to the 2025 Summer Property tax roll, and requesting immediate effect.

27. FINANCE – Submitting the 2024 Property Tax Waiver Appeals Report.

28. FINANCE – Submitting Actuarial 5-year Experience Study Reports for the City's Chapter 22 and Chapter 23 pension systems.

29. FINANCE – Submitting FY2024 Actuarial Audit Reports for the three (3) City pension systems as well as the Actuarial Valuation Report for the Retiree Healthcare System (OPEB).

30. FINANCE – Submitting FY2024 Annual Actuarial GASB Reports for the City's Pension Systems and Retiree Healthcare System.

31. PHILANTHROPY AND GRANTS – Requesting that the Economic Development Director be authorized to submit the Transportation Alternatives Program (TAP) Grant Application for the Friends of the Rouge (FOTR) to fund Phase 3 of the Rouge River Gateway Greenway project and requesting immediate effect.

32. PHILANTHROPY AND GRANTS – Requesting to accept and recognize a grant from the National Endowment for the Arts (NEA) Office, in the amount of $20,000 to support theater programming tailored for Arab American youth through the Dearborn Youth Theatre (DYT) and requesting immediate effect.

33. CORPORATION COUNSEL – Recommending that the City partner with ACCESS and sell to ACCESS for the sum of One Dollar ($1.00) the vacant City-owned lot located at 5146 Porath, which ACCESS will use for its Substance Use Disorder Treatment Center project; also requesting that Corporation Counsel be authorized to execute the attached Purchase Agreement and First Amendment to the Memo of Understanding and that the Mayor be authorized to execute the Quit Claim Deed, subject to approval by Corporation Counsel and requesting immediate effect.

34. COMMUNITY RELATIONS – Having no objection to the request of Trivium Southeast Michigan Running Series to conduct their “Dearborn Decades 5k Run” on Sunday, August 3, 2025 from approximately 7:00 a.m. to 10:00 a.m., with assistance from the Police Department for traffic safety/crowd control for the entire duration of the event, subject to reimbursement for City services, subject to all applicable ordinances and the rules and regulations of the Police Department; also requesting a noise waiver for the duration of the event and permission to place barricades at Monroe Street and S. Brady Street as well as Morley Avenue and S. Brady Street and requesting immediate effect.

35. COMMUNITY RELATIONS – Requesting permission, in conjunction with the Dearborn Allied War Veterans Council, to conduct its 99th annual Memorial Day Parade on Monday, May 26, 2025 from 7:00 A.M until approximately 2:00 P.M. on Michigan Avenue (from Schaefer Rd. to M39/Southfield Freeway), subject to all applicable ordinances and the rules and regulations of the Police Department; also requesting the use and closure of Maple Rd. from Schaefer Rd. to Michigan Ave. as well as use of the City owned parking lots as follows: John Nagy Parking Lot, Dearborn Fresh Parking Lot, Calhoun (50/50) Parking Lot; also requesting use of the Veterans Park and War Memorial and a noise waiver for the duration of the event and requesting permission for the Community Relations Department to place event-related and directional signage on city-owned property and requesting immediate effect.

36. PUBLIC HEALTH – Requesting that the Finance Director be authorized to recognize and appropriate the Michigan Arts and Culture Council Grant in the amount of $12,000 to host programming that promotes health, arts, and culture and requesting immediate effect.

37. HISTORICAL MUSEUM – Requesting that the Finance Director be authorized to recognize a donation from the Floyd L. and Mary Dietrich Haight Charitable Trust in the amount of $9,487.60 in account 271-5000-365.90-00 and appropriate the same in account 271-5000-711.10-20 to be used for the Museum’s Archives and requesting immediate effect.

38. COUNCIL – Submitting the request of architect Bilal Hakim, on behalf of property owner Mohammed Alysofi, for an extension of time in which to submit initial plans for the properties located at 24720 Cherry, 2734 Hubbard, 24600 Calvin, 24705 Cooke, and 24622 Chicago, conditioned upon payment of a processing fee of $250 per property, for a total in the amount of $1,000, pursuant to current Land Sale Guidelines and requesting immediate effect.

39. COUNCIL – Submitting the request of Aref Adnan Awad of Pureland Properties LLC (C.R. 8-418-24) for a third, six-month extension of time to commence construction of a single-family home at 1810 Canterbury conditioned upon payment of a $500 processing fee, plus an extension fee of 1% of the original property sale per month, for a total in the amount of $1,214, pursuant to current Land Sale Guidelines with a new construction deadline of June 19, 2025 and requesting immediate effect.

40. CLERK – Requesting that the Finance Director be authorized to recognize additional revenue from the FY2024 State of Michigan Presidential Primary Reimbursement in the amount of $77,461 in the General Fund, City Clerk, Elections, Intergovernmental Revenue, State, Reimbursement Election Expenses account and to appropriate the $77,461 into the General Fund, City Clerk, Contractual Services, Other Services account to help balance the Election Division of the City Clerk Department due to increasing costs of testing the ballots and tabulators and requesting immediate effect.

41. MAYOR – Requesting to renew the City-wide annual membership with the Michigan Municipal League (MML) in the amount of $19,405 for the period of December 1, 2024 through November 30, 2025 and requesting immediate effect.

42. MAYOR – Requesting concurrence in the appointment of Yousaf Mohamed to the Planning Commission with a term ending June 30, 2025 and requesting immediate effect.

43. MAYOR – Requesting concurrence in the appointment of Khaled Abdulla to the Planning Commission with a term ending June 30, 2028 and requesting immediate effect.

44. MAYOR – Requesting concurrence in the appointment of Senan Saleh to the Board of Review with a term ending January 1, 2026 and requesting immediate effect.

<u>PUBLIC COMMENT WILL FOLLOW ANY WALK-ON ITEMS</u>

OFFICE OF THE 34TH CITY COUNCIL

IMMEDIATE EFFECT

To: **City Clerk**

From: **City Council**

Date: **January 16, 2025**

Subject: **Council Acknowledgment- Hussein Hachem**

The 34th City Council wishes to acknowledge Mr. Hussein Hachem for his active role in student education, and bringing a positive platform to journalism in the City of Dearborn. The citation is supported unanimously and should be given immediate effect.

Kamal M. Alsawafy
Councilmember

OFFICE OF THE 34TH CITY COUNCIL

IMMEDIATE EFFECT

To: **City Clerk**

From: **City Council**

Date: **January 16, 2025**

Subject: **Council Acknowledgment- Paul Goddard**

The 34th City Council wishes to acknowledge Mr. Paul Goddard for his dedication to maintaining city walking trails. Mr. Goddard has volunteered his time and effort to keep city walking trails clean, safe, and accessible to the community.

This citation is supported unanimously and should be given immediate effect.

Kamal M. Alsawafy

Kamal M. Alsawafy
Councilmember

OFFICE OF THE 34TH CITY COUNCIL

To: City Clerk

From: City Council

Date: January 15, 2025

Subject: Sympathy Resolution

By Council Member Gary A. Enos supported unanimously.

WHEREAS: The Council has learned with sorrow of the passing of Thomas P. Coughlin and;

WHEREAS: This departure at the dictation of Divine Providence constitutes an irreplaceable loss to the beloved family and numerous friends and neighbors: be it

RESOLVED: That the members of the 34th Council of the City of Dearborn here assembled, hereby sincerely extend and offer in this sad hour of bereavement, heartfelt sympathy and condolences to the family of the deceased.

Next of kin:

Ms. Kelly Clem

3122 Lincoln Street

Dearborn, MI 48124

OFFICE OF THE 34TH CITY COUNCIL

IMMEDIATE EFFECT

To: **City Clerk**

From: **City Council**

Date: **January 14, 2025**

Subject: **Council Acknowledgment- Jordan Twardy**

The 34th City Council proudly acknowledges the outstanding achievements of Economic Development Director, Jordan Twardy, who was recently recognized in Crain's Detroit Magazine in December 2024.

Mr. Twardy has been featured prominently in Crain's for his exemplary contributions to the ongoing redevelopment efforts in East Dearborn. His expertise has been crucial in fostering the development of new and affordable housing in the area, significantly enhancing community growth and wellbeing.

This acknowledgment has been unanimously supported by the Council and is to be given immediate effect. We extend our heartfelt congratulations to Mr. Twardy for his dedication and exceptional service to our community.

Michael T. Sareini
Council President

FINANCE

EXECUTIVE SUMMARY

REQUEST: Requesting recognition and appropriation of State of Michigan Primaries Reimbursement.

DEPARTMENT: General – City Clerk

BRIEF DESCRIPTION: This request is made to recognize and appropriate the State of Michigan Primaries Reimbursement in excess of the budgeted amount in the amount of $77,461. The City Clerk's Office was reimbursed an additional $77,461 related to extra expenditures paid in FY24 related to the presidential primaries. In FY25, $256,000 was budgeted in revenue as the expected reimbursement, however, the State reimbursed the City Clerk's Office $333,461. It is requested that the Finance Director be authorized to recognize the remaining $77,461 into the General Fund, City Clerk, Elections, Intergovernmental Revenue, State, Reimbursement Elections Expenses and appropriate the amount into General Fund, City Clerk, Contractual Services, Other Services.

PRIOR COUNCIL ACTION: N/A

BACKGROUND: This shows an increase from the amount previously requested to the Bureau of Election of the Michigan Secretary of State Office. The Clerk made a case and asked for more reimbursement due to the extra cost of administrating and testing of the Arabic ballots in Dearborn. He was granted the additional amount requested.

FISCAL IMPACT: No local match

COMMUNITY IMPACT: With a balanced budget, money that is budgeted for education and public outreach will not be touched and will fully be used for its purpose of educating voters about elections and early voting.

IMPLEMENTATION TIMELINE: Immediately upon approval

COMPLIANCE/PERFORMANCE METRICS: The City Clerk Department will manage the funds.

FINANCE

MEMORANDUM

TO: **Dearborn City Council**

FROM: **City Clerk's Office**

SUBJECT: **2024 Presidential Primary Reimbursement**

DATE: **January 13, 2025**

Budget Information

Adopted Budget:	$82,970
Amended Budget:	$82,970
Requested Amount:	$77,461
Funding Source:	State of Michigan Primary Reimbursements
Supplemental Budget:	N/A

Summary of Request

The City of Dearborn was been awarded a State of Michigan Reimbursements related to expenditures for the Presidential Primaries in the amount of $333,461 but only recognized $256,000.

It is respectfully requested that Council authorize the recognition of the remaining award and appropriation of $77,461 from the State of Michigan. Additionally, it is requested the Finance Director be authorized to recognize and appropriate the $77,461 into General Fund, City Clerk, Contractual Services, Other Services.

Background and Justification

This shows an increase from the amount previously requested to the Bureau of Election of the Michigan Secretary of State Office. The Clerk made a case and asked for more reimbursement due to the extra cost of administrating and testing of the Arabic ballots in Dearborn. He was granted the additional amount requested.

The additional money that was reimbursed helps to balance the Election Division of the City Clerk Department. The cost of the 2024 elections exceeded estimates due to the increasing costs of testing the ballots and tabulators.

FINANCE

MEMORANDUM

<u>Immediate effect is requested.</u>

Prepared by:

DocuSigned by:
C34A9F1710C9446...

Mehdi Al-Hassan – Accountant

Department Approval:

Signed by:
George Darany
A905BB7BAC464DC...

George Darany – City Clerk

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Michael Kennedy – Finance Director/Treasurer

Corporation Counsel:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer – Corporation Counsel

EXECUTIVE SUMMARY

REQUEST: Permission to conduct the 99th annual Memorial Day Parade on Monday, May 26, 2025. A noise waver is also requested.

DEPARTMENT: Community Relations, Public Works, Police

BRIEF DESCRIPTION: At the recommendation of the Dearborn Police Department, the following procedure was determined to ensure the safety and convenience of participants and residents during the 2025 Memorial Day Parade. To that end, we kindly ask for the use of the following city-owned streets and parking lots to stage and execute the event.

- Michigan Avenue from Schaefer Road to M39 / Southfield Freeway from 7:00 a.m. until approximately 2:00 p.m. It is proposed that parade traffic will travel westward down Michigan Ave and conclude at Henry Ford Centennial Library. We ask that the parade route be designated as Michigan Avenue, with curb-to-curb control granted.

- We also ask that Maple Road from Schaefer Road to Michigan Avenue be closed from 7:30 a.m. to 2:00 p.m. and curb to curb use be granted to accommodate staging for the funeral procession and marching bands.

- In addition, we request the use of the City-owned parking lots for staging of additional participants as follows:

  Staging Area

    - Parking & Band Staging: **John Nagy parking lot** with the boundaries of John Nagy Drive to the north, The Fish Market's rear drive to the east, Maple to the west and Osborn to the south.
    - Participant Staging: **Dearborn Fresh** parking lot with boundaries of Michigan Avenue to the south, Colson to the north, Schaefer to the east.
    - Parking & Participant Dropoff: **Calhoun (50/50) parking lot** with the boundaries of Colson Street to the north, Bingham to the east and Schaefer to the west.
    - Lineup of Escort and Divisions 1 to 4 on Michigan Avenue west of Schaefer

  End of Parade Route

  - **Henry Ford Centennial Library**
    - VIP and handicap parking
    - Participant pick up at the end of the parade
    - Shuttle pick up before the parade

EXECUTIVE SUMMARY

- **Police Station / Ford Community and Performing Arts Center**
  - Overflow parking
  - Shuttle pick up before the parade

- In addition, we ask for the use of the Veterans Park and War Memorial at the Henry Ford Centennial Library until 2:00 p.m. for the traditional Remembrance Ceremony.

- We respectfully request that City Council grant the Department of Community Relations the right to place event-related promotional and directional signage on city-owned property along the parade.

PRIOR COUNCIL ACTION: C.R. 02-115-22 - Approval of a similar route for the Memorial Day 2022 Parade

BACKGROUND: The City of Dearborn seeks to carry on its annual tradition of presenting Michigan's longest-running Memorial Day Parade in honor of those who lost their lives while serving our country. Historically, the parade features over 80 regional officials, marching bands, and community groups and concludes with a Remembrance Ceremony in honor of the fallen.

FISCAL IMPACT:

The Department of Community Relations plans to seek sponsorships to help cover the costs of the parade and its associated events in addition to the allocated budget.

IMPACT TO COMMUNITY:

This event continues the City's longstanding tradition of honoring those who have lost their lives while serving our country. It also offers the city an opportunity to connect with surviving veteran populations within Dearborn, as well as encourages participation from community groups of various backgrounds for a family-friendly and accessible event.

The Community Relations Department plans to work in tandem with the Department of Economic Development to promote participation from businesses along the parade route in downtown East Dearborn. Additionally, as one of Michigan's largest Memorial Day Parades, we plan to utilize the opportunity to extend our reach to the greater Dearborn area and promote participation (and by extension, strengthen overall relationships) with neighboring cities as well as across Wayne County.

EXECUTIVE SUMMARY

IMPLEMENTATION TIMELINE: Immediate effect is requested.

COMPLIANCE/PERFORMANCE METRICS:

While the City does not track public attendance of the Memorial Day parade (the event is free and does not require attendees to utilize specific points of entry or exit), the Department of Community Relations will carefully track outreach to and participation of involved parties, as well as evaluate the success of sponsorship acquisition in a post-event debrief with city staff and the event planning team. All event costs and revenues will be tracked in detail.

COMMUNITY RELATIONS DEPARTMENT

TO: **City Council**
FROM: Community Relations Department
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Approval of 2025 Memorial Day parade event and associated city street closures, parking lot usage and noise waiver.
DATE: January 16th 2025

The City of Dearborn's Department of Community Relations, Public Works, and Police respectfully request permission from Dearborn City Council to conduct its 99th annual Memorial Day Parade on Monday, May 26, 2025.

This request includes the closure of public roads as well as the use of city-owned lots in order to execute the parade safely and successfully. We plan to move the parade route back to its longstanding location in downtown east Dearborn in 2025, as there is no planned road construction along this historical route.

At the recommendation of the Dearborn Police Department, the following procedure was determined to ensure the safety and convenience of participants and residents during the 2025 Memorial Day Parade. We kindly seek your approval to:

- Utilize Michigan Avenue from Schaefer Road to M39 / Southfield Freeway from 7:00 a.m. until approximately 2:00 p.m. It is proposed that parade traffic will travel westward down Michigan Ave and conclude at Henry Ford Centennial Library. We ask that the parade route be designated as Michigan Avenue, with curb-to-curb control granted.

- Close Maple Road from Schaefer Road to Michigan Avenue from 7:30 a.m. to 2:00 p.m., with curb-to-curb use granted to accommodate staging for the funeral procession and marching bands.

- Utilize select city-owned parking lots as outlined within the accompanying executive summary for parade staging, participant parking, and participant shuttle service at the conclusion of the parade route.

Additionally, we respectfully request City Council grant the Department of Community Relations the right to place event-related promotional and directional signage on city-owned property along the parade.

<u>A noise waiver and immediate effect</u> is requested.

Respectfully submitted,

DocuSigned by: Alia Phillips	DocuSigned by: Tim Hawkins	DocuSigned by: Issa Shahin
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Alia Phillips	Tim Hawkins	Issa Shahin
Community Relations Director	Director of Public Works	Chief of Police

EXECUTIVE SUMMARY

REQUEST: The City of Dearborn is seeking permission to shut down S Brady between Monroe St & Morley Ave for the Dearborn Decades 5k run on Sunday, August 3 during Dearborn Homecoming Festival. A noise waiver & immediate effect is requested.

DEPARTMENT: Community Relations and Dearborn Police Department

BRIEF DESCRIPTION: To ensure safety of Dearborn Decades 5K participants, the departments seek permission to place barricades at Monroe St & S Brady St as well as Morley Ave & S Brady St on Sunday, August 3 from 7:00 - 10:00 AM.

PRIOR COUNCIL ACTION: The Dearborn Decades 5k run has been approved in the past with the same road closures on relevant portions of S Brady.

C.R. 3-112-24

BACKGROUND: The City of Dearborn, in partnership with Trivium Southeast Michigan Running Series, has previously hosted the Dearborn Decades 5k run on Sunday of Homecoming weekend. The course will begin on lower (south) Ford Field Park, turn down onto S. Brady, and continue onto the Rouge Gateway Trail.

FISCAL IMPACT:

- N/A

IMPACT TO COMMUNITY:

- If approved, this will allow a fun, affordable and active event to take place on Sunday of Homecoming weekend, allowing our residents and other festival attendees a healthy activity to kick off the final day of Homecoming 2025.
- Closure of S Brady between Monroe St and Morley Ave from 7:00 AM - 10:00 AM

IMPLEMENTATION TIMELINE: Immediate effect is requested.

COMPLIANCE/PERFORMANCE METRICS: N/A

COMMUNITY RELATIONS DEPARTMENTS

TO: **City Council**
FROM: Community Relations & Dearborn Police Departments
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Permission to close portion of S. Brady for Dearborn Decades 5K
DATE: January 16th 2024

The City of Dearborn, in partnership with Trivium Southeast Michigan Running Series, plans to host the Dearborn Decades 5K run on Sunday, August 3 during Dearborn Homecoming Festival 2025. The course will begin on lower (south) Ford Field Park, turn down onto S. Brady, and continue onto the Rouge Gateway Trail.

Community Relations and Dearborn Police are seeking permission to place barricades at Monroe St and S. Brady St as well as Morley Ave and S. Brady St. to ensure safety for Dearborn Decades 5K participants between 7:00 AM and 10:00 AM on Sunday, August 3, 2025. If approved, this will allow for a fun, affordable, and active event to take place on the Sunday of Homecoming weekend.

Please see the course map attached. A noise waver & immediate effect is requested.

Respectfully submitted,

DocuSigned by:
Issa Shahin
1053E1C7585A436...
Issa Shahin
Chief of Police

DocuSigned by:
Alia Phillips
64E917BA272444C
Alia Phillips
Community Relations Director

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Approval of a lease agreement with East Michigan Ave Holdings LLC and MSR Holding LLC for the lease of 111 sq ft at the 14200 Wellesley St Parking Lot for the installation of a trash dumpster enclosure

DEPARTMENT: Economic Development Department

BRIEF DESCRIPTION: This proposed agreement outlines a lease between the City of Dearborn and lessees East Michigan Ave Holdings LLC (13901 Michigan Ave) and MSR Holding LLC (13919 Michigan Ave). The agreement pertains to the lease of approximately 111 sq ft of space within an adjacent City-owned parking lot at 14200 Wellesley St to install and maintain a trash dumpster enclosure for the sanitation needs of both businesses.

PRIOR COUNCIL ACTION: N/A

BACKGROUND:

This proposed agreement outlines a lease between the City of Dearborn and lessees East Michigan Ave Holdings LLC (13901 Michigan Ave) and MSR Holding LLC (13919 Michigan Ave). The agreement pertains to the lease of approximately 111 sq ft of space within a City-owned parking lot (14200 Wellesley St) to install and maintain a trash dumpster enclosure for the sanitation needs of both businesses. Due to the sanitation requirements of both businesses, the use of a dumpster is necessary. As neither property has on-site dumpster access, both businesses have requested to lease space to install and maintain a dedicated trash dumpster enclosure for their exclusive use.

The Economic Development Department and the Law Department have reviewed and approved this lease for this intended use. Under the proposed lease, the business will pay base rent of $222 per year, adjusted annually by the Consumer Prize Index for all Urban Consumers. The first Base Rent payment is due on the Lease Commencement Date, as well as a $200 administrative fee per year.

At its sole cost and expense, the lessees shall install a trash dumpster enclosure within one year from the lease commencement date on the leased area for the benefit of the businesses. The lessees must obtain all necessary permits, inspections, and approvals at their sole cost and expense. The plans will also be approved by the requisite City departments.

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

The lease includes provisions that require the lessees to maintain the leased area in a first-class, clean, safe, and well-maintained manner and will be responsible for all maintenance, upkeep, and/or all code violation corrections, not installing grease tanks or receptacles, and removing trash, debris, litter, snow, ice, and graffiti from the Leased area, among other items described in the lease.

The lease agreement also contains provisions which require the business to indemnify and hold the City harmless for any claims or liabilities and the business shall provide evidence of insurance which names the City as additional insured. This lease agreement shall be for a five year period commencing on February 1, 2025 and terminating automatically on January 31, 2030.

FISCAL IMPACT: N/A

COMMUNITY IMPACT:

- Increased sanitation services and improved cleanliness and appearance of the surrounding area in East Downtown Dearborn
- Supports local businesses by providing a necessary service for their operations

IMPLEMENTATION TIMELINE: This lease agreement shall be for a five year period commencing on February 1, 2025 and terminating automatically on January 31, 2030.

COMPLIANCE/PERFORMANCE METRICS:

For the installation of the trash dumpster enclosure, the lessees must obtain all necessary permits, inspections, and approvals at their sole cost and expense. The plans will also be approved by the requisite City departments. The lessees are also required to maintain the dumpster enclosure as required by City ordinances.

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Laura Aceves-Sanchez, Economic Vitality Manager, Economic Development

VIA: Angela Fortino, Deputy Director, Economic Development

SUBJECT: Approval of a lease agreement with East Michigan Ave Holdings LLC and MSR Holding LLC for the lease of 111 sq ft at the 14200 Wellesley St Parking Lot for the installation of a trash dumpster enclosure

DATE: January 28, 2025

Budget Information

Adopted Budget:	N/A
Amended Budget:	N/A
Requested Amount:	N/A
Funding Source:	N/A
Supplemental Budget:	N/A

Summary of Request

This proposed agreement outlines a lease between the City of Dearborn and lessees East Michigan Ave Holdings LLC (13901 Michigan Ave) and MSR Holding LLC (13919 Michigan Ave). The agreement pertains to the lease of approximately 111 sq ft of space within a City-owned parking lot to install and maintain a trash dumpster enclosure for the sanitation needs of both businesses. Due to the sanitation requirements of both businesses, the use of a dumpster is necessary. As neither property has on-site dumpster access, both businesses have requested to lease space to install and maintain a dedicated trash dumpster enclosure for their exclusive use.

Immediate effect is requested.

Background and Justification

This proposed agreement outlines a lease between the City of Dearborn and lessees East Michigan Ave Holdings LLC (13901 Michigan Ave) and MSR Holding LLC (13919 Michigan Ave). The agreement pertains to the lease of approximately 111 sq ft of space within a City-owned parking lot to install and maintain a trash dumpster enclosure for the sanitation needs of both businesses. Due to the sanitation requirements of both businesses, the use of a dumpster is necessary. As neither property has on-site dumpster access, both businesses have requested to lease space to install and maintain a dedicated trash dumpster enclosure for their exclusive use.

The Economic Development Department and the Law Department have reviewed and approved this lease for this intended use. Under the proposed lease, the business will pay base rent of $222 per year, adjusted annually by the Consumer Prize Index for all Urban Consumers. The first Base Rent payment is due on the Lease Commencement Date, as well as a $200 administrative fee per year.

At its sole cost and expense, the lessees shall install a trash dumpster enclosure within one year from the lease commencement date on the leased area for the benefit of the businesses. The lessees must obtain all necessary permits, inspections, and approvals at their sole cost and expense. The plans will also be approved by the requisite City departments.

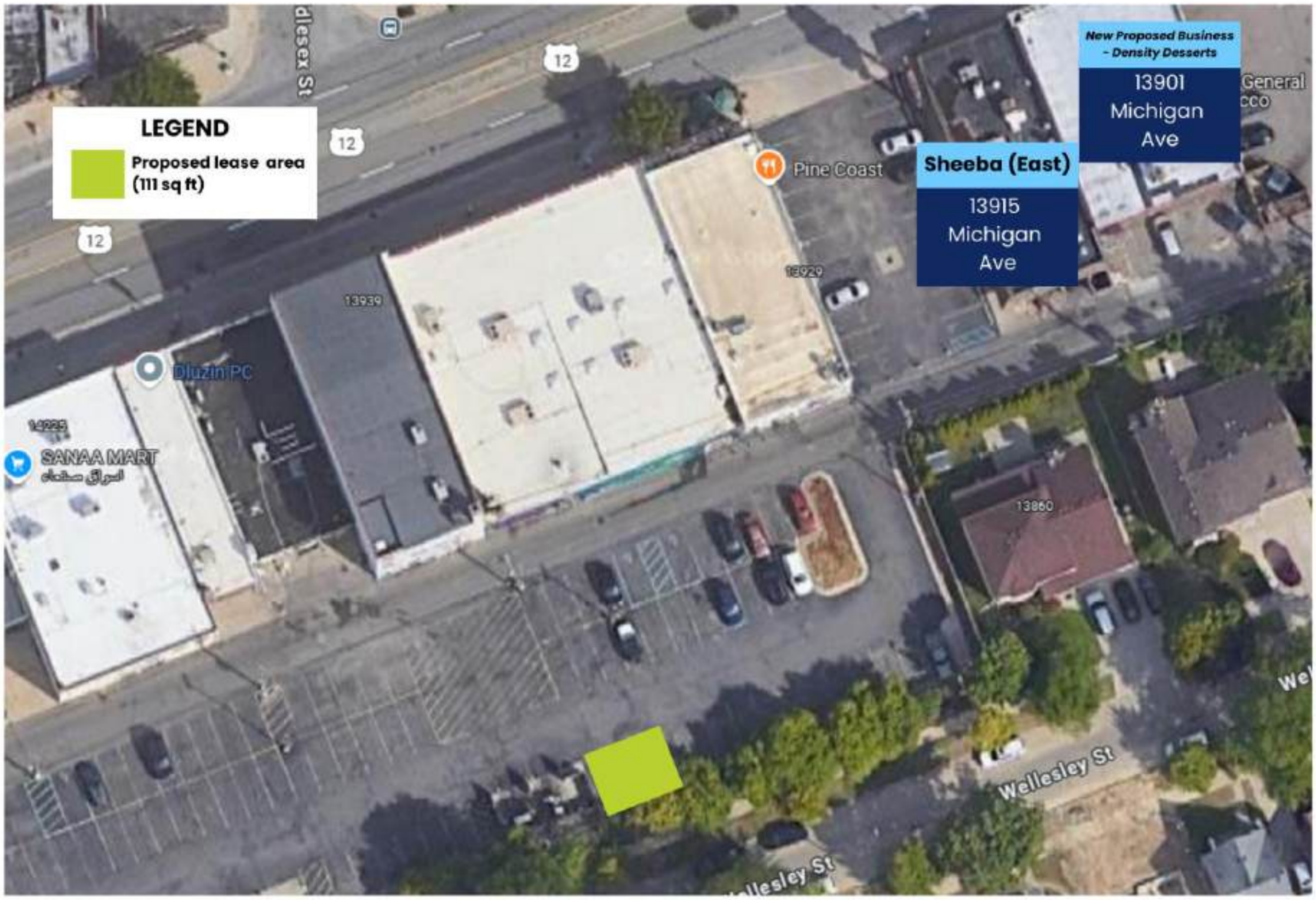
The lease includes provisions that require the lessees to maintain the leased area in a first-class, clean, safe, and well-maintained manner and will be responsible for all maintenance, upkeep, and/or all code violation corrections, not installing grease tanks or receptacles, and removing trash, debris, litter, snow, ice, and graffiti from the Leased area, among other items described in the lease.

The lease agreement also requires the business to indemnify and hold the City harmless for any claims or liabilities and the business shall provide evidence of insurance which names the City as additional insured. This lease agreement shall be for a five year period commencing on February 1, 2025 and terminating automatically on January 31, 2030.

<u>Immediate effect is requested.</u>

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM



ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Laura Aceves-Sanchez
D4E839D504AA420...

Laura Aceves-Sanchez, Program Manager

Department Approval:

DocuSigned by:
1C7ADC7466A843C...

Jordan Twardy, Economic Development Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
CS

Michael Kennedy, Finance Director/ Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J Romer, Corporation Counsel

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), is made as of ______________________, 2025, by and between CITY OF DEARBORN, a Michigan municipal corporation ("Lessor") whose address is 16901 Michigan Avenue, Dearborn, Michigan 48126, and East Michigan Ave Holdings LLC, a Michigan Limited Liability Company ("Lessee"), whose address is 13901 Michigan Avenue, Dearborn, MI 48126, and MSR Holding LLC, a Michigan Limited Liability Company ("Lessee"), whose address is 13919 Michigan Avenue, Dearborn, MI 48126.

Background

A. Lessor owns a parcel of vacant real property in the City of Dearborn, Michigan, legally described on the attached **Exhibit A** (the "Property").

B. Lessees own commercial buildings located at 13901 Michigan Avenue, Dearborn, MI 48126 and 13919 Michigan Avenue, Dearborn, MI 48126 (the "Businesses") and wish to install a trash dumpster enclosure for the benefit of the Businesses.

C. Lessees wish to lease approximately 111 sq. ft. of property owned by Lessor depicted on the attached **Exhibit B** ("Leased Area"). Lessees shall utilize the Leased Area solely for the purpose of installing and maintaining a trash dumpster enclosure for the benefit of the Businesses. Lessees' use of the Leased Area shall be subject to the terms and conditions set forth in this Lease.

NOW THEREFORE, the parties, intending to be legally bound and for good and valuable consideration, the receipt of which is hereby acknowledged, agree as follows:

Terms and Conditions

1. LEASE. Lessor, in consideration for the rents to be paid and the covenants and agreements to be performed by Lessees, hereby leases to Lessees approximately 111 sq. ft. of property shown as the Leased Area on the attached **Exhibit B**, subject to the terms and conditions set forth in this Lease.

2. POSSESSION. Lessor agrees to deliver exclusive possession of the Leased Area on the Lease Commencement Date (defined below), subject to any easements and restrictions of record.

3. TERM. The Term of this Lease shall commence on **February 1, 2025** ("Lease Commencement Date") and shall terminate automatically on **January 31, 2030**, without any further action of the parties, unless Lessor specifically grants an extension in writing or expressly revokes or cancels this Lease by notifying Lessees in writing.

4. BASE RENT. Lessees shall pay to Lessor as base rent ("Base Rent") for the use of the Leased Area the sum of TWO HUNDRED TWENTY-TWO AND 00/100 DOLLARS ($222.00) per year, adjusted annually by the Consumer Price Index for All Urban Consumers (PCI-U): Selected areas, all items index, Midwest urban; size B/C. The first Base Rent payment is due on **February 1, 2025**. Thereafter, Lessees shall pay Base Rent annually to Lessor, by Automatic Clearing House ("ACH"), on the anniversary date of the Lease Commencement Date.

5. ADMINISTRATIVE FEE. Lessees shall pay to Lessor an annual administrative fee (“Administrative Fee”) in the amount of TWO HUNDRED AND 00/100 DOLLARS ($200.00) per year. The Administrative Fee shall be paid with the Base Rent, annually by ACH, on the anniversary date of the Lease Commencement Date. Lessees shall be in default if they fail to pay any sums to Lessor when due, including Base Rent and Administrative Fee, and do not cure the default within thirty (30) days after being notified in writing, specifying the default. A late fee in the amount of ONE HUNDRED AND 00/100 DOLLARS ($100.00) shall be assessed automatically by Lessor upon any payment in default, to compensate Lessor for the cost and inconvenience associated with such late payment.

6. DUMPSTER ENCLOSURE INSTALLATION, REPAIR AND MAINTENANCE. At its sole cost and expense, Lessees shall install a trash dumpster enclosure on the Leased Area for the benefit of the Businesses. The trash dumpster enclosure must be installed within one (1) year from the Lease Commencement Date. Lessees’ obligation to improve the Property to install the trash dumpster enclosure must comply with all relevant Code requirements. Lessees shall obtain all necessary permits, inspections, and approvals, at their sole cost and expense. Plans for the trash dumpster enclosure must be approved by the requisite City departments.

Lessees shall maintain the Leased Area in a first-class, clean, safe, well-maintained manner. Without limiting the foregoing, Lessees shall:

A. be responsible for all maintenance, upkeep, and/or all Code violation corrections;
B. not install any grease tanks or receptables in the trash dumpster enclosure area;
C. place all trash dumpsters in the enclosure;
D. obtain any and all necessary approvals required by DTE Energy Company;
E. remove trash, debris, and litter on a daily basis from the Leased Area;
F. remove snow and ice from the Leased Area;
G. apply salt for snow and ice on the Leased Area;
H. remove any graffiti from the Leased Area;
I. ensure that dumpster enclosure gates remain closed;
J. not cause or permit any obstruction to the area surrounding the Leased Area;
K. not disturb, move, or damage any adjacent concrete parking barriers;
L. trim, water, weed, and provide general maintenance to any landscaping on the Leased Area; and
M. repair and replace, as necessary, the paving materials on the Leased Area.

Lessees shall defend, indemnify and hold Lessor harmless from all claims and liabilities due to the acts or omissions arising from these duties.

7. TAXES. Lessees shall be responsible for and shall pay, before delinquency, all municipal, county, and state taxes assessed on the Leased Area by the City Assessor, during the Lease Term.

8. SPECIFICATIONS.

A. Lessees agree to maintain the trash dumpster enclosure located on the Leased Area for use in conjunction with the Businesses and in accordance with all local and state regulations. Lessees agree to do so at their own cost and expense and in accordance with the terms of this Agreement. Lessees further agree that the Leased Area shall be clear of all liens, claims of lien, and any other claim of contractors, laborers, and material suppliers associated with Lessees' improvements.

B. Lessees' trash dumpster enclosure on the Leased Area must be in accordance with all approved site plans and necessary permits and all necessary approvals from the Dearborn Planning Commission and Zoning Board of Appeals, if required. Lessor shall enforce its ordinance, rules, regulations, and codes in the same manner as it enforces them generally, and without discrimination in favor or against Lessees.

C. It is expressly agreed that Lessor makes no warranties that the Leased Area complies with federal, state, or local governmental law or regulations applicable to the Lessees' use. Lessees have fully examined and inspected the Leased Area and accept the Leased Area "AS IS" in its existing condition with no warranties of any kind concerning the condition of the Leased Area or its use. Lessees understand that there may be utility easements that impact the Leased Area.

9. ASSIGNMENT OF LEASE. Lessees shall not assign, transfer, convey, sublet, or otherwise substitute another person or entity into this Lease, without the prior written consent of the Lessor. If Lessor consents to such assignment, Lessor reserves the right to increase the rent upon assignment of the Lease.

10. PERMIT AND SITE PLAN APPROVAL. Permits and site plans shall be subject to the final approval of the Department of Economic Development for the City of Dearborn. Lessees shall be responsible for any and all permit and site plan fees, as well as all fees to construct the trash dumpster enclosure.

11. INSURANCE. Lessees shall maintain General Liability Insurance in the amount of $1,000,000.00 per occurrence and $2,000,000 in the aggregate. The Certificate of Insurance must contain, as an endorsement, the following language pertaining to the General Liability coverage:

> "The City of Dearborn, Michigan, its elected officials, officers, employees, boards, commissions, authorities, voluntary associations, and any other units operating under the jurisdiction of the City and within appointment of its operating budget including the City of Dearborn are named as additional insured and said coverage shall be considered to be the primary coverage rather than any policies and insurance or self-insurance retention owned or maintained by the City of Dearborn."

The policy shall be endorsed to include a waiver of subrogation by the affording carrier in favor of the City of Dearborn

12. INDEMNIFICATION. Lessees shall defend, indemnify, and save harmless, Lessor, its officials, agents, employees, and representatives against any and all claims, suits, and judgments of every kind and description arising out of the installation, construction and/or maintenance of the trash dumpster enclosure, and landscaping in the Leased Area, except to

the extent that the loss or damage is caused by the gross negligence or intentional acts of Lessor.

13. ADDITIONAL COVENANTS OF LESSEES. Lessees covenant and agree during the Term or any extension thereof, that they shall:

A. not commit any waste on the Leased Area;
B. use and operate the Leased Area in compliance with all existing and future laws, statutes, regulations, rules, and ordinances of all governmental authorities and agencies, with respect to the use and occupancy of the Leased Area including all environmental laws; and
C. take all such precautions so as to protect Lessor's property from damage.

Except as otherwise provided herein, at the termination or cancellation of this Lease, the Leased Area shall be restored by Lessees to its original condition, at Lessees' sole cost and expense, or to a condition satisfactory to Lessor. Lessees are solely responsible for the cost of any repair or removal of the trash dumpster enclosure and improvements to the Leased Area if required by Lessor at the expiration or termination of the Lease Term.

14. COVENANTS OF THE LESSOR. The Lessor hereby covenants and agrees that, during the Term of this Lease or any extension thereof, it will, provided Lessees are not in default under this Lease, cause the Lessees to peacefully and quietly hold and enjoy possession of the Leased Area under the terms of this Lease.

15. DEFAULT AND REMEDIES.

A. If the Lessees shall at any time during the Term or any extension thereof:

(i) default in the payment of the Base Rent, Administrative Fee, Repair and Maintenance, and/or Taxes, or any other payment required under this Lease when due;
(ii) default in the performance of any of the conditions, terms, provision, and covenants of any other term or condition of this Lease and fail to cure such default within thirty (30) days after receipt of written notice of such failure; or
(iii) be dissolved, adjudged bankrupt, make an assignment for the benefit of creditors, or if a receiver or trustee shall be appointed in any action, suit, or proceedings by or against the Lessees

then the Lessor may exercise any remedy available at law or in equity, including without limitation the right, at its sole option, to terminate this Lease, and/or without terminating this Lease, re-enter the Leased Area, and again have possession and enjoy the same after notice of such default and reasonable opportunity to cure. If Lessor elects to terminate, the Lease shall have no further force or effect except for those Lease provisions that expressly survive such termination, including the right of the Lessor to recover from the Lessees all the rent or damages that have accrued at the time of Lessor's exercise of remedies.

B. It is agreed that each and every of the rights, remedies, and benefits provided to Lessor by this paragraph #15 shall be cumulative, and shall not be exclusive of any other of said rights, remedies and benefits or of any other rights, remedies and benefits allowed at law or equity.

C. In case suit shall be brought for recovery of possession of the Leased Area or for recovery of rent or any other amount due under the provisions of this Lease or because of the breach of any of the covenants contained herein, the non-prevailing party shall pay to the prevailing party all expenses incurred therefor, including reasonable attorney's fees incurred.

D. The parties hereto shall and they do hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever out of or in any connection with this Lease, the relationship of Lessor and Lessees, Lessees' use or occupancy of the Leased Area, and/or any claim of injury or damage.

E. Notwithstanding anything contained herein to the contrary, any default by Lessees which occurs two or more times in any three-month period shall constitute a separate and independent default of Lessees.

16. MISCELLANEOUS.

A. If Lessees hold over after the termination or expiration of this Lease, thereafter at Lessor's option, Lessees shall be deemed month-to-month tenants, and the Base Rent shall be increased to ONE HUNDRED DOLLARS and 00/100 DOLLARS ($100.00) per month.

B. One or more waivers of any covenant or condition by Lessor shall not be construed as a waiver of a further breach of the same covenant or condition.

C. Any notice which any party may or is required to give, shall be given as follows:

If to Lessor at:
City of Dearborn
16901 Michigan Avenue, Suite 15
Dearborn, MI 48126
Attn.: Economic and Community Development Director

With a copy to:
City of Dearborn
16901 Michigan Avenue, Suite 14
Dearborn, MI 48126
Attn.: Corporation Counsel

If to Lessees at:
East Michigan Ave Holdings, LLC
13901 Michigan Avenue
Dearborn, MI 48126
Attn.: Mohamed Sohoubah

and

MSR Holding, LLC
13919 Michigan Avenue
Dearborn, MI 48126
Attn: Mohamed Sohoubah

D. This Lease shall be governed by the laws of the State of Michigan.

E. All notices, requests, demands, consents, or other communications including a change in the address for notices in connection with this Lease which are required hereunder to be written, shall be sent by overnight delivery service, hand delivered, certified mail, or return receipt requested, postage prepaid and addressed to such party at the addresses set forth above.

F. Nothing contained in this Lease shall constitute or be construed to be or create a partnership or joint venture between the Lessees, their successors or permitted assigns or the Lessor, its successors and assigns.

G. Nothing in this Lease shall confer any rights or remedies upon persons other than Lessor and Lessees and each of their respective successors and permitted assigns, nor to confer upon anyone the status of third-party beneficiary of this Lease.

H. If any one or more of the provisions of this Lease, or the applicability of any such provisions to a specific situation, shall be held invalid or unenforceable, the provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and all other application of the provisions and the balance of this Lease shall not be affected.

I. The covenants, conditions and agreements hereon are binding on their heirs, successors, representatives and assigns of the parties hereto.

J. This Lease, along with the attached exhibits, shall constitute the entire agreement between the parties and may be amended only by the written instrument duly executed by the parties.

K. Other than specifically stated herein, Lessees shall not make or cause to be made any alterations, additions or improvements to the Leased Area or install or cause to be installed any improvements thereon without the prior written approval of Lessor which may be denied in its sole and absolute discretion. As a condition of any such approval, Lessor shall have the right to impose such limitations to the extent Lessor requires their removal.

L. Lessees shall not place or cause to be placed or maintained any sign or advertising matter of any kind anywhere within the Leased Area without Lessor's prior written approval.

M. Lessor shall not be responsible for damage or loss to Lessees' belongings on the Leased Area, whether or not such damage is caused by vehicles or persons on the Leased Area and/or surrounding areas.

N. Lessor shall not be liable in the event of any interruption in the supply of any utilities.

O. Lessees and Lessees' employees and agents shall not solicit business in or on the Leased Area.

P. Lessor or Lessor's agents shall have the right to enter upon the Leased Area at all reasonable times to examine same, to make such repairs, alterations, improvements or additions as Lessor may deem necessary or desirable, and shall be allowed to take all materials into and upon the Leased Area that may be required therefor.

Q. Any amount due from Lessees to Lessor hereunder which is not paid when due shall bear interest at the highest legal rate form the date due until paid.

R. Lessees and Lessor have each had the opportunity to consult with counsel regarding this Lease. Therefore, this Lease shall not be construed against either party as the drafter of same.

S. This Lease is subject to the approval of the Dearborn City Council.

T. Lessor or Lessees may cancel this Agreement at any time, for any reason, without further obligation, provided the party affords the other party 60 days' written notice in accordance with section 16(C) herein.

U. Notwithstanding anything to the contrary contained herein, Lessor also specifically reserves the right to cancel this Agreement without further obligation upon providing 60 days' written notice in accordance with section 16(C) herein in the event that Lessor implements a sanitation-related special assessment district that includes the Leased Area. In such case, the trash dumpster enclosure and any additional improvements to the Leased Area shall become the sole property of Lessor.

Notwithstanding anything to the contrary contained herein, Lessees, East Michigan Ave Holdings LLC and MSR Holding LLC, hereby agree and affirm that they shall be jointly and severally liable for the full and faithful performance of each and every obligation under this Lease Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF DEARBORN
Lessor

BY: ____________________________
Abdullah H. Hammoud
Mayor, City of Dearborn
As authorized by CR

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

On the ___ day of _____________, 2025, before me appeared ABDULLAH H. HAMMOUD, to me personally known who, being sworn by me, did say that he is the Mayor of the City of Dearborn, and that said instrument was signed on behalf of the City of Dearborn by authority of CR ___________, and said ABDULLAH H. HAMMOUD acknowledged said instrument to be the free act and deed of the City of Dearborn.

____

Notary Public, Wayne County, MI
My Commission expires:

EAST MICHIGAN AVE HOLDINGS, LLC
Lessee

BY: ____________________________
Mohamed Sohoubah
Its __________________________

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

On the ___ day of _____________, 2025, before me appeared MOHAMED SOHOUBAH, to me personally known who, being sworn by me, did say that he is the ______________ for EAST MICHIGAN AVE HOLDINGS, LLC, and that said instrument was signed on behalf of EAST MICHIGAN AVE HOLDINGS, LLC and said MOHAMED SOHOUBAH acknowledged said instrument to be the free act and deed of EAST MICHIGAN AVE HOLDINGS, LLC.

____

Notary Public, Wayne County, MI
My Commission expires:

MSR HOLDING, LLC
Lessee

BY: ____________________________
Mohamed Sohoubah
Its

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

On the ___ day of ____________, 2025, before me appeared MOHAMED SOHOUBAH, to me personally known who, being sworn by me, did say that he is the ___________________ for MSR HOLDING, LLC, and that said instrument was signed on behalf of MSR HOLDING, LLC and said MOHAMED SOHOUBAH acknowledged said instrument to be the free act and deed of MSR HOLDING, LLC.

____

Notary Public, Wayne County, MI
My Commission expires:

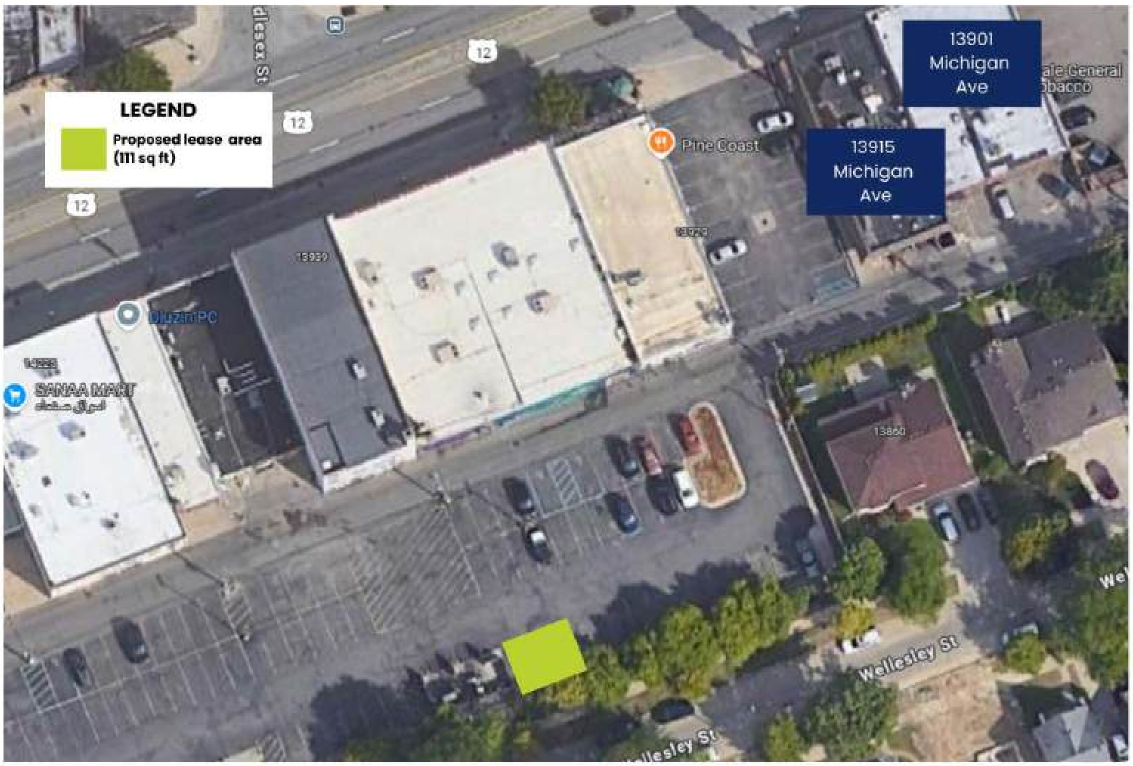
EXHIBIT A

City-owned property:

LOTS 277 THRU 287 & PT OF LOTS 288 TO 291 WILLIAMSON SUB, BEG AT SE COR OF LOT 277, TH N 19-59-00 W 96 FT TO SL OF 22 FT ALLEY, TH ALG SAID SL S 70-22-00 W TOTHE E L OF SCHLAFF (66 FT WIDE), TH CURVING TO RT ALG ELY L O

Tax ID No. 82-10-184-05-039
Commonly Known As: 14200 Wellesley, Dearborn, MI 48126

EXHIBIT B



LEGEND
Proposed lease area (111 sq ft)
13901 Michigan Ave
13915 Michigan Ave
Pine Coast
Wellesley St
Wellesley St
SANAA MART
12
12
12

Docusign Envelope ID: 26822120-BD7C-42B8-A396-8C66374B61BC

MSRHOLD-01 MARCUSM

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 12/10/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER		
Korotkin Insurance Group PO Box 431 Southfield, MI 48037-0431	CONTACT NAME: Marcus Manetta PHONE (A/C, No, Ext): (248) 352-5140 FAX (A/C, No): (248) 352-0305 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A : Western World Ins Co	13196
INSURED	INSURER B :	
East Michigan Ave Holdings, LLC 13901 Michigan Ave Dearborn, MI 48126	INSURER C :	
	INSURER D :	
	INSURER E :	
	INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY	X	X	NPP8869847	12/1/2024	12/1/2025	EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ Included
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Dearborn, Michigan, its elected officials, officers, employees, boards, commissions, authorities, voluntary associations, and any other units operating under the jurisdiction of the City and within appointment of its operating budget including the City of Dearborn are named as additional insured and said coverage shall be considered to be the primary coverage rather than any policies and insurance or self-insurance retention owned or maintained by the City of Dearborn.

Waiver of Subrogation in favor of The City of Dearborn included

CERTIFICATE HOLDER	CANCELLATION
The City of Dearborn 16901 Michigan Ave Dearborn, MI 48126	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Authorization for the Finance Director to recognize and appropriate a donation towards Dearborn Coffee Week event expenditures to the West Dearborn Downtown Development Authority.

Requesting immediate effect

DEPARTMENT: Economic Development, West Dearborn Downtown Development Authority (WDDDA)

BRIEF DESCRIPTION: The West Dearborn Downtown Development Authority received a donation of $1,000.00 from Ford World Headquarters towards the Dearborn Coffee Week event. It is respectfully requested that the Finance Director be authorized to recognize and appropriate the donation for the Dearborn Coffee Week event expenditures.

PRIOR COUNCIL ACTION: N/A

BACKGROUND: The West Dearborn Downtown Development Authority hosted the first Dearborn Coffee Week, which celebrated the city's booming coffee culture. Over fifteen Dearborn-based coffeeshops participated in the week's events, including a Coffee Tasting Kickoff held at Peace Park West and coffee pop-up activities at various coffeeshops. The $1,000 donation from Ford World Headquarters helped provide additional programming and activities for attendees during the Coffee Tasting Kickoff.

FISCAL IMPACT: This donation increased the available funds for activities and programming of the Dearborn Coffee Week Coffee Tasting Event event held in the West Dearborn Downtown Development Authority.

COMMUNITY IMPACT:

- Increased community vitality and vibrancy
- Increases patronage to nearby businesses in the West DDDA
- Attracts varied visitors to Dearborn

IMPLEMENTATION TIMELINE: Requesting immediate effect

COMPLIANCE/PERFORMANCE METRICS: N/A

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Laura Aceves-Sanchez, Economic Vitality Manager, Economic Development

VIA: Angela Fortino, Deputy Director, Economic Development

SUBJECT: Authorization for the Finance Director to recognize and appropriate a donation towards Dearborn Coffee Week event expenditures for the West Dearborn Downtown Development Authority.

DATE: January 28, 2025

Budget Information

Adopted Budget:	$0
Amended Budget:	$1,500
Requested Amount:	$1,000
Funding Source:	West Dearborn Downtown Development Authority, Miscellaneous Revenues, Contributions, Donations from Priv Source
Supplemental Budget:	N/A

Summary of Request

The West Dearborn Downtown Development Authority hosted the first Dearborn Coffee Week, which celebrated the city's booming coffee culture. The $1,000 donation from Ford World Headquarters helped provide additional programming and activities for attendees during the Coffee Tasting Kickoff event.

It is respectfully requested that the Finance Director be authorized to recognize and appropriate the donation for the Dearborn Coffee Week event expenditures to the West Dearborn Downtown Development Authority.

Immediate effect is requested.

Background and Justification

The West Dearborn Downtown Development Authority hosted the first Dearborn Coffee Week, which celebrated the city's booming coffee culture. Over fifteen Dearborn-based coffeeshops participated in the week's events, including a Coffee Tasting Kickoff held at Peace Park West and coffee pop-up activities at various coffeeshops. The $1,000 donation from Ford World Headquarters helped provide additional programming and activities for attendees during the Coffee Tasting Kickoff event.

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Laura Aceves-Sanchez
D4E839D504AA420...

Laura Aceves-Sanchez, Program Manager

Department Approval:

DocuSigned by:
1C7ADC7466A843C...

Jordan Twardy, Economic Development Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
CS

Michael Kennedy, Finance Director/ Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J Romer, Corporation Counsel

EXECUTIVE SUMMARY

REQUEST: Approval to sell the City-owned property located at 5146 Porath to ACCESS for the sum of $1.00 for its Substance Use Disorder Treatment project.

Immediate Effect

DEPARTMENT: Economic Development and Law.

BRIEF DESCRIPTION: Approval is requested for the City to sell to ACCESS the City-owned property located at 5146 Porath for the sum of One Dollar ($1.00) for its Substance Use Disorder Treatment Center project.

PRIOR COUNCIL ACTION:

C.R. 7-319-19 authorized the City to purchase the house at 5146 Porath from the Wayne County Treasurer.

C.R. 3-124-23 authorized the City to sell the properties at 5109, 5115, 5121, and 5127 Eugene to ACCESS for its Substance Use Disorder Treatment Center project.

BACKGROUND: Council Resolution 3-124-23 authorized the City to sell the properties at 5109, 5115, 5121, and 5127 Eugene for the total sum of $1.00 to ACCESS for its Substance Use Disorder Treatment Center project. The additional sale to ACCESS of the City-owned property located at 5146 Porath is crucial to the completion of the project by ACCESS.

FISCAL IMPACT: The City will no longer bear the expense of maintaining the property.

IMPACT TO COMMUNITY: Delivery of the proposed substance abuse recovery facility and the adjacent transitional supportive housing. This unique combination of substance abuse recovery supportive services and transitional supportive housing would typically not be brought in to the marketplace without public support.

IMPLEMENTATION TIMELINE: Closing to occur within ninety (90) days of Council approval of the sale.

COMPLIANCE/PERFORMANCE METRICS: Economic Development Department and Law Department will monitor compliance with conditions pertaining to the sale, including all deadlines.

DEPARTMENT OF LAW

TO: CITY COUNCIL

FROM: ECONOMIC DEVELOPMENT AND CORPORATION COUNSEL

VIA: MAYOR ABDULLAH HAMMOUD

SUBJECT: SALE OF CITY-OWNED PROPERTY AT 5146 PORATH TO ACCESS

DATE: JANUARY 13, 2025

Council Resolution 3-124-23 (copy attached), authorized the City to sell the properties at 5127, 5121, 5115, and 5109 Eugene for the total sum of $1.00 to ACCESS for its Substance Use Disorder Treatment Center project.

The Economic Development Department now wishes to sell the City-owned property located at 5146 Porath to ACCESS for the sum of $1.00 for its project. ACCESS will be responsible for any and all related fees including, but not limited to, closing fees and fees associated with the demolition of the structure currently on the property.

The sale shall be subject to the conditions set forth in Council Resolution 3-124-23, the Offer to Purchase 5146 Porath, and the Memo of Understanding and First Amendment thereto (copies attached).

Therefore, it is recommended that the City sell to ACCESS the property located at 5146 Porath for the sum of One Dollar ($1.00), which ACCESS will use for its Substance Use Disorder Treatment Center project. It is further recommended that Corporation Counsel be authorized to execute the attached Offer to Purchase 5146 Porath and the First Amendment to Memo of Understanding in furtherance of this sale and that, upon receipt of the executed Offer to Purchase, the Mayor be authorized to execute a Deed conveying 5146 Porath to ACCESS upon approval of form by Corporation Counsel. **Immediate effect** is requested.

Respectfully submitted,

DocuSigned by:
Rebecca Schultz
C73061A00EB9490...

REBECCA A. SCHULTZ
Assistant Corporation Counsel

Signed by:
1C7ADC7466A843C...

JORDAN TWARDY
Director of Economic Development

APPROVED:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

JEREMY J. ROMER
Corporation Counsel

attachment

RESOLUTION

WHEREAS: Council Resolution 3-124-23 authorized the City to sell the properties located at 5127, 5121, 5115, and 5109 Eugene to ACCESS for the total sum of $1.00 for its Substance Use Disorder Treatment Center project, and

WHEREAS: The Economic Development Department now wishes to sell the City-owned property located at 5146 Porath to ACCESS for the sum of $1.00 for its Substance Use Disorder Treatment Center project, and

WHEREAS: The sale shall be subject to the conditions set forth in Council Resolution 3-124-23, the Offer to Purchase 5146 Porath, and the Memo of Understanding and First Amendment thereto, and

WHEREAS: The City of Dearborn and its residents will benefit from this project in the form of delivery of the proposed substance abuse recovery facility and the adjacent transitional supportive housing, bringing this type of housing to Dearborn where it is needed. This unique combination of substance abuse recovery supportive services and transitional supportive housing would typically not be brought in to the marketplace without public support, and

WHEREAS: It is recommended that the City sell to ACCESS the property located at 5146 Porath for the sum of One Dollar ($1.00), which ACCESS will use for its Substance Use Disorder Treatment Center project, and

WHEREAS: ACCESS will be responsible for any and all related feel including, but not limited to, closing fees and fees associated with the demolition of the structure currently on the property, and

WHEREAS: ACCESS shall close no later than ninety (90) days following City Council approval of the sale at the Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126, and

WHEREAS: It is further recommended that Corporation Counsel or his designee be authorized to execute the Offer to Purchase 5146 Porath and the First Amendment to the Memo of Understanding in furtherance of this sale and that, upon receipt of the executed Offer to Purchase, the Mayor be authorized to execute a Deed conveying 5146 Porath to ACCESS upon approval of form by Corporation Counsel or his designee; therefore be it

RESOLVED: That this Council does hereby determine to affect the sale of the parcel described as:

> Lot 201, P.M. Park Sub., City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
> Commonly known as 5146 Porath
> Tax ID No.: 82-10-172-06-004
> Lot size: 30’ x 103’

to ACCESS for the sum of One Dollar ($1.00) which ACCESS will use for its Substance Use Disorder Treatment Center project; be it further

RESOLVED: That the sale is contingent upon full compliance with the conditions contained in the Offer to Purchase 5146 Porath, the Memo of Understanding and First Amendment thereto, and Council Resolution 3-124-23; be it further

RESOLVED: That the Corporation Counsel or his designee is authorized to execute documents on behalf of the City of Dearborn in furtherance of the sale; be it further

RESOLVED: That upon receipt of the executed Offer to Purchase, the Mayor is authorized to execute a Deed conveying 5146 Porath to ACCESS upon approval of form by Corporation Counsel or his designee; be it further

RESOLVED: This Resolution is given immediate effect.

By Paris supported by Hammoud.

3-124-23. WHEREAS: The Arab Community Center for Economic and Social Services (ACCESS) has launched an initiative to build a comprehensive, state-of-the-art Substance Use Disorder Treatment Center on land they own at 10149 Michigan Avenue, 5145 Eugene, and several parcels west of 5145 Eugene in Dearborn. The Center will provide affordable treatment options and recovery resources, including treatment, bilingual and culturally sensitive programming, short-term residential care, food assistance, housing, education, and employment, to combat the alarming rise in substance abuse among youth and adults in our community, and

WHEREAS: To support this unique combination of substance abuse recovery supportive services and transitional supportive housing which would typically not be brought in to the marketplace without public support, the Economic Development Department recommends that the City partner with ACCESS and sell to ACCESS via Quit Claim Deed for the sum of One Dollar ($1.00) four (4) adjacent, City-owned vacant lots that ACCESS will use to build transitional supportive housing adjacent to its Substance Use Disorder Treatment Center, and

WHEREAS: The four (4) vacant lots to be sold to ACCESS are:

Lot 111, F. and P.M. Park Sub., City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5127 Eugene
Tax ID No.: 82-10-172-06-042
Lot size: 30’ x 103’

Lot 112, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5121 Eugene
Tax ID No.: 82-10-172-06-041
Lot size: 30’ x 103’

Lot 113, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5115 Eugene
Tax ID No.: 82-10-172-06-040
Lot size: 30’ x 103’

Lot 114, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5109 Eugene
Tax ID No.: 82-10-172-06-039
Lot size: 30’ x 103’

AND

WHEREAS: The sale shall be subject to the existing building and use restrictions, easements, and zoning ordinances, if any, upon the following conditions:

1. Sale of all parcels is contingent upon the successful completion of the ACCESS to Recovery Center project on the parcels and adjacent property within three (3) years of City Council approval of the sale, along with the completion of the following items:
   a. ACCESS, at its sole expense, shall perform all necessary title/survey work, site preparation, and any other tasks required by law to facilitate the development of the ACCESS to Recovery Center project, and to obtain an approved site plan from the Economic Development Department for the ACCESS to Recovery Center from the City of Dearborn, within one (1) year of Council approval of the sale.
   b. ACCESS shall complete construction and secure a certificate of occupancy for the ACCESS to Recovery Center within three (3) years of Council approval of the sale.
   c. ACCESS shall, at its sole expense, for the entire duration of construction, maintain and secure its construction site in accordance with local ordinance, construction site standards, and any additional provisions deemed necessary by the Director of Economic Development.

The deed will contain a reversionary clause that states that a failure to obtain an approved site plan from the Economic Development Department for the ACCESS to Recovery Center from the City of Dearborn within one (1) year of Council approval of the sale will result in the property automatically reverting back to the City of Dearborn. The deed will also contain a reversionary clause that states that a failure to complete construction and secure a certificate of occupancy for the ACCESS to Recovery Center within three (3) years of Council approval of the sale will result in the property automatically reverting back to the City of Dearborn.

2. Sale is subject to Dearborn City Council approval.
3. Property is sold “as is” and “where is.”
4. Purchaser must construct the ACCESS to Recovery Center in accordance with all applicable local, state, and federal regulations and building codes

AND

WHEREAS: ACCESS shall close no later than thirty (30) days following City Council approval of the sale at the Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126, and

WHEREAS: The partnership between the City and ACCESS shall be memorialized in a Memo of Understanding providing that in exchange for the City’s sale of the properties to ACCESS for the sum of One Dollar ($1.00), ACCESS shall perform the following duties:

1. Develop the project site as follows: The ACCESS to Recovery Center concept shall include the following additional elements in the site plan, subject to review and approval by the Economic Development Director, in addition to all applicable site development standards and requirements set by the City of Dearborn or other applicable entities:
   A. Incorporation of streetscape enhancements and shared use pathway along the entire Michigan Avenue frontage of the property, including:
      i. Contingent upon transit agency approval, a sheltered bus stop designed to SMART and DDOT standards, with electronic message center showing real-time transit information as provided by SMART and/or DDOT.
      ii. Bicycle parking for at least 8 bicycles.
      iii. A bicycle repair station.
      iv. Trash container.
      v. Recycling container.
      vi. A landscaping plan featuring rain gardens with native plantings.
      vii. A maintenance plan which includes estimated annual cost to maintain the above improvements in good repair annually.

2. Promote the project as follows: In all promotional messaging done by ACCESS for the project, ACCESS shall acknowledge the City of Dearborn as a "project partner." This includes:
   A. On ACCESS websites, social media posts, e-newsletters, radio/television communications, and print publications.
   B. In articles with third-party promotional partners (e.g. newspapers, magazines, and others) featuring the project

AND

WHEREAS: The City of Dearborn and its residents will benefit from this project in the form of delivery of the proposed substance abuse recovery facility and the adjacent transitional supportive housing, bringing this type of housing to Dearborn where it is needed. This unique combination of substance abuse recovery supportive services and transitional supportive housing would typically not be brought in to the marketplace without public support, and

WHEREAS: It is recommended that the City partner with ACCESS and sell to ACCESS via Quit Claim Deed for the sum of One Dollar ($1.00) the vacant lots located at 5127 Eugene, 5121 Eugene, 5115 Eugene, and 5109 Eugene, which ACCESS will use to build transitional supportive housing adjacent to its Substance Use Disorder Treatment Center in accordance with the conditions set forth above, and

WHEREAS: It is further recommended that Corporation Counsel be authorized to execute the attached Purchase Agreement and Memo of Understanding in furtherance of this sale and that, upon receipt of the executed Purchase Agreement, the Mayor be authorized to execute a Quit Claim Deed conveying the four vacant lots to ACCESS upon approval of form by Corporation Counsel; therefore be it

RESOLVED: That the City is authorized to partner with ACCESS and to sell to ACCESS for the sum of One Dollar ($1.00) via Quit Claim Deed the following four (4) adjacent, City-owned vacant lots that ACCESS will use to build transitional supportive housing adjacent to its Substance Use Disorder Treatment Center:

Lot 111, F. and P.M. Park Sub., City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5127 Eugene
Tax ID No.: 82-10-172-06-042
Lot size: 30’ x 103’

Lot 112, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5121 Eugene
Tax ID No.: 82-10-172-06-041
Lot size: 30’ x 103’

Lot 113, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5115 Eugene
Tax ID No.: 82-10-172-06-040
Lot size: 30’ x 103’

Lot 114, F. and P.M. Park Sub. City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
Commonly known as vacant lot at 5109 Eugene
Tax ID No.: 82-10-172-06-039
Lot size: 30’ x 103’;

BE IT FURTHER

RESOLVED: That the sale shall be subject to the existing building and use restrictions, easements, and zoning ordinances, if any, upon the following conditions:

1. Sale of all parcels is contingent upon the successful completion of the ACCESS to Recovery Center project on the parcels and adjacent property within three (3) years of City Council approval of the sale, along with the completion of the following items:
   a. ACCESS, at their sole expense, shall perform all necessary title/survey work, site preparation, and any other tasks required by law to facilitate the development of the ACCESS to Recovery Center project, and to obtain an approved site plan from the Economic Development Department for the ACCESS to Recovery Center

from the City of Dearborn, within one (1) year of Council approval of the sale.

b. ACCESS shall complete construction and secure a certificate of occupancy for the ACCESS to Recovery Center within three (3) years of Council approval of the sale.

c. ACCESS shall, at their sole expense, for the entire duration of construction, maintain and secure their construction site in accordance with local ordinance, construction site standards, and any additional provisions deemed necessary by the Director of Economic Development.

The deed will contain a reversionary clause that states that a failure to obtain an approved site plan from the Economic Development Department for the ACCESS to Recovery Center from the City of Dearborn within one (1) year of Council approval of the sale will result in the property automatically reverting back to the City of Dearborn. The deed will also contain a reversionary clause that states that a failure to complete construction and secure a certificate of occupancy for the ACCESS to Recovery Center within three (3) years of Council approval of the sale will result in the property automatically reverting back to the City of Dearborn.

2. Sale is subject to Dearborn City Council approval.
3. Property is sold "as is" and "where is."
4. Purchaser must construct the ACCESS to Recovery Center in accordance with all applicable, local, state, and federal regulations and building codes;

BE IT FURTHER

RESOLVED: That the sale to ACCESS shall close no later than thirty (30) days following City Council approval of the sale at the Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126; be it further

RESOLVED: That Corporation Counsel is authorized to execute a Memo of Understanding between the City and ACCESS providing that in exchange for the City's sale of the properties to ACCESS for the sum of One Dollar ($1.00), ACCESS shall perform the following duties:

1. Develop the project site as follows: The ACCESS to Recovery Center concept shall include the following additional elements in the site plan, subject to review and approval by the Economic Development Director, in addition to all applicable site development standards and requirements set by the City of Dearborn or other applicable entities:
   A. Incorporation of streetscape enhancements and shared use pathway along the entire Michigan Avenue frontage of the property, including:
      i. Contingent upon transit agency approval, a sheltered bus stop designed to SMART and DDOT standards, with electronic message center showing real-time transit information as provided by SMART and/or DDOT.
      ii. Bicycle parking for at least 8 bicycles.
      iii. A bicycle repair station.
      iv. Trash container.
      v. Recycling container.
      vi. A landscaping plan featuring rain gardens with native plantings.
      vii. A maintenance plan which includes estimated annual cost to maintain the above improvements in good repair annually.
2. Promote the project as follows: In all promotional messaging done by ACCESS for the project, ACCESS shall acknowledge the City of Dearborn as a "project partner." This includes:
   A. On ACCESS websites, social media posts, e-newsletters, radio/television communications, and print publications.
   B. In articles with third-party promotional partners (e.g. newspapers, magazines, and others) featuring the project;

BE IT FURTHER

RESOLVED: That Corporation Counsel is authorized to execute the Purchase Agreement and Memo of Understanding in furtherance of the sale; be it further

RESOLVED: That, upon receipt of the executed Purchase Agreement, the Mayor is authorized to execute a Quit Claim Deed conveying the four lots to ACCESS upon approval of form by Corporation Counsel; be it further

RESOLVED: This Resolution is given immediate effect.

The resolution was unanimously adopted.

By Enos supported unanimously.

3-125-23. WHEREAS: The council has learned with sorrow of the passing of John H. Bridges, and

WHEREAS: This departure at the dictation of Divine Providence constitutes an irreplaceable loss to the beloved family and numerous friends and neighbors; therefore be it

RESOLVED: That the members of the Council of the City of Dearborn here assembled, hereby sincerely extend and offer in this sad hour of bereavement, heartfelt sympathy and condolences to the family of the deceased.

The resolution was unanimously adopted.

By Abraham supported unanimously.

3-126-23. WHEREAS: The council has learned with sorrow of the passing of Leonard Moore, and

WHEREAS: This departure at the dictation of Divine Providence constitutes an irreplaceable loss to the beloved family and numerous friends and neighbors; therefore be it

RESOLVED: That the members of the Council of the City of Dearborn here assembled, hereby sincerely extend and offer in this sad hour of bereavement, heartfelt sympathy and condolences to the family of the deceased.

The resolution was unanimously adopted.

OFFER TO PURCHASE 5146 PORATH, DEARBORN, MI 48126

Date: ______________________, 2025

1. THE UNDERSIGNED PURCHASER, Arab Community Center for Economic and Social Services (ACCESS), 2651 Saulino Court, Dearborn, Michigan 48120, by ______________________, its __________________________, hereby offers and agrees to purchase from SELLER, City of Dearborn, 16901 Michigan Avenue, Dearborn, Michigan 48126, the following land situated in the City of Dearborn, County of Wayne, State of Michigan, described as:

> Lot 201, P.M. Park Sub., City of Dearborn, Wayne County, Michigan, as recorded in Liber 16, Page 43 of Plats, Wayne County records.
> Commonly known as 5146 Porath
> Tax ID No.: 82-10-172-06-004
> Lot size: 30' x 103'

(hereinafter "Property"), and to pay therefore, the sum of **ONE DOLLAR ($1.00)**, subject to the existing building and use restrictions, easements, and zoning ordinances, if any, upon the following conditions:

1. Sale is contingent upon the successful completion of the ACCESS to Recovery Center project on the parcel and adjacent parcels previously purchased from the City within the time frame set forth in the Purchase Agreement executed by the parties on April 4, 2023 for the sale of 5109, 5115, 5121, and 5127 Eugene, along with the completion of the following items:
   a. ACCESS, at its sole expense, shall perform all necessary title/survey work, site preparation, and any other tasks required by law to facilitate the development of the ACCESS to Recovery Center project, and to obtain an approved site plan from the Economic Development Department for the ACCESS to Recovery Center from the City of Dearborn.
   b. ACCESS shall complete construction and secure a certificate of occupancy for the ACCESS to Recovery Center within the time frame set forth in the Purchase Agreement executed by the parties on April 4, 2023.
   c. ACCESS shall, at its sole expense, for the entire duration of construction, maintain and secure its construction site in accordance with local ordinance, construction site standards, and any additional provisions deemed necessary by the Director of Economic Development.

   The deed will contain a reversionary clause that states that a failure to complete construction and secure a Certificate of Occupancy for the ACCESS to Recovery Center within the time frame set forth in the Purchase Agreement executed by the parties on April 4, 2023 will result in the Property automatically reverting back to the City of Dearborn.
2. Sale is subject to Dearborn City Council approval.
3. Property is sold "as is" and "where is."
4. Purchaser must construct the ACCESS to Recovery Center in

accordance with all applicable local, state, and federal regulations and building codes.

CASH SALE and delivery of a DEED.

2. **GENERAL CONDITIONS:**

a. **Closing.** Purchaser shall close no later than ninety (90) days following Dearborn City Council approval of this Property sale at the Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126.

b. **Closing Costs**. Purchaser shall pay for transfer taxes, revenue stamps, and closing fees.

c. **Building and Use Restrictions, Easements and Municipal Ordinances and Regulations**. Purchaser understands that there may be building and use restrictions and/or ordinances and regulations enacted by governmental entities which may affect Purchaser's intended use of the premises. By executing this Agreement, Purchaser acknowledges that it is satisfied with the applicability of any such building and use restrictions, ordinances and/or regulations pertaining to its intended use of the premises.

d. **Construction**. Whenever the singular number is used, the same shall include the plural and the neuter. If any language is stricken or deleted from this Agreement, such language shall be deemed never to have appeared herein and no other implications shall be drawn therefrom.

e. **Binding Effect.** The agreements herein shall bind and inure to the benefit of the executors, administrators, successors, and assigns of the respective parties.

f. **Entire Agreement.** Seller and Purchaser acknowledge that they have read the entire contents hereof and are familiar with the provisions contained herein. This Agreement, along with the Memo of Understanding Articulating a Working Relationship Between City of Dearborn and Arab Community Center for Economic and Social Services (ACCESS) executed by the parties on April 18, 2023, and the First Amendment thereto being executed simultaneously with this Purchase Agreement, and the Purchase Agreement executed by the parties on April 4, 2023 constitute the entire agreement of the parties with respect to the subject matter hereof. This Agreement may only be changed, modified, or discharged by an agreement in writing signed by the party against whom enforcement thereof is sought.

g. **Notice.** Any notices required herby shall be delivered to the following addresses:

If to Purchaser: ACCESS
2651 Saulino Court
Dearborn, MI 48120
Attention: ______________________
Telephone: _____________________
E-mail: _________________________

If to Seller: CITY OF DEARBORN
Economic and Community Development
Attention: Director
16901 Michigan Avenue, Ste. 15
Dearborn, MI 48126
Telephone: (313) 943-2180
Facsimile: (313) 943-2776
E-mail: jtwardy@dearborn.gov

With a copy to: CITY OF DEARBORN
Corporation Counsel
16901 Michigan Avenue, Ste. 14
Dearborn, MI 48126
Telephone: (313) 943-2035
Facsimile: (313) 943-2469
Email: rschultz@dearborn.gov

h. **Effective Date**. This Agreement shall become effective on the date the last of the Seller and Purchaser has signed this Agreement, which date will be deemed the "Effective Date".

i. **Time is of the Essence**. Time is of the essence in each and every provision of this Agreement.

PURCHASER:

ACCESS

_______________________________ _______________________
By: ____________________________ Date
Title: __________________________

SELLER:

City of Dearborn

_______________________________ _______________________
By: Rebecca A. Schultz, Date
Title: Assistant Corporation Counsel for
the City of Dearborn
Per Council Resolution ______________

FIRST AMENDMENT TO THE MEMO OF UNDERSTANDING BETWEEN CITY OF DEARBORN AND ARAB COMMUNITY CENTER FOR ECONOMIC AND SOCIAL SERVICES (ACCESS)

This First Amendment to the Memo of Understanding Between City of Dearborn and Arab Community Center for Economic and Social Services (ACCESS) executed April 18, 2023 is entered into on ________________________________, 2025, by and between the City of Dearborn, a Michigan Municipal Corporation ("City"), whose address is 16901 Michigan Avenue, Dearborn, MI 48126, and the Arab Community Center for Economic and Social Services ("ACCESS"), whose address is 2651 Saulino Court, Dearborn, Michigan 48120, to set forth certain amendments to the original Memo of Understanding dated April 18, 2023 ("Memo of Understanding").

Now, therefore, City and ACCESS mutually agree to amend the Memo of Understanding as follows:

1. City also agrees to sell to ACCESS the City-owned property located at 5146 Porath for the sum of $1.00 to be used for the ACCESS to Recovery Center project.
2. All other terms and conditions contained in the Memo of Understanding not specifically modified by this First Amendment shall remain in full force and effect.

THIS AGREEMENT IS SUBJECT TO DEARBORN CITY COUNCIL APPROVAL.

FOR ACCESS

____
By: ______________________________
Title: _____________________________
Date: _____________________________

FOR CITY OF DEARBORN

____
REBECCA A. SCHULTZ
Assistant Corporation Counsel
Per Council Resolution ______________
Date: ____________________________

MEMO OF UNDERSTANDING
ARTICULATING A WORKING RELATIONSHIP BETWEEN CITY OF DEARBORN AND ARAB COMMUNITY CENTER FOR ECONOMIC AND SOCIAL SERVICES (ACCESS)

Program Description:

Arab Community Center for Economic and Social Services (ACCESS) has launched an initiative to build a comprehensive, state-of-the-art Substance Use Disorder Treatment Center on land they own at 10149 Michigan Avenue, 5145 Eugene, and several parcels west of 5145 Eugene in Dearborn. The Center will provide affordable treatment options and recovery resources, including treatment, bilingual and culturally sensitive programming, short-term residential care, food assistance, housing, education, and employment, to combat the alarming rise in substance abuse among youth and adults. To support this unique combination of substance abuse recovery supportive services and transitional supportive housing which would typically not be brought in to the marketplace without public support, the City of Dearborn desires to partner with ACCESS to contribute adjacent, City-owned parcels that ACCESS will use to build supportive housing adjacent to the Center. This Memo of Understanding details the parties' roles with respect to this partnership.

Partner Roles and Responsibilities:

The City of Dearborn agrees to:

1. Sell the following properties to ACCESS for development for the initiative, subject to City Council approval:
   a. 5109 Eugene, Tax ID No. 82-10-172-06-039; and
   b. 5127 Eugene, Tax ID No. 82-10-172-06-042; and
   c. 5121 Eugene, Tax ID No. 82-10-172-06-041; and
   d. 5115 Eugene, Tax ID No. 82-10-172-06-040.

The Arab Community Center for Economic and Social Services (ACCESS) agrees to:

1. Develop the project site as follows: The ACCESS to Recovery Center concept shall include the following additional elements in the site plan, subject to review and approval by the Economic Development Director, in addition to all applicable site development standards and requirements set by the City of Dearborn or other applicable entities:
   A. Incorporation of streetscape enhancements and shared use pathway along the entire Michigan Avenue frontage of the property, including:
      i. Contingent upon transit agency approval, a sheltered bus stop designed to SMART and DDOT standards, with electronic message center showing real-time transit information as provided by SMART and/or DDOT.
      ii. Bicycle parking for at least 8 bicycles.
      iii. A bicycle repair station.
      iv. Trash container.
      v. Recycling container.
      vi. A landscaping plan featuring rain gardens with native plantings.
      vii. A maintenance plan which includes estimated annual cost to

maintain the above improvements in good repair annually.

2. Promotion of the project as follows: In all promotional messaging done by ACCESS for the project, ACCESS shall acknowledge the City of Dearborn as a "project partner." This includes:
   A. On ACCESS websites, social media posts, e-newsletters, radio/television communications, and print publications.
   B. In articles with third-party promotional partners (e.g. newspapers, magazines, and others) featuring the project.

The working relationship between the partners, as outlined above, will be mutually beneficial, supporting the capacities of both parties to deliver quality services and produce stellar program outcomes.

No modification of this Agreement will be effective unless it is in writing signed by both parties.

THIS AGREEMENT IS SUBJECT TO DEARBORN CITY COUNCIL APPROVAL.

FOR ACCESS

By: Lina Hoovanissi-Harajli
Title: Chief Operating Officer
Date: 4-4-25

FOR CITY OF DEARBORN

Rebecca A. Schultz
REBECCA A. SCHULTZ
Assistant Corporation Counsel
Per Council Resolution 3-124-23
Date: 4-18-2023

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Approval of the 2024 Consolidated Miscellaneous and Special Assessment Roll to 2025 Summer Property Tax

DEPARTMENT: Finance

BRIEF DESCRIPTION: Submitting the 2024 Miscellaneous and Special Assessment Roll to be transferred to 2025 Summer Tax Roll.

PRIOR COUNCIL ACTION: Ordinance #2-264 – Special Assessments for Legally Rendered City Services

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BACKGROUND:

- Includes services provided and sewer/apron work completed to residents and business properties
- Per Sec. 2-624, Special Assessments which become and remain delinquent for a period of one month or more as of December 31 of each year, with interest and penalty, shall be transferred to property tax roll including a 25% transfer fee
- Annual process transferred to summer property tax
- Final notices will be mailed giving residents 45 days to pay before transferring to Summer Tax roll and adding 25% transfer fee

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FISCAL IMPACT:

- $153,934.09 plus 25% transfer fee to be added to the 2025 Summer Property Tax roll

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COMMUNITY IMPACT: Allows City to collect past due invoices as they are assigned to the Summer Tax Roll for Tall Vegetation, False Alarms, sewer work, etc.

IMPLEMENTATION TIMELINE: December 31, 2024 when invoices become delinquent to June 1, 2025 when transferred to the 2025 Summer Tax Roll

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COMPLIANCE/PERFORMANCE METRICS: Second and final reading to Council Meeting May 6, 2025 excluding paid invoices plus 25% transfer fee

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Finance Department**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Approval of the 2024 Consolidated Miscellaneous and Special Assessment Roll to 2025 Summer Property Tax**

DATE: **January 08, 2025**

In accordance with the provisions of the City Charter, we certify that the following amounts are due to the City for several services affecting private property listed below.

We request that you approve that these Miscellaneous Receivable and Special Assessment items be spread on the 2024 Miscellaneous Assessment Roll as supported by the subsidiary Accounts Receivable systems:

Tall Vegetation	28,860.00
Litter	1,335.00
Nuisance Abatements	25,378.00
Special Pickups Requested	1,775.00
Ordinance Pickups	2,425.00
Recycle/Trash Carts	9,480.00
Demolition Legal Fees	1,048.40
Demo Related Charges	2,580.00
City Tree Fund	225.00
Police False Alarms	42,945.00
Fire False Alarms	880.00
General Fund Penalty	4,517.73
Apron Bills w/Interest & Penalty	4,267.50
Sewer Bills w/Interest & Penalty	28,217.46
Total	$153,934.09

DocuSigned by:
Michael Kennedy
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DS
CJ

Michael Kennedy
Finance Director

DocuSigned by:
Jeremy J. Romer
E7A573BA25E3460...

Jeremy Romer
Corporation Counsel

Cust ID	Customer Name	Item Code	Balance	Additional	Tot Transferred
82 10 213 22 001	MOHAMED, MOHSEN	P101	2.20	0.00	2.20
82 10 213 22 017	AUN, ALI M AUN, ABDELHAMID	TALL	215.00	0.00	215.00
82 10 213 22 017	AUN, ALI M AUN, ABDELHAMID	P101	15.05	0.00	15.05
82 10 281 04 014	HUSSAIN, AHMED FADHLE	TALL	215.00	0.00	215.00
82 10 281 04 014	HUSSAIN, AHMED FADHLE	P101	15.05	0.00	15.05
82 10 281 06 018	SALEMASSI, MAHESSEN	TALL	215.00	0.00	215.00
82 10 281 06 018	SALEMASSI, MAHESSEN	P101	4.30	0.00	4.30
82 11 204 10 007	MICHIGAN & TELEGRAPH VENTURES	FALSE	110.00	0.00	110.00
82 11 204 10 007	MICHIGAN & TELEGRAPH VENTURES	P101	2.20	0.00	2.20
82 11 204 10 014	DEARBORN HOSPITALITY HOTELS LLC	FALSE2	110.00	0.00	110.00
82 11 204 10 014	DEARBORN HOSPITALITY HOTELS LLC	P101	2.20	0.00	2.20

----->	Totals	FALSE	42,945.00
----->	Totals	P101	4,517.73
----->	Totals	TALL	28,860.00
----->	Totals	RBINS	9,480.00
----->	Totals	NUISAB	25,378.00
----->	Totals	ORD	2,425.00
----->	Totals	SPUR	1,775.00
----->	Totals	TREE2	225.00
----->	Totals	DMHEAR	1,048.40
----->	Totals	LITTER	1,335.00
----->	Totals	FALSE2	880.00
----->	Totals	DMBLDG	2,580.00
----->	Grand Total		121,449.13

Invoices # / Customer # / Parcel #	Srvc Code	Owner / Prop. Address	Mailing Address	Amt. Chg. / Pmts/Crdts	Amt. Billed / Amt. Due
0000068533 82 11 204 10 007 82 11 204 10 007	POLICE	MICHIGAN & TELEGRAPH V 24411 MICHIGAN DEARBORN, MI	330 HAMILTON ROW STE 3 BIRMINGHAM, MI	112.20 0.00	112.20 112.20
0000068507 82 11 204 10 014 82 11 204 10 014	FIRE	DEARBORN HOSPITALITY H 24555 MICHIGAN DEARBORN, MI	3340 SECOR RD TOLEDO, OH	112.20 0.00	112.20 112.20

Billing Items Summary		Item Amt.	Item Bal.
FALSE Totals	138 Billing Items	43,945.00	42,945.00
P101 Totals	2037 Billing Items	4,519.73	4,517.73
TALL Totals	114 Billing Items	28,860.00	28,860.00
RBINS Totals	114 Billing Items	9,480.00	9,480.00
NUISAB Totals	12 Billing Items	25,378.00	25,378.00
ORD Totals	11 Billing Items	2,425.00	2,425.00
SPUR Totals	12 Billing Items	1,775.00	1,775.00
TREE2 Totals	1 Billing Items	225.00	225.00
DMHEAR Totals	4 Billing Items	1,048.40	1,048.40
LITTER Totals	5 Billing Items	1,335.00	1,335.00
FALSE2 Totals	8 Billing Items	880.00	880.00
DMBLDG Totals	3 Billing Items	2,580.00	2,580.00

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TOTALS	422 Invoices	122,451.13 1,002.00	0.00	122,451.13 121,449.13

202515 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 263 14 006	202515	327.20	22.90	17.50	367.60
82 09 283 18 019	202515	623.80	43.67	33.35	700.82
Totals:		**951.00**	**66.57**	**50.85**	**1,068.42**

212512 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 191 07 045	212512	726.00	101.64	74.52	902.16
Totals:		**726.00**	**101.64**	**74.52**	**902.16**

212514 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 263 03 011	212514	636.80	89.15	58.08	784.03
Totals:		**636.80**	**89.15**	**58.08**	**784.03**

212515 APRON 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 183 16 030	212515	91.97	12.88	8.40	113.25
Totals:		**91.97**	**12.88**	**8.40**	**113.25**

222503 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 053 01 016	222503	660.00	138.60	79.90	878.50
Totals:		**660.00**	**138.60**	**79.90**	**878.50**

222509 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 063 15 026	222509	731.71	153.66	44.25	929.62
Totals:		**731.71**	**153.66**	**44.25**	**929.62**

232501 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 183 12 036	232501	202.29	56.64	28.49	287.42
Totals:		**202.29**	**56.64**	**28.49**	**287.42**

232510 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 063 27 023	232510	636.80	178.30	32.60	847.70
Totals:		**636.80**	**178.30**	**32.60**	**847.70**

242501 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 273 15 010	242501	500.00	0.00	30.00	530.00
82 10 171 16 011	242501	3,300.00	0.00	363.00	3,663.00
Totals:		**3,800.00**	**0.00**	**393.00**	**4,193.00**

242502 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 164 05 015	242502	2,051.00	0.00	205.10	2,256.10
Totals:		**2,051.00**	**0.00**	**205.10**	**2,256.10**

242504 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 283 18 008	242504	1,025.00	0.00	82.00	1,107.00
Totals:		**1,025.00**	**0.00**	**82.00**	**1,107.00**

242505 APRON/WALK 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 253 01 010	242505	411.00	0.00	28.77	439.77
82 09 253 05 002	242505	1,205.60	0.00	84.42	1,290.02
82 10 173 07 003	242505	1,892.02	0.00	132.44	2,024.46
Totals:		**3,508.62**	**0.00**	**245.63**	**3,754.25**

242506 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 081 15 013	242506	2,051.00	0.00	143.57	2,194.57
Totals:		**2,051.00**	**0.00**	**143.57**	**2,194.57**

242508 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 134 14 009	242508	3,300.00	0.00	198.00	3,498.00
82 10 064 16 044	242508	2,051.00	0.00	123.06	2,174.06
Totals:		**5,351.00**	**0.00**	**321.06**	**5,672.06**

242510 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 071 17 012	242510	2,051.00	0.00	61.53	2,112.53
Totals:		**2,051.00**	**0.00**	**61.53**	**2,112.53**

242511 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 081 30 010	242511	2,884.00	0.00	28.84	2,912.84
Totals:		**2,884.00**	**0.00**	**28.84**	**2,912.84**

242512 SEWER 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 09 164 21 030	242512	2,051.00	0.00	20.51	2,071.51
Totals:		**2,051.00**	**0.00**	**20.51**	**2,071.51**

242513 APRON 5 PART

Parcel #	Code	Principal	Interest	Penalty	Amt To Tax
82 10 053 24 018	242513	400.00	0.00	0.00	400.00
Totals:		**400.00**	**0.00**	**0.00**	**400.00**

Grand Total All Districts

	Principal	Interest	Penalty	Amt To Tax
Totals:	**29,809.19**	**797.44**	**1,878.33**	**32,484.96**

Approved by Council Resolution # ____________________

2024 MR and SA Comparison
City of Dearborn
Miscellaneous Roll Comparison

Type of Bills	2024 Roll	2023 Roll	Difference To Tax Roll	COMMENTS
Tall Vegetation	$ 28,860.00	$ 30,880.90	$ (2,020.90)	Variable
Litter	1,335.00	-	1,335.00	Variable
Nuisance Abatement	25,378.00	14,462.50	10,915.50	Performed as needed- varies year to year - increase in cost
Special Pickups Requested	1,775.00	2,550.00	(775.00)	Fewer requests
Ordinance Pickups	2,425.00	4,855.00	(2,430.00)	Fewer pickups needed
Recycle Bins	9,480.00	7,020.00	2,460.00	Consistent requests for trash and recycle
Demolition Legal Fees	1,048.40	-	1,048.40	Performed as needed- varies year to year
Demo/Demo related bills	2,580.00	-	2,580.00	Performed as needed- varies year to year
Payment into Tree Fund	225.00	-	225.00	Variable
Police False Alarm bills	42,945.00	54,405.00	(11,460.00)	Less concurrent billing
Fire False Alarm bills	880.00	2,805.00	(1,925.00)	Less concurrent billing
General Fund Penalty	4,517.73	4,916.16	(398.43)	
Apron (Interest & Penalty Included)	4,267.50	120.16	4,147.34	Number of apron repairs dictated by weather and age
Sewer (Interest & Penalty Included)	28,217.46	19,230.07	8,987.39	Number of sewer repairs dictated by weather and age
Fee Assessment	$ 153,934.09	$ 141,604.79	$ 12,329.30	

RESOLVED: That this Council does hereby confirm and approve the Consolidated Miscellaneous Roll for 2024 for the several services affecting private property in the approximate amount of $153,934.09 plus 25% per Ord. No. 2-624 (Council Resolution 11-1102-02).

Prepared by:
Finance Department
January 8, 2025

FINANCE

EXECUTIVE SUMMARY

REQUEST:

Receipt and file of the Actuarial 5-year experience study performed by Gabriel, Roeder, Smith & Company for the period July 1, 2018 through July 30, 2023.

DEPARTMENT: Finance

BRIEF DESCRIPTION: Receipt and File of the reports.

PRIOR COUNCIL ACTION: Council has received similar memos in the past to receive and file the actuarial provided 5-year experience study report.

BACKGROUND: The 5-year experience study is review of the systems actual experiences for the purpose of updating the actuarial assumptions used in valuing the City of Dearborn pension systems actuarial liabilities, assets and the actuarial determined employer contribution rates.

FISCAL IMPACT: Future budget of Actuarial Required Contributions (ARC) will be impacted by identified changes suggested in the actuarial assumptions recommended by these reports when adopted by the respective pension board.

IMPACT TO COMMUNITY: Ensures compliance with laws and regulations as well as providing transparency of data for the community and provides a representation of historical trends as well as perspective actions to be determined.

IMPLEMENTATION TIMELINE: **N/A**

COMPLIANCE/PERFORMANCE METRICS: Required every 5-years.

FINANCE

EXECUTIVE SUMMARY

TO: City Council

FROM: Michael Kennedy, Director of Finance/Treasurer

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Chapter 22 and Chapter 23 Actuarial 5-Year Experience Study – Receipt and File

DATE: January 14, 2025

In October 2024, Gabriel, Roeder, Smith & Company presented their 5-year experience study for the period July 1, 2018 through July 30, 2023 for the Chapter 22 and Chapter 23 pension boards consideration.

Chapter 22:

- Chapter 22 voted to implement the proposed Demographic and Wage Inflation assumptions, which would update the PubG-2010 mortality tables with the mortality improvement scale MP-2021, with a 75% unisex blend. The assumed rate of return remains 7%. The wage inflation rate remains 2.75% - Chapter 22. Resolution #2024-72

Chapter 23:

- Chapter 23 voted to implement the proposed Demographic and Wage Inflation assumptions which would update the PubS-2010 mortality tables using the mortality improvement scale MP-2021 with a 95% unisex blend and a 2% compound COLA with a two-year delay. The assumed rate of return remains 7%. The wage inflation rate remains 2.75%. – Chapter 23 Resolution #2024-87.

These changes go into effect July, 1 2025 to allow for administrative changes and any impacts will be included in the Fiscal Year 2026 budget.

Please receive and file the report.

DocuSigned by:
Michael Kennedy
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Michael Kennedy
Finance Director/Treasurer

DocuSigned by:
Robert Festerman
7C1CCFD374224C2...
Robert Festerman
Pension Administrator

Signed by:
73AD20E041F046F...
Robert Benak
Pension Accountant

City of Dearborn Chapter 22 Retirement System

Review of System Experience
July 1, 2018 through June 30, 2023

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 14, 2024

Board of Trustees
City of Dearborn Chapter 22 Retirement System
Dearborn, Michigan

Dear Board Members:

Presented in this report are the results of a review of Retirement System experience. The investigation was conducted for the purpose of updating the actuarial assumptions used in valuing the City of Dearborn Chapter 22 Retirement System actuarial liabilities, assets and actuarially determined employer contribution rates.

The investigation was based upon the data furnished for the annual actuarial valuations during the period July 1, 2018 through June 30, 2023, and was carried out using generally accepted actuarial principles and techniques. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Dearborn.

We have shown the expected impact of the proposed changes on City contributions as of June 30, 2023. This information is shown in Section D of this report.

We believe that the actuarial assumptions recommended in this experience study report represent individually and in the aggregate reasonable estimates of future experience of the City of Dearborn Chapter 22 Retirement System.

This report should not be relied on for any purpose other than that described above. This report may be provided to parties other than the Board of Trustees only in its entirety and only with the permission of the Trustees.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that, to the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board.

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

Francois Pieterse and Mark Buis are independent of the plan sponsor and 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

Mark Buis, FSA, EA, FCA, MAAA

FP/MB:ah

C0013

Table of Contents

Introduction

Each year, as of June 30th, the actuarial liabilities of the City of Dearborn Chapter 22 Retirement System are valued. In order to perform the valuation, assumptions must be made regarding the future experience of the System with regard to the following risk areas:

- Rates of **termination** of active members;
- Rates of **disability** among active members;
- Rates of **retirement** among active members;
- Rates of **mortality** among active members, retirants and beneficiaries;
- Long-term rates of **investment return** to be generated by the assets of the System; and
- Patterns of **salary increases** to active members.

Assumptions should be carefully chosen and continually monitored. Continued use of outdated assumptions can lead to:

- Understated costs resulting in either an inability to pay benefits when due, or sharp increases in required contributions at some point in the future; or

- Overstated costs resulting in either benefit levels that are kept below the level that could be supported by the computed rate or an unnecessarily large burden on the current generation of members, employers and taxpayers.

A single set of assumptions will not be suitable indefinitely. Things change, and our understanding of things also changes. In recognition of this, assumptions used to value the liabilities of the Retirement System should be reviewed and adjusted periodically to recognize changes in experience trends, a changing economic environment (or changing perceptions of the economic environment) and to maintain consistency within the universe of public employee retirement systems. The results of this analysis are shown in Section A of this report.

A common practice among public employee retirement systems is that the actuary recommends a set of demographic assumptions and suggests a range of reasonable alternate economic assumptions. Following discussion involving the actuary, the plan governing body, and other professionals, the plan governing body makes a final choice from the various alternatives.

No single 5-year experience period should be given full credibility in the setting of actuarial valuation assumptions. When we see significant differences between what is expected from our assumptions and the actual experience, we generally recommend a change in assumptions that produces results somewhere between the actual and expected experience. In this way, with each experience study the actuarial assumptions become better and better representations of actual experience. Consequently, temporary conditions that might influence a particular experience study period will not unduly influence the choice of long-term assumptions.

The scope of this report is limited to assumptions used in the pension actuarial valuation. Analysis of assumptions specific to the retiree health valuation is beyond the scope of this project.

Introduction (Concluded)

Some of the years covered by this experience study were impacted by the COVID-19 pandemic. While it is not anticipated that this recent experience will continue indefinitely into the future, there may be some lingering effects for years to come. As a result, if a change in rates were recommended, we have moved about 25% of the way to the observed experience in this study. Prior studies would generally move 50% of the observed experience depending on whether the trend moved in the same direction of the prior study or reversed course from the prior studies.

We have noticed that sometimes the use of new assumptions did not always reduce the size of the gain or loss associated with a particular decrement. Our experience with similar systems has shown that sometimes this is due to the relative magnitude of the actuarial accrued liability of the members that decrement, rather than number counts alone. For example, consider a plan with only two members who are both the same age and assume member one has an actuarial accrued liability of $10,000 and member two has an actuarial accrued liability of $90,000. If one of the members leaves and forfeits all of their liability, the rate of decrement is one out of two for a rate of 50%. However, the magnitude of the net gain or loss to the System is more affected if member two leaves employment than if member one leaves employment.

As a result, some of our recommendations are based on either a liability-weighted basis or benefits-weighted basis.

SECTION A

DEMOGRAPHIC ASSUMPTIONS

Retirement

Discussion: Rates of retirement are used to measure the probabilities of an eligible member retiring from City employment during the next year.

Summary of Experience: On a headcount-weighted basis, there were 76 actual retirement over the 5-year study period. Based on the assumptions that were adopted from the previous experience study, 68 retirements were expected.

On a liability-weighted basis, approximately $34.84 million in liabilities were added due to members retiring from employment. Approximately $31.89 million in liabilities were expected to be added.

Proposal: Since both on a headcount-weighted and liability-weighted basis, actual experience was close to expected experience we recommend that no changes are made to the retirement rates.

Turnover

Discussion: Rates of turnover are used to measure the probabilities of an eligible member terminating (not receiving an immediate retirement benefit) from City employment during the next year.

Summary of Experience: The experience during the study period is summarized below. During the study period, 6 out of the 11 actual terminations, terminated and froze their defined benefit pension, in order to continue working with the City in a different capacity.

Number of Terminations from City Employment	
Actual	**Expected**
11	4.8

Proposal: Since the plan is closed to new hires, and the active members with the least amount of service all have service in excess of 21 years, the turnover decrement will have a small impact on liabilities and contributions in the future. Therefore, we recommend that no changes are made to the turnover rates.

Disability

Discussion: The assumed rates of disablement (leaving active service entitled to a disability pension) are usually a minor ingredient in cost calculations.

Summary of Experience: The experience during the study period is summarized below.

Number of Disability Retirements from City Employment	
Actual	**Expected**
5	1.2

Proposal: Three of the five disabilities occurred during the COVID-19 pandemic period. Excluding these disabilities, and considering that most active members will be eligible to retire in the very near future, we recommend that no changes are made to the disability rates.

Mortality

The size of the City of Dearborn Chapter 22 Retirement System population is too small to provide credible experience data for selecting a mortality assumption, so we propose generally accepted tables for the System's use.

Post-retirement mortality is an important component in cost calculations and should be updated from time to time to reflect current and expected future longevity improvements. Pre-retirement mortality is a relatively minor component in cost calculations. The frequency of pre-retirement deaths is so low that mortality assumptions based on actual experience can only be produced for very large retirement systems, if at all.

Actuarial Standards of Practice

Actuarial Standards of Practice (ASOP) No. 35 Disclosure Section 4.1.1 states, "The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement."

The New Mortality Tables and Projection Scale

In 2019, the Society of Actuaries (SOA) published a mortality study specific to public sector retirement systems. This very comprehensive study includes numerous mortality tables created by classification of employee (General members, Public Safety, Teachers, Survivors, Juvenile, headcount-weighted, benefit weighted, above median, below median). In addition, the SOA updates mortality projection scales annually. The latest published table is called the MP-2021 Projection Scale, which accounts for future improvements in mortality that are expected to occur. Lastly, the SOA recommends the use of "fully generational" (2-dimensional) projection scales. *For purposes of the City of Dearborn Chapter 22 Retirement System valuations, we recommend adopting the MP-2021 improvement scales until the next experience study.*

Findings

During the study period, the COVID-19 pandemic influenced mortality experience. The impact of the COVID-19 pandemic varies considerably by occupation, income, geography, etc. We considered some recognition of the impact COVID-19 had on the mortality assumption; however, the impact would have been minimal at this time so no adjustment has been made. Actual experience will continue to be reflected in each future valuation as experience emerges.

We reviewed the mortality experience of retirees during the 5-year period. During the 5-year period, the plan experienced more deaths (130) than projected by the present assumptions (104.7). However, this mortality experience was not sufficient to be credible, and therefore we do not recommend a change in the current mortality table.

The combined effect, of not changing the mortality table, but changing the mortality projection scale from MP-2019 to MP-2021, result in slightly lower computed liabilities and contributions.

Mortality

Current Mortality Assumptions:

- **Healthy Pre-Retirement:** The PubG-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Healthy Post-Retirement:** The PubG-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Disability Retirement:** The PubG-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Proposed Mortality Assumptions:

- **Healthy Pre-Retirement:** The PubG-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.
- **Healthy Post-Retirement:** The PubG-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.
- **Disability Retirement:** The PubG-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2021.

Mortality

Summary of Life Expectancies under the Current Mortality Improvement Scale

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)*		Healthy Post-Retirement Future Life Expectancy (Years)*		Disabled Retirement Future Life Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
40	49.90	52.26	46.20	49.29	34.19	36.94
45	44.75	47.03	40.94	43.96	30.11	32.81
50	39.62	41.82	35.81	38.76	26.29	28.99
55	34.57	36.66	30.91	33.77	22.84	25.55
60	29.62	31.58	26.18	28.89	19.73	22.35
65	24.80	26.60	21.65	24.13	16.82	19.11
70	20.09	21.70	17.36	19.56	13.99	15.76
75	15.49	16.93	13.39	15.28	11.22	12.48
80	11.02	12.31	9.88	11.42	8.64	9.54

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2019 projection scale.*

Summary of Life Expectancies under the Proposed Mortality Improvement Scale

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)*		Healthy Post-Retirement Future Life Expectancy (Years)*		Disabled Retirement Future Life Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
40	49.29	51.61	45.86	48.91	34.21	37.36
45	44.21	46.44	40.63	43.63	30.12	33.17
50	39.14	41.30	35.52	38.45	26.29	29.23
55	34.13	36.20	30.63	33.48	22.79	25.64
60	29.23	31.17	25.91	28.61	19.62	22.31
65	24.47	26.24	21.42	23.88	16.69	19.04
70	19.82	21.41	17.16	19.34	13.88	15.67
75	15.28	16.69	13.23	15.09	11.12	12.37
80	10.86	12.14	9.75	11.27	8.53	9.43

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

SECTION B

ECONOMIC ASSUMPTIONS

Economic Assumptions
Investment Return and Wage Inflation

Economic assumptions include rates of investment return (net of investment expenses based upon a passive investment strategy; sometimes net of administrative expenses), price inflation, wage inflation (the across-the-board portion of salary increases), pay increases due to merit and seniority and the payroll growth assumption. Unlike demographic activities, economic activities do not lend themselves to analysis solely on the basis of internal historical patterns because both salary increases and investment return are affected more by external forces; namely inflation (both wage and price), general productivity changes and the local economic environment which defy accurate long-term prediction. Estimates of economic activities are generally selected on the basis of the expectations in an inflation-free environment and then both long-term rates of investment return and wage inflation are increased by some provision for long-term price inflation.

If price inflation and/or productivity increases are lower than expected, it will probably result in both actual rates of salary increases and investment return below the assumed rates. Salaries increasing at rates less than expected produce lower liabilities. However, actual investment return below the assumed rate of investment return (whether due to manager performance, change in the mix of assets, or general market conditions) results in lower than expected asset amounts.

Sources considered in the analysis of the price inflation assumption included:

- Congressional Budget Office;
- Philadelphia Federal Reserve quarterly survey of Society of Professional Forecasters;
- Comparison of Treasury yields and Treasury Inflation Protected Securities (TIPS); and
- Federal Reserve Bank of Cleveland inflation expectations.

Sources considered in the analysis of the wage inflation, merit and seniority and payroll growth assumptions included:

- Actual City of Dearborn Chapter 22 Retirement System experience over all or a portion of the Experience Study period (i.e., merit and seniority pay increases); and
- Historical observations of inflation statistics (both price and wage and the relationship between them) both nationally and for City of Dearborn Chapter 22 Retirement System

Sources considered in the analysis of the investment return assumption included:

- Future capital market expectations of 12 investment firms that GRS monitors.

The current economic assumptions are presented below:

1. Price Inflation – 2.50%
2. Investment Return (Pension) – 7.00%
3. Wage Inflation – 2.75%

Economic Assumptions – ASOP No. 27

Guidance regarding the selection of economic assumptions for measuring pension obligations is provided by Actuarial Standard of Practice (ASOP) No. 27. The standard requires that the selected economic assumptions be consistent with each other. That is, the selection of the investment return assumption should be consistent with the selection of the wage inflation and price inflation assumptions. ASOP No. 27 (Doc. No. 197) adopted by the Actuarial Standards Board (ASB) in June 2020 defines a reasonable economic assumption as an assumption that has the following characteristics:

(a) It is appropriate for the purpose of the measurement;
(b) It reflects the actuary's professional judgment;
(c) It takes into account current and historical data that is relevant to selecting the assumption for the measurement date, to the extent such relevant data is reasonably available;
(d) It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data (if any), or a combination thereof; and
(e) It is expected to have no significant bias (i.e., it is not significantly optimistic or pessimistic), except when provisions for adverse deviation or plan provisions that are difficult to measure are included (as discussed in Section 3.5.1) or when alternative assumptions are used for the assessment of risk, in accordance with ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*.

Economic Assumptions – Price Inflation

Price inflation underlies both the wage inflation and investment return assumptions. Since price inflation underlies the wage inflation assumption and the investment return assumption, we recommend that a specific price inflation assumption be adopted in conjunction with this Experience Study.

The Congressional Budget Office provides an inflation expectation for the next 10 years. *The Budget and Economic Outlook: 2024 to 2034* report released in June 2024 indicates a 2.32% expectation.

The Philadelphia Federal Reserve conducts a quarterly survey of the Society of Professional Forecasters. Their 10-year inflation expectation from the second quarter of 2024 is for inflation to average 2.33%.

A comparison of nominal Treasury yields and TIPS provide an approximation for market price inflation expectations over various time horizons (based upon data from the Federal Reserve Bank of St. Louis):

1) 10-year expectation of 2.26% (June 2024)
2) 20-year expectation of 2.43% (June 2024)
3) 30-year expectation of 2.27% (June 2024)

The Federal Reserve Bank of Cleveland inflation expectations as of June 1, 2024 are presented below:

1) 10-year expectation of 2.37%
2) 20-year expectation of 2.41%
3) 30-year expectation of 2.46%

Another point of reference is the Social Security Administration's 2024 Trustee Report, in which the Office of the Chief Actuary is projecting a long-term average annual inflation rate of 3.00 percent in the low cost, 2.40 percent in the intermediate cost, and 1.80 percent in the high cost projection scenarios. The Social Security Trustees report uses the ultimate rates for their 75-year projections, much longer than the longest horizon we can discern from Treasuries and TIPS.

Based upon the reviewed data, we are recommending leaving the price inflation assumption unchanged at 2.50%.

Economic Assumptions – Wage Inflation and Payroll Growth

Payroll growth (wage inflation) represents the expected growth in total payroll for a stable population. Increases or decreases in covered population that lead to a change in total payroll are not reflected in this assumption which consists of two components: 1) a portion due to pure price inflation (i.e., increases due to changes in the CPI), and 2) increases in average salary levels in excess of pure price inflation (i.e., increases due to changes in productivity levels, supply and demand in the labor market and other macroeconomic factors). The long-term rate of increase in National Average Earnings (NAE) over the last 50 years is somewhat higher than the current City of Dearborn Chapter 22 assumption. It is expected that, in the long run, salary increases in all parts of the country will be close to the national averages.

	Annual Increase in		
Year	Prices (CPI-U)	Wages (NAE)	Change
3-Year Avg	5.6%	6.0%	0.4%
5-Year Avg	4.1%	4.9%	0.8%
10-Year Avg	2.8%	4.0%	1.2%
20-Year Avg	2.6%	3.4%	0.8%
30-Year Avg	2.5%	3.6%	1.1%
50-Year Avg	3.9%	4.5%	0.6%

We are generally comfortable with the wage inflation assumption exceeding the price inflation assumption by 0.25% to 1.00%. Given our preferred price inflation assumption of 2.50%, our preferred assumption is for the wage inflation assumption to exceed the price inflation assumption by 0.25%. **This would result in a wage inflation assumption of 2.75%. Therefore, we are recommending no change to the current wage inflation assumption.**

Sample	Annual Merit & Seniority Rates		
Ages	Actual	Current	Suggested
40	1.44%	0.90%	1.03%
45	-0.07%	0.80%	0.58%
50	0.93%	0.60%	0.68%
55	0.21%	0.50%	0.43%
60	-1.26%	0.40%	-0.02%
65	0.72%	0.40%	0.48%

Merit and longevity may include promotions and pay increases related to years of experience. Average salaries (including inflation) in the City of Dearborn Chapter 22 Retirement System have risen at approximately 1.9% annually over the last 5 years and 2.9% over the last 10 years.

Proposal: From the table above, it can be seen that the expected and current merit & seniority increases are very close to each other. We therefore recommend that no changes are made in the current rates.

Economic Assumptions – Investment Return

The investment return assumption is typically the actuarial assumption that has the largest effect on the actuarial valuation results. Since one of public plans' fundamental financial objectives is the receipt of level contributions as a % of payroll over time to finance the additional benefits that members accrue, the discount rate assumption is based upon the investment return assumption.

Factors in the determination of a reasonable investment return assumption include:

1) System's asset allocation;
2) Forward-looking capital market expectations:
    a. Capital market expectations of plan's investment consultant
    b. Capital market expectations of other investment firms
3) Differences between short-term (i.e., 10 years) and long-term (i.e., 20-30 years) expectations;
4) System's expected pattern of plan payments over time; and
5) The use and implications of using a 1-year expected return versus using the median expected return

Presented below is the target asset allocation for the City of Dearborn Chapter 22 Retirement System (as shown in the City of Dearborn Chapter 22 Retirement System FY 2024 GASB Statement Nos. 67 and 68 valuation report and supplied by the City):

Investment Category	Target Allocation
Large Cap Equity	22%
Small/Mid Cap Equity	12%
International Equity	13%
Emerging International Equity	5%
Core Bonds	20%
Emerging Market Debt	4%
Diversified Credit	4%
Absolute Return Fixed Income	5%
Real Estate - Core	8%
Private Debt	3%
Private Equity	4%
Total	**100%**

Because GRS is a benefits consulting firm and does not develop or maintain its own capital market expectations, we monitor forward-looking expectations developed by several investment firms. Based upon the above target asset allocation, future return expectations of various investment firms were analyzed using the GRS Capital Market Assumptions Modeler (CMAM). For the 2024 GRS CMAM, 10-year capital market expectations were provided by 12 investment firms and 20- to 30-year capital market expectations were provided by 8 investment firms. Final expected nominal investment return results from the GRS 2024 CMAM are based upon the recommended 2.50% price inflation assumption.

Economic Assumptions – Investment Return (Concluded)

Presented below are the short-term (i.e., 10 years) and long-term (i.e., 20 to 30 years) expected returns for the System based upon the capital market expectations of the investment firms included in the GRS CMAM:

Summary of GRS 2024 CMAM Analysis	
10-Year Capital Market Expectations Average of 12 Investment Firms	
1-Year Expected Return	7.42%
Standard Deviation of 1-Year Expected Return	11.91%
Short-Term Expected Median Return (i.e., 50th Percentile)	6.76%
20- to 30-Year Capital Market Expectations Average of 8 Investment Firms	
Long-Term Expected Median Return (i.e., 50th Percentile)	7.00%

One item to note is that the 10-year expected median return based upon calendar year 2024 capital market expectations (i.e., 6.76%) has increased significantly over the past few years. The 10-year expected median return based upon capital market expectations in calendar years 2019 through 2023 are as follows: 6.50%, 5.94%, 5.44%, 5.20% and 6.88% respectively.

One of the factors in selecting an appropriate investment return assumption is the expected pattern of benefits over time. It is true that retirement plans are generally long-term investors. However, the City of Dearborn Chapter 22 Retirement System has significant liability commitments coming due in the next 10 to 15 years. For example, the total Present Value of all Future Pension Benefits (PVFB) for the plan population as of June 30, 2023 is approximately $196 million. Approximately 36% of that PVFB is associated with benefit payments in the first 5 years, 61% in the first 10 years and 78% in the first 15 years. Actual investment returns over the next 10 to 15 years are very important to the City of Dearborn Chapter 22 Retirement System. Based upon that observation, we tend to put more weight on the short-term expectations, but we do recognize the rationale for reflecting long-term expectations.

The preferred assumption in the actuarial community is the expected median return (i.e., 50th percentile) over a particular time horizon. Based on the average of the calendar year 2024 results for each of the investment firms, this would lead to an investment return assumption of 6.76% (based upon short-term expectations) and 7.00% (based upon long-term expectations).

Based upon the results of our analysis and the current levels of future capital market expectations (i.e., 2024 capital market expectations), we believe that the current pension investment return assumption of 7.00% is reasonable. We are recommending no change to this assumption.

SECTION C

MISCELLANEOUS ASSUMPTIONS AND METHODS

Miscellaneous Assumptions and Methods

Loading Factors

Currently, normal cost and liabilities for all decrements were increased by 0.8% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form (straight life benefit). Actual experience over the last 5 years indicate that liabilities are approximately 1.6% higher due to participants electing to receive benefits in a form other than the normal form.

We recommend increasing the load from 0.8% to 1.2%.

Amortization Policy

Currently, the unfunded actuarial accrued liability is financed as a level dollar over a closed period of 21 years as of the June 30, 2023 valuation (applicable to the fiscal year 2024/2025 contributions). The level dollar amortization is an appropriate method for amortizing the unfunded actuarial accrued liability because the group is closed to new employees. Once the remaining period reaches 15 years, the gain or loss for each future year will be amortized over a 15-year closed period. This is called layered amortization.

The Board previously adopted layered amortization once the remaining amortization period reaches 15 years.

Actuarial Cost Method

The actuarial cost method is the allocation method the actuary uses to develop the contribution. The City of Dearborn Chapter 22 Retirement System currently uses the entry age normal cost method.

We recommend no change to the actuarial cost method.

Miscellaneous Assumptions and Methods (Concluded)

Option Factors

Option factors are calculated using the current interest assumption and the assumed rates of mortality. If a retiring member elects an optional form of benefit, the assumed benefit is multiplied by the appropriate option factor to produce the benefit actually payable. As a matter of common practice, option factors are usually revised to correspond to the new interest and mortality assumptions adopted with an experience study. When mortality experience is improved (i.e., members live longer), option factors will generally increase. When interest rates are reduced, option factors will generally decrease. Examples of option factors calculated using the present mortality assumptions and interest rates and the proposed mortality assumptions and interest rates are shown below.

We recommend all option factors for benefit calculations be updated for new mortality and interest rate assumptions effective July 1, 2025 to allow time for administrative changes.

Present Option Factor basis: Option factors are based upon 7.00% interest and the PubG-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with an 85% Unisex Blend.

Proposed Option Factor basis: Option factors are based the PubG-2010 Mortality Table projected to 2035 with mortality improvement scale MP-2021 with an 75% Unisex Blend, and the interest shown in the table below:

Retiring Participants' Ages		50% Joint & Survivor			75% Joint & Survivor			100% Joint & Survivor		
Retiree	Beneficiary	Present	Proposed 7.00%	Proposed 6.75%	Present	Proposed 7.00%	Proposed 6.75%	Present	Proposed 7.00%	Proposed 6.75%
50	45	0.95706	0.96024	0.95872	0.93695	0.94153	0.93933	0.91766	0.92352	0.92071
55	50	0.94575	0.94971	0.94804	0.92077	0.92642	0.92403	0.89708	0.90424	0.90120
60	55	0.93147	0.93625	0.93443	0.90061	0.90733	0.90476	0.87173	0.88014	0.87693
65	60	0.91345	0.91909	0.91715	0.87555	0.88335	0.88067	0.84068	0.85029	0.84698

Asset Valuation Method

The City of Dearborn Chapter 22 Retirement System currently uses a 5-year asset smoothing method with an 80%-120% of market value corridor. The Funding Value of Assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased-in over closed 5-year periods. This is a very common method among public retirement systems. Most systems use an averaging period between 3 and 10 years with 5 being the most common. We do not recommend any changes at this time. If, however, the Board has concerns over the volatility of contributions, a smoothing period of 7 years could be considered.

SECTION D

CONTRIBUTION RATES BASED ON PROPOSED CHANGES

Summary of Current and Proposed Assumptions

	Economic Assumptions			Non-Economic Assumptions
Assumption Set	Net Rate of Investment Return	Rate of Wage Inflation	Spread	Demographic
A. Base	7.00%	2.75%	4.25%	Current
B. Proposed Demographic	7.00	2.75	4.25	Proposed
C. Alternate I Economic	6.75	2.75	4.00	Proposed

Effects of Recommended Changes in Actuarial Assumptions on Actuarial Liabilities and Pension Contribution Rates Illustrative Results as of June 30, 2023

	A	B	C
	Baseline	Proposed Demographic and Wage Inflation	Alternate Economic
Actuarial Value of Assets	$ 164,665,432	$ 164,665,432	$ 164,665,432
Actuarial Accrued Liability	194,071,360	193,583,075	197,912,014
Unfunded Accrued Liability	$ 29,405,928	$ 28,917,643	$ 33,246,582
Funded Percent	84.8 %	85.1 %	83.2 %
Employer Normal Cost %	4.50 %	4.56 %	5.37 %
Employer Normal Cost $	$ 143,352	$ 145,269	$ 171,073
Amortization Amount	2,623,071	2,579,515	2,909,783
Estimated Dollar Contribution	$ 2,766,423	$ 2,724,784	$ 3,080,856

SECTION E

COMPLETE LISTING OF RECOMMENDED ASSUMPTIONS

Retirement Rates

Attained Ages	Percent of Eligible Members Retiring Within Next Year				
	General Members		Police Dispatch Members		Operative Members
	Males	Females	Males	Females	
50			27%	24%	
51			27%	24%	
52			27%	24%	
53			27%	24%	
54			27%	24%	
55	36%	28%	36%	28%	27%
56	23%	16%	23%	16%	27%
57	23%	16%	23%	16%	27%
58	23%	16%	23%	16%	27%
59	23%	16%	23%	16%	27%
60	32%	24%	32%	24%	27%
61	23%	16%	23%	16%	27%
62	27%	20%	27%	20%	36%
63	27%	20%	27%	20%	36%
64	27%	20%	27%	20%	36%
65	54%	44%	54%	44%	36%
66	27%	20%	27%	20%	36%
67	32%	24%	32%	24%	36%
68	41%	36%	41%	36%	36%
69	45%	36%	45%	36%	36%
70	100%	100%	100%	100%	100%
Ref	2994	2995	2996	2997	2998

Effective June 30, 1999, if a person has the maximum years of credited service for benefit purposes, the assumed probability of retirement is the greater of 25% or the rate in the retirement table.

Turnover Rates

Sample Ages	% of Active Members Separating Within Next Year* General Males	General Females	Operative
20	10.00%	10.00%	4.00%
21	10.00%	10.00%	4.00%
22	10.00%	10.00%	4.00%
23	10.00%	10.00%	4.00%
24	10.00%	10.00%	4.00%
25	10.00%	10.00%	4.00%
26	10.00%	10.00%	4.00%
27	10.00%	10.00%	4.00%
28	9.60%	9.60%	4.00%
29	9.20%	9.20%	4.00%
30	8.80%	8.80%	4.00%
31	8.40%	8.40%	4.00%
32	8.00%	8.00%	4.00%
33	7.60%	7.60%	4.00%
34	7.20%	7.20%	4.00%
35	6.80%	6.80%	4.00%
36	6.40%	6.40%	4.00%
37	6.00%	6.00%	4.00%
38	5.50%	5.60%	3.80%
39	5.00%	5.20%	3.60%
40	4.50%	4.80%	3.40%
41	4.00%	4.40%	3.20%
42	3.50%	4.00%	3.00%
43	3.20%	3.80%	2.80%
44	2.90%	3.60%	2.60%
45	2.60%	3.40%	2.40%
46	2.30%	3.20%	2.20%
47	2.00%	3.00%	2.00%
48	1.80%	2.80%	1.80%
49	1.60%	2.60%	1.60%
50	1.40%	2.40%	1.40%
51	1.20%	2.20%	1.20%
52	1.00%	2.00%	1.00%
53	0.90%	1.80%	0.90%
54	0.80%	1.60%	0.80%
55	0.70%	1.40%	0.70%
56	0.60%	1.20%	0.60%
57	0.50%	1.00%	0.50%
58	0.40%	0.60%	0.50%
59	0.30%	0.30%	0.50%
60	0.20%	0.00%	0.50%
61	0.10%	0.00%	0.50%
62	0.00%	0.00%	0.50%
63	0.00%	0.00%	0.50%
64	0.00%	0.00%	0.50%
65	0.00%	0.00%	0.50%
Ref	1 x 685	1 x 686	1 x 263

* *No separations are assumed for members eligible to retire.*

Disability Rates

Sample Ages	% of Active Members Separating Within Next Year			
	General		Operative	
	Males	Females	Males	Females
20	0.04%	0.03%	0.06%	0.08%
21	0.04%	0.03%	0.06%	0.08%
22	0.04%	0.03%	0.06%	0.08%
23	0.04%	0.03%	0.06%	0.08%
24	0.04%	0.03%	0.06%	0.08%
25	0.04%	0.03%	0.06%	0.08%
26	0.04%	0.03%	0.06%	0.08%
27	0.04%	0.03%	0.06%	0.08%
28	0.04%	0.03%	0.06%	0.08%
29	0.04%	0.03%	0.06%	0.08%
30	0.04%	0.03%	0.06%	0.08%
31	0.04%	0.03%	0.06%	0.08%
32	0.04%	0.03%	0.06%	0.08%
33	0.04%	0.03%	0.06%	0.08%
34	0.04%	0.03%	0.06%	0.08%
35	0.04%	0.03%	0.06%	0.08%
36	0.06%	0.05%	0.10%	0.16%
37	0.08%	0.07%	0.12%	0.21%
38	0.09%	0.08%	0.14%	0.24%
39	0.10%	0.09%	0.14%	0.26%
40	0.10%	0.09%	0.15%	0.27%
41	0.10%	0.09%	0.16%	0.27%
42	0.11%	0.09%	0.16%	0.28%
43	0.11%	0.09%	0.17%	0.28%
44	0.12%	0.10%	0.18%	0.29%
45	0.13%	0.10%	0.20%	0.30%
46	0.15%	0.11%	0.22%	0.32%
47	0.17%	0.11%	0.25%	0.34%
48	0.19%	0.12%	0.28%	0.37%
49	0.22%	0.13%	0.32%	0.40%
50	0.25%	0.14%	0.37%	0.43%
51	0.28%	0.15%	0.42%	0.46%
52	0.32%	0.16%	0.48%	0.49%
53	0.36%	0.17%	0.54%	0.52%
54	0.40%	0.18%	0.60%	0.55%
55	0.45%	0.19%	0.67%	0.57%
56	0.49%	0.20%	0.74%	0.60%
57	0.54%	0.21%	0.82%	0.63%
58	0.60%	0.22%	0.89%	0.67%
59	0.65%	0.24%	0.98%	0.71%
60	0.71%	0.25%	1.06%	0.76%
61	0.77%	0.28%	1.15%	0.83%
62	0.83%	0.31%	1.24%	0.92%
63	0.83%	0.31%	1.24%	0.92%
64	0.83%	0.31%	1.24%	0.92%
65	0.83%	0.31%	1.24%	0.92%
Ref	0.50 x 9	0.25 x 10	0.75 x 9	0.75 x 10

Merit and Longevity Portion of Pay Increases with 2.75% Wage Inflation

	Salary Increase Assumptions for an Individual Member		
Sample Ages	Merit and Seniority	Base (Economic)	Increase Next Year
20	4.80%	2.75%	7.55%
21	4.80	2.75	7.55
22	4.80	2.75	7.55
23	4.30	2.75	7.05
24	3.80	2.75	6.55
25	3.30	2.75	6.05
26	2.80	2.75	5.55
27	2.20	2.75	4.95
28	2.00	2.75	4.75
29	1.80	2.75	4.55
30	1.60	2.75	4.35
31	1.50	2.75	4.25
32	1.40	2.75	4.15
33	1.40	2.75	4.15
34	1.30	2.75	4.05
35	1.20	2.75	3.95
36	1.20	2.75	3.95
37	1.10	2.75	3.85
38	1.00	2.75	3.75
39	1.00	2.75	3.75
40	0.90	2.75	3.65
41	0.90	2.75	3.65
42	0.90	2.75	3.65
43	0.90	2.75	3.65
44	0.90	2.75	3.65
45	0.80	2.75	3.55
46	0.80	2.75	3.55
47	0.80	2.75	3.55
48	0.80	2.75	3.55
49	0.80	2.75	3.55
50	0.60	2.75	3.35
51	0.60	2.75	3.35
52	0.60	2.75	3.35
53	0.60	2.75	3.35
54	0.60	2.75	3.35
55	0.50	2.75	3.25
56	0.50	2.75	3.25
57	0.50	2.75	3.25
58	0.50	2.75	3.25
59	0.50	2.75	3.25
60	0.40	2.75	3.15
61	0.40	2.75	3.15
62	0.40	2.75	3.15
63	0.40	2.75	3.15
64	0.40	2.75	3.15
65	0.40	2.75	3.15
66	0.40	2.75	3.15
67	0.40	2.75	3.15
68	0.40	2.75	3.15
69	0.40	2.75	3.15
70	0.40	2.75	3.15
71	0.40	2.75	3.15
72	0.40	2.75	3.15
73	0.40	2.75	3.15
74	0.40	2.75	3.15
Ref.	131		

Healthy Post-Retirement Mortality Rates

Age	% Dying Next Year* Male	% Dying Next Year* Female
50	0.2808%	0.2019%
51	0.2997%	0.2136%
52	0.3220%	0.2284%
53	0.3471%	0.2448%
54	0.3772%	0.2622%
55	0.4102%	0.2814%
56	0.4472%	0.3018%
57	0.4879%	0.3239%
58	0.5318%	0.3461%
59	0.5798%	0.3707%
60	0.6293%	0.3972%
61	0.6808%	0.4270%
62	0.7353%	0.4597%
63	0.7911%	0.4972%
64	0.8513%	0.5372%
65	0.9179%	0.5832%
66	0.9923%	0.6340%
67	1.0772%	0.6918%
68	1.1731%	0.7590%
69	1.2831%	0.8371%
70	1.4083%	0.9273%
71	1.5500%	1.0324%
72	1.7130%	1.1544%
73	1.8988%	1.2954%
74	2.1134%	1.4577%
75	2.3595%	1.6442%
76	2.6419%	1.8558%
77	2.9660%	2.0980%
78	3.3377%	2.3747%
79	3.7625%	2.6899%
80	4.2488%	3.0513%
81	4.8055%	3.4662%
82	5.4397%	3.9419%
83	6.1522%	4.4846%
84	6.9525%	5.1075%
85	7.8450%	5.8187%

Age	% Dying Next Year* Male	% Dying Next Year* Female
86	8.8261%	6.6299%
87	9.8981%	7.5487%
88	11.0666%	8.5779%
89	12.3336%	9.7117%
90	13.6909%	10.9353%
91	15.1283%	12.2314%
92	16.6286%	13.5756%
93	18.1830%	14.9675%
94	19.7852%	16.3974%
95	21.4159%	17.8816%
96	23.1963%	19.5107%
97	25.0390%	21.2340%
98	26.9392%	23.0570%
99	28.9050%	24.9819%
100	30.9068%	27.0025%
101	32.9303%	29.0910%
102	34.9512%	31.2103%
103	36.9580%	33.3360%
104	38.9211%	35.4488%
105	40.8237%	37.5385%
106	42.6707%	39.5696%
107	44.4580%	41.5472%
108	46.1426%	43.4536%
109	47.7554%	45.2673%
110	49.0681%	46.9890%
111	49.2354%	48.6178%
112	49.4033%	49.5370%
113	49.5816%	49.6809%
114	49.7605%	49.8103%
115	49.9300%	49.9500%
116	49.9600%	49.9750%
117	49.9800%	49.9850%
118	49.9950%	50.0000%
119	50.0000%	50.0000%
120	100.0000%	100.0000%
Ref	100% x 2705	100% x 2706

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

Disabled Post-Retirement Mortality Rates

Age	% Dying Next Year* Male	Female
50	1.5124%	1.3489%
51	1.5982%	1.4069%
52	1.6917%	1.4736%
53	1.7926%	1.5499%
54	1.9000%	1.6310%
55	2.0118%	1.7139%
56	2.1259%	1.7937%
57	2.2382%	1.8670%
58	2.3498%	1.9301%
59	2.4570%	1.9817%
60	2.5611%	2.0230%
61	2.6612%	2.0528%
62	2.7606%	2.0767%
63	2.8612%	2.0984%
64	2.9611%	2.1195%
65	3.0602%	2.1462%
66	3.1590%	2.1810%
67	3.2597%	2.2301%
68	3.3636%	2.2967%
69	3.4761%	2.3843%
70	3.6002%	2.4967%
71	3.7436%	2.6343%
72	3.9083%	2.8009%
73	4.1016%	2.9976%
74	4.3260%	3.2278%
75	4.5864%	3.4953%
76	4.8843%	3.7995%
77	5.2251%	4.1446%
78	5.6118%	4.5341%
79	6.0495%	4.9699%
80	6.5396%	5.4551%
81	7.0903%	5.9952%
82	7.6985%	6.5913%
83	8.3635%	7.2464%
84	9.0902%	7.9645%
85	9.8758%	8.7501%

Age	% Dying Next Year* Male	Female
86	10.7199%	9.5697%
87	11.6245%	10.4096%
88	12.6005%	11.2634%
89	13.8227%	12.1273%
90	15.1662%	13.0087%
91	16.5419%	13.9318%
92	17.9227%	14.9066%
93	19.3044%	15.9569%
94	20.6953%	17.0894%
95	22.0980%	18.3309%
96	23.6606%	19.7762%
97	25.3117%	21.3922%
98	27.0654%	23.1325%
99	28.9410%	25.0030%
100	30.9068%	27.0025%
101	32.9303%	29.0910%
102	34.9512%	31.2103%
103	36.9580%	33.3360%
104	38.9211%	35.4488%
105	40.8237%	37.5385%
106	42.6707%	39.5696%
107	44.4580%	41.5472%
108	46.1426%	43.4536%
109	47.7554%	45.2673%
110	49.0681%	46.9890%
111	49.2354%	48.6178%
112	49.4033%	49.5370%
113	49.5816%	49.6809%
114	49.7605%	49.8103%
115	49.9300%	49.9500%
116	49.9600%	49.9750%
117	49.9800%	49.9850%
118	49.9950%	50.0000%
119	50.0000%	50.0000%
120	100.0000%	100.0000%

Ref 100% x 2711 100% x 2712

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

Pre-Retirement Mortality Rates

Age	% Dying Next Year* Male	% Dying Next Year* Female	Age	% Dying Next Year* Male	% Dying Next Year* Female
20	0.0382%	0.0142%	45	0.1066%	0.0545%
21	0.0378%	0.0133%	46	0.1119%	0.0577%
22	0.0354%	0.0125%	47	0.1171%	0.0611%
23	0.0342%	0.0117%	48	0.1244%	0.0649%
24	0.0330%	0.0108%	49	0.1322%	0.0700%
25	0.0330%	0.0111%	50	0.1404%	0.0755%
26	0.0367%	0.0126%	51	0.1512%	0.0825%
27	0.0394%	0.0142%	52	0.1628%	0.0901%
28	0.0435%	0.0160%	53	0.1764%	0.0992%
29	0.0465%	0.0177%	54	0.1909%	0.1089%
30	0.0508%	0.0208%	55	0.2084%	0.1210%
31	0.0551%	0.0226%	56	0.2279%	0.1334%
32	0.0592%	0.0257%	57	0.2503%	0.1467%
33	0.0632%	0.0272%	58	0.2744%	0.1607%
34	0.0668%	0.0299%	59	0.2995%	0.1760%
35	0.0715%	0.0324%	60	0.3264%	0.1924%
36	0.0756%	0.0345%	61	0.3543%	0.2084%
37	0.0790%	0.0376%	62	0.3826%	0.2248%
38	0.0830%	0.0389%	63	0.4120%	0.2427%
39	0.0862%	0.0412%	64	0.4409%	0.2618%
40	0.0898%	0.0430%	65	0.4705%	0.2816%
41	0.0927%	0.0457%	66	0.5006%	0.3040%
42	0.0960%	0.0470%	67	0.5327%	0.3295%
43	0.0988%	0.0492%	68	0.5670%	0.3576%
44	0.1023%	0.0513%	69	0.6059%	0.3895%

Ref 100% x 2723 100% x 2724

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 14, 2024

Mr. Michael Kennedy, Finance Director/Treasurer
City of Dearborn Retirement Systems
Dearborn Administrative Center
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Enclosed is one copy of our report of Retirement System experience. I look forward to meeting with the Board to discuss the results of our review. If you have any questions, please feel free to call me at (248) 799-9000.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:ah
Enclosures

cc: Richard C. Koch, Jr., GRS

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Dearborn Chapter 23 Retirement System

Review of System Experience
July 1, 2018 through June 30, 2023

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 14, 2024

Board of Trustees
City of Dearborn Chapter 23 Retirement System
Dearborn, Michigan

Dear Board Members:

Presented in this report are the results of a review of Retirement System experience. The investigation was conducted for the purpose of updating the actuarial assumptions used in valuing the City of Dearborn Chapter 23 Retirement System actuarial liabilities, assets and actuarially determined employer contribution rates.

The investigation was based upon the data furnished for the annual actuarial valuations during the period July 1, 2018 through June 30, 2023, and was carried out using generally accepted actuarial principles and techniques. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the City of Dearborn.

We have shown the expected impact of the proposed changes on City contributions as of June 30, 2023. This information is shown in Section D of this report.

We believe that the actuarial assumptions recommended in this experience study report represent individually and in the aggregate reasonable estimates of future experience of the City of Dearborn Chapter 23 Retirement System.

This report should not be relied on for any purpose other than that described above. This report may be provided to parties other than the Board of Trustees only in its entirety and only with the permission of the Trustees.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. We certify that, to the best of our knowledge, this report is complete and accurate and was made in accordance with standards of practice promulgated by the Actuarial Standards Board.

Francois Pieterse and Mark Buis are independent of the plan sponsor and 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

Mark Buis, FSA, EA, FCA, MAAA

FP/MB:dj

C0627

Table of Contents

Introduction

Each year, as of June 30th, the actuarial liabilities of the City of Dearborn Chapter 23 Retirement System are valued. In order to perform the valuation, assumptions must be made regarding the future experience of the System with regard to the following risk areas:

- Rates of **termination** of active members;
- Rates of **disability** among active members;
- Rates of **retirement** among active members;
- Rates of **mortality** among active members, retirants and beneficiaries;
- Long-term rates of **investment return** to be generated by the assets of the System; and
- Patterns of **salary increases** to active members.

Assumptions should be carefully chosen and continually monitored. Continued use of outdated assumptions can lead to:

- Understated costs resulting in either an inability to pay benefits when due, or sharp increases in required contributions at some point in the future; or

- Overstated costs resulting in either benefit levels that are kept below the level that could be supported by the computed rate or an unnecessarily large burden on the current generation of members, employers and taxpayers.

A single set of assumptions will not be suitable indefinitely. Things change, and our understanding of things also changes. In recognition of this, assumptions used to value the liabilities of the Retirement System should be reviewed and adjusted periodically to recognize changes in experience trends, a changing economic environment (or changing perceptions of the economic environment) and to maintain consistency within the universe of public employee retirement systems. The results of this analysis are shown in Section A of this report.

A common practice among public employee retirement systems is that the actuary recommends a set of demographic assumptions and suggests a range of reasonable alternate economic assumptions. Following discussion involving the actuary, the plan governing body, and other professionals, the plan governing body makes a final choice from the various alternatives.

No single 5-year experience period should be given full credibility in the setting of actuarial valuation assumptions. When we see significant differences between what is expected from our assumptions and the actual experience, we generally recommend a change in assumptions that produces results somewhere between the actual and expected experience. In this way, with each experience study, the actuarial assumptions become better and better representations of actual experience. Consequently, temporary conditions that might influence a particular experience study period will not unduly influence the choice of long-term assumptions.

The scope of this report is limited to assumptions used in the pension actuarial valuation. Analysis of assumptions specific to the retiree health valuation is beyond the scope of this project.

Introduction (Concluded)

Some of the years covered by this experience study were impacted by the COVID-19 pandemic. While it is not anticipated that this recent experience will continue indefinitely into the future, there may be some lingering effects for years to come. As a result, if a change in rates were recommended, we have moved about 25% of the way to the observed experience in this study. Prior studies would generally move 50% of the observed experience depending on whether the trend moved in the same direction of the prior study or reversed course from the prior studies.

We have noticed that sometimes the use of new assumptions did not always reduce the size of the gain or loss associated with a particular decrement. Our experience with similar systems has shown that sometimes this is due to the relative magnitude of the actuarial accrued liability of the members that decrement, rather than number counts alone. For example, consider a plan with only two members who are both the same age and assume member one has an actuarial accrued liability of $10,000 and member two has an actuarial accrued liability of $90,000. If one of the members leaves and forfeits all of their liability, the rate of decrement is one out of two for a rate of 50%. However, the magnitude of the net gain or loss to the System is more affected if member two leaves employment than if member one leaves employment.

As a result, some of our recommendations are based on either a liability-weighted basis or benefits-weighted basis.

SECTION A

DEMOGRAPHIC ASSUMPTIONS

Retirement

Discussion: Rates of retirement are used to measure the probabilities of an eligible member retiring from City employment during the next year.

Fire

Summary of Experience:
On a headcount-weighted basis, there were 24 actual retirement over the 5-year study period. Based on the assumptions that were adopted from the previous experience study, 7.9 retirements were expected.

On a liability-weighted basis, approximately $29.95 million in liabilities were added due to members retiring from employment. Approximately $9.10 million in liabilities were expected to be added.

Proposal: Since both on a headcount-weighted and liability-weighted basis, actual experience was higher than expected experience, we recommend that retirement rates be increased.

Police

Summary of Experience:
On a headcount-weighted basis, there were 26 actual retirement over the 5-year study period. Based on the assumptions that were adopted from the previous experience study, 15.4 retirements were expected.

On a liability-weighted basis, approximately $30.33 million in liabilities were added due to members retiring from employment. Approximately $16.21 million in liabilities were expected to be added.

Proposal: Since both on a headcount-weighted and liability-weighted basis, actual experience was higher than expected experience, we recommend that retirement rates be increased.

The current and proposed retirement rates are shown on the following two pages.

Current Rates of Retirement

FIRE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	25%
46	25%
47	25%
48	25%
49	25%
50	25%
51	25%
52	25%
53	25%
54	25%
55	25%
56	25%
57	25%
58	25%
59	25%
60	25%
61	25%
62	25%
63	25%
64	25%
65	100%
Ref:	3002

Service	% Retiring
25	35%
26	25%
27	25%
28	25%
29	25%
30	25%
31	25%
32	50%
33	100%
Rx	3003

POLICE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	20%
46	20%
47	20%
48	20%
49	20%
50	20%
51	20%
52	20%
53	20%
54	20%
55	20%
56	20%
57	20%
58	20%
59	20%
60	20%
61	20%
62	20%
63	20%
64	20%
65	100%
Ref:	3000

Service	% Retiring
25	60%
26	40%
27	25%
28	25%
29	25%
30	50%
31	50%
32	50%
33	100%
Rx	3001

Proposed Rates of Retirement

FIRE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	38%
46	38%
47	38%
48	38%
49	38%
50	38%
51	38%
52	38%
53	38%
54	38%
55	38%
56	38%
57	38%
58	38%
59	38%
60	38%
61	38%
62	38%
63	38%
64	38%
65	100%
Ref:	3585

Service	% Retiring
25	53%
26	38%
27	38%
28	38%
29	38%
30	38%
31	38%
32	75%
33	100%
Rx	3586

POLICE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	24%
46	24%
47	24%
48	24%
49	24%
50	24%
51	24%
52	24%
53	24%
54	24%
55	24%
56	24%
57	24%
58	24%
59	24%
60	24%
61	24%
62	24%
63	24%
64	24%
65	100%
Ref:	3583

Service	% Retiring
25	72%
26	48%
27	30%
28	30%
29	30%
30	60%
31	60%
32	60%
33	100%
Rx	3584

Turnover

Discussion: Rates of turnover are used to measure the probabilities of an eligible member terminating (not receiving an immediate retirement benefit) from City employment during the next year.

Summary of Experience: The experience during the study period is summarized below.

Number of Terminations from City Employment			
Fire		Police	
Actual	Expected	Actual	Expected
1	0.5	1	0.4

Proposal: We recommend that no changes are made to the turnover rates for either group.

Disability

Discussion: The assumed rates of disablement (leaving active service entitled to a disability pension) are usually a minor ingredient in cost calculations.

Summary of Experience: The experience during the study period is summarized below.

Number of Disability Retirements from City Employment			
Fire		Police	
Actual	Expected	Actual	Expected
0	0.3	0	0.7

Proposal: We recommend that no changes are made to the disability rates for either group.

Mortality

The size of the City of Dearborn Chapter 23 Retirement System population is too small to provide credible experience data for selecting a mortality assumption, so we propose generally accepted tables for the System's use.

Post-retirement mortality is an important component in cost calculations and should be updated from time to time to reflect current and expected future longevity improvements. Pre-retirement mortality is a relatively minor component in cost calculations. The frequency of pre-retirement deaths is so low that mortality assumptions based on actual experience can only be produced for very large retirement systems, if at all.

Actuarial Standards of Practice

Actuarial Standards of Practice (ASOP) No. 35 Disclosure Section 4.1.1 states, "The disclosure of the mortality assumption should contain sufficient detail to permit another qualified actuary to understand the provision made for future mortality improvement. If the actuary assumes zero mortality improvement after the measurement date, the actuary should state that no provision was made for future mortality improvement."

The New Mortality Tables and Projection Scale

In 2019, the Society of Actuaries (SOA) published a mortality study specific to public sector retirement systems. This very comprehensive study includes numerous mortality tables created by classification of employees (General members, Public Safety, Teachers, Survivors, Juvenile, headcount-weighted, benefit weighted, above median, below median). In addition, the SOA updates mortality projection scales annually. The latest published table is called the MP-2021 Projection Scale, which accounts for future improvements in mortality that are expected to occur. Lastly, the SOA recommends the use of "fully generational" (2-dimensional) projection scales. *For purposes of the City of Dearborn Chapter 23 Retirement System valuations, we recommend adopting the MP-2021 improvement scales until the next experience study.*

Findings

During the study period, the COVID-19 pandemic influenced mortality experience. The impact of the COVID-19 pandemic varies considerably by occupation, income, geography, etc. We considered some recognition of the impact COVID-19 had on the mortality assumption; however, the impact would have been minimal at this time so no adjustment has been made. Actual experience will continue to be reflected in each future valuation as experience emerges.

We reviewed the mortality experience of retirees during the 5-year period. During the 5-year period, the plan experienced more deaths (50) than projected by the present assumptions (36.5). However, this mortality experience was not sufficient to be credible, and therefore, we do not recommend a change in the current mortality table.

The combined effect of not changing the mortality table, but changing the mortality projection scale from MP-2019 to MP-2021, result in slightly lower computed liabilities and contributions.

Mortality

Current Mortality Assumptions:

- **Healthy Pre-Retirement:** The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Healthy Post-Retirement:** The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Disability Retirement:** The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Proposed Mortality Assumptions:

- **Healthy Pre-Retirement:** The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.
- **Healthy Post-Retirement:** The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.
- **Disability Retirement:** The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2021.

Mortality

Summary of Life Expectancies under the Current Mortality Improvement Scale

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)*		Healthy Post-Retirement Future Life Expectancy (Years)*		Disabled Retirement Future Life Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
40	49.32	51.85	46.24	48.38	44.33	46.54
45	44.13	46.65	41.01	43.09	39.35	41.51
50	38.96	41.46	35.85	37.85	34.40	36.51
55	33.83	36.31	30.77	32.73	29.53	31.64
60	28.78	31.21	25.87	27.82	24.84	27.02
65	23.87	26.17	21.24	23.15	20.46	22.67
70	19.10	21.19	16.92	18.73	16.39	18.52
75	14.57	16.39	12.97	14.63	12.64	14.59
80	10.34	11.88	9.52	11.00	9.39	11.00

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2019 projection scale.*

Summary of Life Expectancies under the Proposed Mortality Improvement Scale

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years)*		Healthy Post-Retirement Future Life Expectancy (Years)*		Disabled Retirement Future Life Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
40	48.76	51.22	45.90	48.07	44.06	46.37
45	43.64	46.09	40.70	42.82	39.10	41.35
50	38.52	40.96	35.57	37.61	34.17	36.35
55	33.43	35.86	30.51	32.50	29.31	31.45
60	28.44	30.82	25.62	27.58	24.62	26.82
65	23.57	25.83	21.02	22.93	20.26	22.47
70	18.86	20.91	16.73	18.54	16.22	18.34
75	14.38	16.17	12.82	14.46	12.50	14.43
80	10.20	11.72	9.40	10.85	9.27	10.85

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

SECTION B

ECONOMIC ASSUMPTIONS

Economic Assumptions
Investment Return and Wage Inflation

Economic assumptions include rates of investment return (net of investment expenses based upon a passive investment strategy; sometimes net of administrative expenses), price inflation, wage inflation (the across-the-board portion of salary increases), pay increases due to merit and seniority and the payroll growth assumption. Unlike demographic activities, economic activities do not lend themselves to an analysis solely on the basis of internal historical patterns because both salary increases and investment return are affected more by external forces; namely inflation (both wage and price), general productivity changes and the local economic environment which defy accurate long-term prediction. Estimates of economic activities are generally selected on the basis of the expectations in an inflation-free environment and then both long-term rates of investment return and wage inflation are increased by some provision for long-term price inflation.

If price inflation and/or productivity increases are lower than expected, it will probably result in both actual rates of salary increases and investment return below the assumed rates. Salaries increasing at rates less than expected produce lower liabilities. However, actual investment return below the assumed rate of investment return (whether due to manager performance, change in the mix of assets, or general market conditions) results in lower than expected asset amounts.

Sources considered in the analysis of the price inflation assumption included:

- Congressional Budget Office;
- Philadelphia Federal Reserve quarterly survey of Society of Professional Forecasters;
- Comparison of Treasury yields and Treasury Inflation Protected Securities (TIPS); and
- Federal Reserve Bank of Cleveland inflation expectations.

Sources considered in the analysis of the wage inflation, merit and seniority and payroll growth assumptions included:

- Actual City of Dearborn Chapter 23 Retirement System experience overall or a portion of the Experience Study period (i.e., merit and seniority pay increases); and
- Historical observations of inflation statistics (both price and wage and the relationship between them) both nationally and for City of Dearborn Chapter 23 Retirement System

Sources considered in the analysis of the investment return assumption included:

- Future capital market expectations of 12 investment firms that GRS monitors.

The current economic assumptions are presented below:

1. Price Inflation – 2.50%
2. Investment Return (Pension) – 7.00%
3. Wage Inflation – 2.75%

Economic Assumptions – ASOP No. 27

Guidance regarding the selection of economic assumptions for measuring pension obligations is provided by Actuarial Standard of Practice (ASOP) No. 27. The standard requires that the selected economic assumptions be consistent with each other. That is, the selection of the investment return assumption should be consistent with the selection of the wage inflation and price inflation assumptions. ASOP No. 27 (Doc. No. 197) adopted by the Actuarial Standards Board (ASB) in June 2020 defines a reasonable economic assumption as an assumption that has the following characteristics:

(a) It is appropriate for the purpose of the measurement;
(b) It reflects the actuary's professional judgment;
(c) It takes into account current and historical data that is relevant to selecting the assumption for the measurement date, to the extent such relevant data is reasonably available;
(d) It reflects the actuary's estimate of future experience, the actuary's observation of the estimates inherent in market data (if any), or a combination thereof; and
(e) It is expected to have no significant bias (i.e., it is not significantly optimistic or pessimistic), except when provisions for adverse deviation or plan provisions that are difficult to measure are included (as discussed in Section 3.5.1) or when alternative assumptions are used for the assessment of risk, in accordance with ASOP No. 51, *Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions*.

Economic Assumptions – Price Inflation

Price inflation underlies both the wage inflation and investment return assumptions. Since price inflation underlies the wage inflation assumption and the investment return assumption, we recommend that a specific price inflation assumption be adopted in conjunction with this Experience Study.

The Congressional Budget Office provides an inflation expectation for the next 10 years. *The Budget and Economic Outlook: 2024 to 2034* report released in June 2024 indicates a 2.32% expectation.

The Philadelphia Federal Reserve conducts a quarterly survey of the Society of Professional Forecasters. Their 10-year inflation expectation from the second quarter of 2024 is for inflation to average 2.33%.

A comparison of nominal Treasury yields and TIPS provide an approximation for market price inflation expectations over various time horizons (based upon data from the Federal Reserve Bank of St. Louis):

1) 10-year expectation of 2.26% (June 2024)
2) 20-year expectation of 2.43% (June 2024)
3) 30-year expectation of 2.27% (June 2024)

The Federal Reserve Bank of Cleveland inflation expectations as of June 1, 2024 are presented below:

1) 10-year expectation of 2.37%
2) 20-year expectation of 2.41%
3) 30-year expectation of 2.46%

Another point of reference is the Social Security Administration's 2024 Trustee Report, in which the Office of the Chief Actuary is projecting a long-term average annual inflation rate of 3.00% in the low cost, 2.40% in the intermediate cost, and 1.80% in the high cost projection scenarios. The Social Security Trustees report uses the ultimate rates for their 75-year projections, much longer than the longest horizon we can discern from Treasuries and TIPS.

Based upon the reviewed data, we are recommending leaving the price inflation assumption unchanged at 2.50%.

Economic Assumptions – Wage Inflation and Payroll Growth

Payroll growth (wage inflation) represents the expected growth in total payroll for a stable population. Increases or decreases in covered population that lead to a change in total payroll are not reflected in this assumption which consists of two components: 1) a portion due to pure price inflation (i.e., increases due to changes in the CPI), and 2) increases in average salary levels in excess of pure price inflation (i.e., increases due to changes in productivity levels, supply and demand in the labor market and other macroeconomic factors). The long-term rate of increase in National Average Earnings (NAE) over the last 50 years is somewhat higher than the current City of Dearborn Chapter 23 assumption. It is expected that, in the long run, salary increases in all parts of the country will be close to the national averages.

	Annual Increase in		
Year	Prices (CPI-U)	Wages (NAE)	Change
3-Year Avg	5.6%	6.0%	0.4%
5-Year Avg	4.1%	4.9%	0.8%
10-Year Avg	2.8%	4.0%	1.2%
20-Year Avg	2.6%	3.4%	0.8%
30-Year Avg	2.5%	3.6%	1.1%
50-Year Avg	3.9%	4.5%	0.6%

We are generally comfortable with the wage inflation assumption exceeding the price inflation assumption by 0.25% to 1.00%. Given our preferred price inflation assumption of 2.50%, our preferred assumption is for the wage inflation assumption to exceed the price inflation assumption by 0.25%. **This would result in a wage inflation assumption of 2.75%. Therefore, we are recommending no change to the current wage inflation assumption.**

Merit and longevity may include promotions and pay increases related to years of experience. Average salaries for the Fire Group have risen at approximately 3.1% annually over the last 5 years and 3.2% over the last 10 years. Average salaries for the Police Group have risen at approximately 4.1% annually over the last 5 years and 3.1% over the last 10 years.

Proposal: Adjust merit and longevity portion of pay increases as shown on the next page for the Police and Fire Groups.

Merit and Longevity Portion of Pay Increases

Current Rates

Sample Ages	Annual Rate of Salary Increase for Sample Age — Merit & Longevity: Fire	Police
25	3.50%	3.50%
30	2.50%	2.60%
35	2.00%	2.00%
40	1.75%	1.50%
45	1.50%	0.90%
50	1.00%	0.50%
55	0.75%	0.50%
Ref	529	528

Proposed Rates

Sample Ages	Annual Rate of Salary Increase for Sample Age — Merit & Longevity: Fire	Police
25	3.75%	3.75%
30	2.75%	2.85%
35	2.00%	2.25%
40	2.00%	2.00%
45	1.75%	1.45%
50	1.45%	1.20%
55	1.00%	1.00%
Ref	612	611

Economic Assumptions – Investment Return

The investment return assumption is typically the actuarial assumption that has the largest effect on the actuarial valuation results. Since one of public plans' fundamental financial objectives is the receipt of level contributions as a % of payroll over time to finance the additional benefits that members accrue, the discount rate assumption is based upon the investment return assumption.

Factors in the determination of a reasonable investment return assumption include:

1) System's asset allocation;
2) Forward-looking capital market expectations:
    a. Capital market expectations of plan's investment consultant
    b. Capital market expectations of other investment firms
3) Differences between short-term (i.e., 10 years) and long-term (i.e., 20-30 years) expectations;
4) System's expected pattern of plan payments over time; and
5) The use and implications of using a 1-year expected return versus using the median expected return

Presented below is the target asset allocation for the City of Dearborn Chapter 23 Retirement System (as shown in the City of Dearborn Chapter 23 Retirement System FY 2024 GASB Statement Nos. 67 and 68 valuation report and supplied by the City):

Investment Category	Target Allocation
Large Cap Equity	20%
Small/Mid Cap Equity	12%
International Equity	13%
Emerging International Equity	5%
Core Bonds	15%
Emerging Market Debt	4%
Diversified Credit	4%
Absolute Return Fixed Income	5%
Real Estate - Core	12%
Private Debt	5%
Private Equity	5%
Total	**100%**

Because GRS is a benefits consulting firm and does not develop or maintain its own capital market expectations, we monitor forward-looking expectations developed by several investment firms. Based upon the above target asset allocation, future return expectations of various investment firms were analyzed using the GRS Capital Market Assumptions Modeler (CMAM). For the 2024 GRS CMAM, 10-year capital market expectations were provided by 12 investment firms and 20- to 30-year capital market expectations were provided by 8 investment firms. Final expected nominal investment return results from the GRS 2024 CMAM are based upon the recommended 2.50% price inflation assumption.

Economic Assumptions – Investment Return (Concluded)

Presented below are the short-term (i.e., 10 years) and long-term (i.e., 20 to 30 years) expected returns for the System based upon the capital market expectations of the investment firms included in the GRS CMAM:

Summary of GRS 2024 CMAM Analysis	
10-Year Capital Market Expectations Average of 12 Investment Firms	
1-Year Expected Return	7.51%
Standard Deviation of 1-Year Expected Return	12.40%
Short-Term Expected Median Return (i.e., 50th Percentile)	6.83%
20- to 30-Year Capital Market Expectations Average of 8 Investment Firms	
Long-Term Expected Median Return (i.e., 50th Percentile)	7.08%

One item to note is that the 10-year expected median return based upon calendar year 2024 capital market expectations (i.e., 6.83%) has increased significantly over the past few years. The 10-year expected median return based upon capital market expectations in calendar years 2019 through 2023 are as follows: 6.63%, 6.14%, 5.68%, 5.45% and 6.95%, respectively.

One of the factors in selecting an appropriate investment return assumption is the expected pattern of benefits over time. It is true that retirement plans are generally long-term investors. However, the City of Dearborn Chapter 23 Retirement System has significant liability commitments coming due in the next 10 to 15 years. For example, the total Present Value of all Future Pension Benefits (PVFB) for the plan population as of June 30, 2023 is approximately $468 million. Approximately 27% of that PVFB is associated with benefit payments in the first 5 years, 49% in the first 10 years and 66% in the first 15 years. Actual investment returns over the next 10 to 15 years are very important to the City of Dearborn Chapter 23 Retirement System. Based upon that observation, we tend to put more weight on the short-term expectations, but we do recognize the rationale for reflecting long-term expectations.

The preferred assumption in the actuarial community is the expected median return (i.e., 50th percentile) over a particular time horizon. Based on the average of the calendar year 2024 results for each of the investment firms, this would lead to an investment return assumption of 6.83% (based upon short-term expectations) and 7.08% (based upon long-term expectations).

Based upon the results of our analysis and the current levels of future capital market expectations (i.e., 2024 capital market expectations), we believe that the current pension investment return assumption of 7.00% is reasonable. We are recommending no change to this assumption.

SECTION C

MISCELLANEOUS ASSUMPTIONS AND METHODS

Miscellaneous Assumptions and Methods

Loading Factors

Currently, normal cost and liabilities for all decrements were increased by 1.0% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form. Actual experience over the last 5 years indicate that liabilities are approximately 2.0% higher due to participants electing to receive benefits in a form other than the normal form.

We recommend increasing the load from 1.0% to 1.5%.

Load in FAC for Unused Sick and Vacation Time

Unused vacation and sick leave can be rolled into final average compensation at time of retirement. As a result, our valuation includes a percent load to account for this provision. We analyzed the final average compensation with and without the unused vacation and sick leave for all members who retired during the period 2018 to 2023. Based on the results of this analysis we recommend the following change:

Division	Current Assumption	Actual	Proposed Assumption
Police	4.50%	4.00%	4.25%
Fire	3.50	3.18	3.35

Amortization Policy

Currently, the unfunded actuarial accrued liability is financed as a level dollar over a closed period of 21 years as of the June 30, 2023 valuation (applicable to the fiscal year 2024/2025 contributions). The level dollar amortization is an appropriate method for amortizing the unfunded actuarial accrued liability because the group is closed to new employees. Once the remaining period reaches 15 years, the gain or loss for each future year will be amortized over a 15-year closed period. This is called layered amortization.

The Board previously adopted layered amortization once the remaining amortization period reaches 15 years.

Actuarial Cost Method

The actuarial cost method is the allocation method the actuary uses to develop the contribution. The City of Dearborn Chapter 23 Retirement System currently uses the entry age normal cost method.

We recommend no change to the actuarial cost method.

Miscellaneous Assumptions and Methods (Concluded)

Option Factors

Option factors are calculated using the current interest assumption and the assumed rates of mortality. If a retiring member elects an optional form of benefit, the assumed benefit is multiplied by the appropriate option factor to produce the benefit actually payable. As a matter of common practice, option factors are usually revised to correspond to the new interest and mortality assumptions adopted with an experience study. When mortality experience is improved (i.e., members live longer), option factors will generally increase. When interest rates are reduced, option factors will generally decrease. Examples of option factors calculated using the present mortality assumptions and interest rates and the proposed mortality assumptions and interest rates are shown below.

We recommend all option factors for benefit calculations be updated for new mortality and interest rate assumptions effective July 1, 2025 to allow time for administrative changes.

Present Option Factor basis: Option factors are based upon 7.00% interest and the PubS-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95% Unisex Blend, and a 2% compound COLA with a two-year delay.

Proposed Option Factor basis: Option factors are based upon the PubS-2010 Mortality Table projected to 2035 with mortality improvement scale MP-2021 with a 95% Unisex Blend, and a 2% compound COLA with a two-year delay, and the interest shown in the table below:

Retiring Participants' Ages		75% Joint & Survivor			100% Joint & Survivor		
Retiree	Beneficiary	Present	Proposed 7.00%	Proposed 6.75%	Present	Proposed 7.00%	Proposed 6.75%
50	45	0.97271	0.97338	0.97230	0.94687	0.94815	0.94609
55	50	0.96611	0.96692	0.96579	0.93443	0.93596	0.93384
60	55	0.95809	0.95902	0.95786	0.91954	0.92126	0.91913
65	60	0.94864	0.94966	0.94850	0.90230	0.90414	0.90205

Asset Valuation Method

The City of Dearborn Chapter 23 Retirement System currently uses a 5-year asset smoothing method with an 80%-120% of market value corridor. The Funding Value of Assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased-in over closed 5-year periods. This is a very common method among public retirement systems. Most systems use an averaging period between 3 and 10 years with 5 being the most common. We do not recommend any changes at this time. If, however, the Board has concerns over the volatility of contributions, a smoothing period of 7 years could be considered.

SECTION D

CONTRIBUTION RATES BASED ON PROPOSED CHANGES

Summary of Current and Proposed Assumptions

	Economic Assumptions			Non-Economic Assumptions
Assumption Set	Net Rate of Investment Return	Rate of Wage Inflation	Spread	Demographic
A. Base	7.00%	2.75%	4.25%	Current
B. Proposed Demographic	7.00	2.75	4.25	Proposed
C. Alternate I Economic	6.75	2.75	4.00	Proposed

Effects of Recommended Changes in Actuarial Assumptions on Actuarial Liabilities and Pension Contribution Rates Illustrative Results as of June 30, 2023

Fire			
	A	B	C
	Baseline	Proposed Demographic	Alternate Economic
Actuarial Value of Assets	$ 136,847,644	$ 136,847,644	$ 136,847,644
Actuarial Accrued Liability	183,623,913	186,358,578	191,815,501
Unfunded Accrued Liability	$ 46,776,269	$ 49,510,934	$ 54,967,857
Funded Percent	74.5 %	73.4 %	71.3 %
Employer Normal Cost %	30.11 %	33.00 %	35.48 %
Employer Normal Cost $	$ 1,762,948	$ 1,853,810	$ 1,993,127
Amortization Amount	4,172,543	4,416,481	4,810,856
Estimated Dollar Contribution	$ 5,935,491	$ 6,270,291	$ 6,803,983

Police			
	A	B	C
	Baseline	Proposed Demographic	Alternate Economic
Actuarial Value of Assets	$ 198,885,749	$ 198,885,749	$ 198,885,749
Actuarial Accrued Liability	265,905,432	266,070,084	273,483,924
Unfunded Accrued Liability	$ 67,019,683	$ 67,184,335	$ 74,598,175
Funded Percent	74.8 %	74.7 %	72.7 %
Employer Normal Cost %	28.12 %	30.53 %	32.82 %
Employer Normal Cost $	$ 982,764	$ 1,032,457	$ 1,109,900
Amortization Amount	5,978,298	5,992,986	6,528,926
Estimated Dollar Contribution	$ 6,961,062	$ 7,025,443	$ 7,638,826

SECTION E

COMPLETE LISTING OF RECOMMENDED ASSUMPTIONS

Retirement Rates

FIRE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	38%
46	38%
47	38%
48	38%
49	38%
50	38%
51	38%
52	38%
53	38%
54	38%
55	38%
56	38%
57	38%
58	38%
59	38%
60	38%
61	38%
62	38%
63	38%
64	38%
65	100%
Ref:	3585

Service	% Retiring
25	53%
26	38%
27	38%
28	38%
29	38%
30	38%
31	38%
32	75%
33	100%
Rx	3586

POLICE

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	24%
46	24%
47	24%
48	24%
49	24%
50	24%
51	24%
52	24%
53	24%
54	24%
55	24%
56	24%
57	24%
58	24%
59	24%
60	24%
61	24%
62	24%
63	24%
64	24%
65	100%
Ref:	3583

Service	% Retiring
25	72%
26	48%
27	30%
28	30%
29	30%
30	60%
31	60%
32	60%
33	100%
Rx	3584

Turnover Rates

Fire		Police	
Sample Ages	% of Active Members Separating within Next Year*	Sample Ages	% of Active Members Separating within Next Year*
20	0.88%	20	1.35%
21	0.88%	21	1.35%
22	0.88%	22	1.35%
23	0.88%	23	1.35%
24	0.88%	24	1.35%
25	0.88%	25	1.35%
26	0.88%	26	1.35%
27	0.88%	27	1.35%
28	0.83%	28	1.32%
29	0.78%	29	1.26%
30	0.73%	30	1.17%
31	0.68%	31	1.08%
32	0.60%	32	0.99%
33	0.53%	33	0.90%
34	0.45%	34	0.81%
35	0.38%	35	0.69%
36	0.30%	36	0.57%
37	0.25%	37	0.45%
38	0.20%	38	0.36%
39	0.18%	39	0.30%
40	0.15%	40	0.27%
41	0.13%	41	0.24%
42	0.13%	42	0.21%
43	0.13%	43	0.18%
44	0.13%	44	0.17%
45	0.13%	45	0.15%
46	0.13%	46	0.15%
47	0.13%	47	0.15%
48	0.13%	48	0.15%
49	0.13%	49	0.15%
50	0.13%	50	0.15%
51	0.13%	51	0.15%
52	0.13%	52	0.15%
53	0.13%	53	0.15%
54	0.13%	54	0.15%
55	0.13%	55	0.15%
56	0.13%	56	0.15%
57	0.13%	57	0.15%
58	0.13%	58	0.15%
59	0.13%	59	0.15%
60	0.13%	60	0.15%
61	0.13%	61	0.15%
62	0.13%	62	0.15%
63	0.13%	63	0.15%
64	0.13%	64	0.15%
65	0.13%	65	0.15%
Ref	0.25 x 54	Ref	0.3 x 53

** No separations are assumed for members eligible to retire.*

Disability Rates

Sample Ages	Fire: % of Active Members Separating within Next Year — Duty Males	Duty Females	Non-Duty Males	Non-Duty Females
20	0.02%	0.02%	0.01%	0.01%
21	0.02%	0.02%	0.01%	0.01%
22	0.02%	0.02%	0.01%	0.01%
23	0.02%	0.02%	0.01%	0.01%
24	0.02%	0.02%	0.01%	0.01%
25	0.02%	0.02%	0.01%	0.01%
26	0.02%	0.02%	0.01%	0.01%
27	0.02%	0.02%	0.01%	0.01%
28	0.02%	0.02%	0.01%	0.01%
29	0.02%	0.02%	0.01%	0.01%
30	0.02%	0.02%	0.01%	0.01%
31	0.02%	0.02%	0.01%	0.01%
32	0.02%	0.02%	0.01%	0.01%
33	0.02%	0.02%	0.01%	0.01%
34	0.02%	0.02%	0.01%	0.01%
35	0.02%	0.02%	0.01%	0.01%
36	0.03%	0.04%	0.01%	0.01%
37	0.03%	0.06%	0.01%	0.02%
38	0.04%	0.06%	0.01%	0.02%
39	0.04%	0.07%	0.01%	0.02%
40	0.04%	0.07%	0.01%	0.02%
41	0.04%	0.07%	0.01%	0.03%
42	0.04%	0.07%	0.02%	0.03%
43	0.05%	0.08%	0.02%	0.03%
44	0.05%	0.08%	0.02%	0.03%
45	0.05%	0.08%	0.02%	0.03%
46	0.06%	0.09%	0.02%	0.03%
47	0.07%	0.09%	0.02%	0.03%
48	0.08%	0.10%	0.03%	0.03%
49	0.09%	0.11%	0.03%	0.04%
50	0.10%	0.11%	0.03%	0.04%
51	0.11%	0.12%	0.04%	0.04%
52	0.13%	0.13%	0.04%	0.05%
53	0.14%	0.14%	0.05%	0.05%
54	0.16%	0.15%	0.06%	0.05%
55	0.18%	0.15%	0.06%	0.05%
56	0.20%	0.16%	0.07%	0.06%
57	0.22%	0.17%	0.08%	0.06%
58	0.24%	0.18%	0.08%	0.06%
59	0.26%	0.19%	0.09%	0.07%
60	0.28%	0.20%	0.10%	0.07%
61	0.31%	0.22%	0.11%	0.08%
62	0.33%	0.25%	0.12%	0.09%
63	0.33%	0.25%	0.12%	0.09%
64	0.33%	0.25%	0.12%	0.09%
65	0.33%	0.25%	0.12%	0.09%
Ref	0.20 x 9	0.2 x 10	0.07 x 9	0.1 x 10

Sample Ages	Police: % of Active Members Separating within Next Year — Duty Males	Duty Females	Non-Duty Males	Non-Duty Females
20	0.05%	0.07%	0.02%	0.03%
21	0.05%	0.07%	0.02%	0.03%
22	0.05%	0.07%	0.02%	0.03%
23	0.05%	0.07%	0.02%	0.03%
24	0.05%	0.07%	0.02%	0.03%
25	0.05%	0.07%	0.02%	0.03%
26	0.05%	0.07%	0.02%	0.03%
27	0.05%	0.07%	0.02%	0.03%
28	0.05%	0.07%	0.02%	0.03%
29	0.05%	0.07%	0.02%	0.03%
30	0.05%	0.07%	0.02%	0.03%
31	0.05%	0.07%	0.02%	0.03%
32	0.05%	0.07%	0.02%	0.03%
33	0.05%	0.07%	0.02%	0.03%
34	0.05%	0.07%	0.02%	0.03%
35	0.05%	0.07%	0.02%	0.03%
36	0.09%	0.15%	0.04%	0.06%
37	0.11%	0.20%	0.05%	0.08%
38	0.13%	0.22%	0.05%	0.10%
39	0.14%	0.24%	0.06%	0.10%
40	0.14%	0.25%	0.06%	0.11%
41	0.14%	0.25%	0.06%	0.11%
42	0.15%	0.26%	0.06%	0.11%
43	0.16%	0.26%	0.07%	0.11%
44	0.17%	0.27%	0.07%	0.12%
45	0.19%	0.28%	0.08%	0.12%
46	0.21%	0.30%	0.09%	0.13%
47	0.23%	0.32%	0.10%	0.14%
48	0.26%	0.34%	0.11%	0.15%
49	0.30%	0.37%	0.13%	0.16%
50	0.34%	0.40%	0.15%	0.17%
51	0.39%	0.42%	0.17%	0.18%
52	0.44%	0.45%	0.19%	0.19%
53	0.50%	0.48%	0.21%	0.21%
54	0.56%	0.51%	0.24%	0.22%
55	0.63%	0.54%	0.27%	0.23%
56	0.69%	0.56%	0.30%	0.24%
57	0.76%	0.59%	0.33%	0.25%
58	0.84%	0.62%	0.36%	0.27%
59	0.91%	0.66%	0.39%	0.28%
60	0.99%	0.71%	0.42%	0.31%
61	1.07%	0.78%	0.46%	0.33%
62	1.16%	0.86%	0.50%	0.37%
63	1.16%	0.86%	0.50%	0.37%
64	1.16%	0.86%	0.50%	0.37%
65	1.16%	0.86%	0.50%	0.37%
Ref	0.70 x 9	0.70 x 10	0.30 x 9	0.30 x 10

Merit and Longevity Portion of Pay Increases with 2.75% Wage Inflation

Sample Ages	Salary Increase Assumptions for an Individual Member: Merit and Seniority – Fire	Merit and Seniority – Police	Base (Economic)	Increase Next Year – Fire	Increase Next Year – Police
20	3.75%	3.75%	2.75%	6.50%	6.50%
21	3.75	3.75	2.75	6.50	6.50
22	3.75	3.75	2.75	6.50	6.50
23	3.75	3.75	2.75	6.50	6.50
24	3.75	3.75	2.75	6.50	6.50
25	3.75	3.75	2.75	6.50	6.50
26	3.55	3.75	2.75	6.30	6.50
27	3.35	3.75	2.75	6.10	6.50
28	3.15	3.45	2.75	5.90	6.20
29	2.95	3.15	2.75	5.70	5.90
30	2.75	2.85	2.75	5.50	5.60
31	2.60	2.55	2.75	5.35	5.30
32	2.45	2.25	2.75	5.20	5.00
33	2.30	2.25	2.75	5.05	5.00
34	2.15	2.25	2.75	4.90	5.00
35	2.00	2.25	2.75	4.75	5.00
36	2.00	2.20	2.75	4.75	4.95
37	2.00	2.15	2.75	4.75	4.90
38	2.00	2.10	2.75	4.75	4.85
39	2.00	2.05	2.75	4.75	4.80
40	2.00	2.00	2.75	4.75	4.75
41	1.95	1.89	2.75	4.70	4.64
42	1.90	1.78	2.75	4.65	4.53
43	1.85	1.67	2.75	4.60	4.42
44	1.80	1.56	2.75	4.55	4.31
45	1.75	1.45	2.75	4.50	4.20
46	1.69	1.40	2.75	4.44	4.15
47	1.63	1.35	2.75	4.38	4.10
48	1.57	1.30	2.75	4.32	4.05
49	1.51	1.25	2.75	4.26	4.00
50	1.45	1.20	2.75	4.20	3.95
51	1.36	1.16	2.75	4.11	3.91
52	1.27	1.12	2.75	4.02	3.87
53	1.18	1.08	2.75	3.93	3.83
54	1.09	1.04	2.75	3.84	3.79
55	1.00	1.00	2.75	3.75	3.75
56	0.95	1.00	2.75	3.70	3.75
57	0.90	1.00	2.75	3.65	3.75
58	0.85	1.00	2.75	3.60	3.75
59	0.80	1.00	2.75	3.55	3.75
60	0.75	1.00	2.75	3.50	3.75
61	0.25	0.90	2.75	3.00	3.65
62	0.25	0.80	2.75	3.00	3.55
63	0.25	0.70	2.75	3.00	3.45
64	0.25	0.60	2.75	3.00	3.35
65	0.25	0.50	2.75	3.00	3.25
66	0.25	0.25	2.75	3.00	3.00
67	0.25	0.25	2.75	3.00	3.00
68	0.25	0.25	2.75	3.00	3.00
69	0.25	0.25	2.75	3.00	3.00
70	0.25	0.25	2.75	3.00	3.00
71	0.25	0.25	2.75	3.00	3.00
72	0.25	0.25	2.75	3.00	3.00
73	0.25	0.25	2.75	3.00	3.00
74	0.25	0.25	2.75	3.00	3.00
Ref.	612	611			

Proposed Healthy Post-Retirement Mortality Rates

Age	% Dying Next Year* Male	% Dying Next Year* Female
50	0.1809%	0.1355%
51	0.1970%	0.1531%
52	0.2149%	0.1727%
53	0.2361%	0.1956%
54	0.2615%	0.2227%
55	0.2912%	0.2538%
56	0.3255%	0.2888%
57	0.3652%	0.3270%
58	0.4111%	0.3687%
59	0.4625%	0.4131%
60	0.5198%	0.4613%
61	0.5829%	0.5101%
62	0.6507%	0.5610%
63	0.7233%	0.6146%
64	0.8014%	0.6715%
65	0.8857%	0.7325%
66	0.9765%	0.7977%
67	1.0762%	0.8711%
68	1.1855%	0.9548%
69	1.3084%	1.0494%
70	1.4471%	1.1594%
71	1.6056%	1.2847%
72	1.7850%	1.4294%
73	1.9906%	1.5957%
74	2.2268%	1.7858%
75	2.4964%	2.0040%
76	2.8051%	2.2505%
77	3.1575%	2.5294%
78	3.5606%	2.8455%
79	4.0197%	3.1998%
80	4.5416%	3.5980%
81	5.1355%	4.0456%
82	5.8064%	4.5447%
83	6.5569%	5.1015%
84	7.4002%	5.7233%
85	8.3417%	6.4161%

Age	% Dying Next Year* Male	% Dying Next Year* Female
86	9.3879%	7.1864%
87	10.5446%	8.0458%
88	11.8261%	9.0046%
89	13.2433%	10.0692%
90	14.7995%	11.2476%
91	16.3922%	12.5078%
92	17.9536%	13.8187%
93	19.4582%	15.1743%
94	20.9091%	16.5640%
95	22.3141%	18.0070%
96	23.8397%	19.5963%
97	25.4329%	21.2845%
98	27.1295%	23.0809%
99	28.9608%	24.9886%
100	30.9068%	27.0025%
101	32.9303%	29.0910%
102	34.9512%	31.2103%
103	36.9580%	33.3360%
104	38.9211%	35.4488%
105	40.8237%	37.5385%
106	42.6707%	39.5696%
107	44.4580%	41.5472%
108	46.1426%	43.4536%
109	47.7554%	45.2673%
110	49.0681%	46.9890%
111	49.2354%	48.6178%
112	49.4033%	49.5370%
113	49.5816%	49.6809%
114	49.7605%	49.8103%
115	49.9300%	49.9500%
116	49.9600%	49.9750%
117	49.9800%	49.9850%
118	49.9950%	50.0000%
119	50.0000%	50.0000%
120	100.0000%	100.0000%

Ref 100% x 2703 100% x 2704

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

Proposed Disabled Post-Retirement Mortality Rates

Age	% Dying Next Year*	
	Male	Female
50	0.3326%	0.2765%
51	0.3482%	0.3025%
52	0.3676%	0.3334%
53	0.3919%	0.3686%
54	0.4214%	0.4087%
55	0.4568%	0.4536%
56	0.4994%	0.5023%
57	0.5507%	0.5541%
58	0.6106%	0.6097%
59	0.6780%	0.6657%
60	0.7521%	0.7230%
61	0.8332%	0.7800%
62	0.9178%	0.8364%
63	1.0068%	0.8931%
64	1.0977%	0.9498%
65	1.1923%	1.0093%
66	1.2901%	1.0719%
67	1.3941%	1.1415%
68	1.5043%	1.2185%
69	1.6245%	1.3049%
70	1.7600%	1.4045%
71	1.9141%	1.5170%
72	2.0954%	1.6447%
73	2.3099%	1.7896%
74	2.5646%	1.9516%
75	2.8630%	2.1332%
76	3.2056%	2.3367%
77	3.5934%	2.5658%
78	4.0212%	2.8455%
79	4.4844%	3.1998%
80	4.9822%	3.5980%
81	5.5254%	4.0456%
82	6.1237%	4.5447%
83	6.7890%	5.1015%
84	7.5446%	5.7233%
85	8.4129%	6.4161%

Age	% Dying Next Year*	
	Male	Female
86	9.3879%	7.1864%
87	10.5446%	8.0458%
88	11.8261%	9.0046%
89	13.2433%	10.0692%
90	14.7995%	11.2476%
91	16.3922%	12.5078%
92	17.9536%	13.8187%
93	19.4582%	15.1743%
94	20.9091%	16.5640%
95	22.3141%	18.0070%
96	23.8397%	19.5963%
97	25.4329%	21.2845%
98	27.1295%	23.0809%
99	28.9608%	24.9886%
100	30.9068%	27.0025%
101	32.9303%	29.0910%
102	34.9512%	31.2103%
103	36.9580%	33.3360%
104	38.9211%	35.4488%
105	40.8237%	37.5385%
106	42.6707%	39.5696%
107	44.4580%	41.5472%
108	46.1426%	43.4536%
109	47.7554%	45.2673%
110	49.0681%	46.9890%
111	49.2354%	48.6178%
112	49.4033%	49.5370%
113	49.5816%	49.6809%
114	49.7605%	49.8103%
115	49.9300%	49.9500%
116	49.9600%	49.9750%
117	49.9800%	49.9850%
118	49.9950%	50.0000%
119	50.0000%	50.0000%
120	100.0000%	100.0000%

Ref 100% x 2709 100% x 2710

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

Proposed Pre-Retirement Mortality Rates

Age	% Dying Next Year*	
	Male	Female
20	0.0423%	0.0174%
21	0.0431%	0.0189%
22	0.0430%	0.0193%
23	0.0430%	0.0210%
24	0.0430%	0.0227%
25	0.0430%	0.0246%
26	0.0465%	0.0265%
27	0.0496%	0.0285%
28	0.0528%	0.0319%
29	0.0560%	0.0340%
30	0.0578%	0.0375%
31	0.0608%	0.0395%
32	0.0637%	0.0428%
33	0.0662%	0.0458%
34	0.0684%	0.0484%
35	0.0715%	0.0507%
36	0.0741%	0.0524%
37	0.0745%	0.0550%
38	0.0772%	0.0558%
39	0.0791%	0.0574%
40	0.0803%	0.0585%
41	0.0809%	0.0594%
42	0.0836%	0.0612%
43	0.0845%	0.0617%
44	0.0864%	0.0634%

Age	% Dying Next Year*	
	Male	Female
45	0.0892%	0.0652%
46	0.0920%	0.0672%
47	0.0959%	0.0704%
48	0.0999%	0.0731%
49	0.1063%	0.0772%
50	0.1131%	0.0828%
51	0.1204%	0.0889%
52	0.1303%	0.0956%
53	0.1409%	0.1030%
54	0.1524%	0.1118%
55	0.1665%	0.1210%
56	0.1835%	0.1313%
57	0.2012%	0.1426%
58	0.2225%	0.1524%
59	0.2459%	0.1636%
60	0.2701%	0.1738%
61	0.2966%	0.1827%
62	0.3248%	0.1924%
63	0.3534%	0.2009%
64	0.3818%	0.2092%
65	0.4122%	0.2169%
66	0.4601%	0.2436%
67	0.5114%	0.2731%
68	0.5698%	0.3084%
69	0.6341%	0.3489%
Ref	100% x 2721	100% x 2722

* *Applicable to calendar year 2023. Rates and life expectancies in future years are determined by the fully generational MP-2021 projection scale.*

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

October 14, 2024

Mr. Michael Kennedy, Finance Director/Treasurer
City of Dearborn Retirement Systems
Dearborn Administrative Center
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Enclosed is one copy of our report of the Retirement System experience. I look forward to meeting with the Board to discuss the results of our review. If you have any questions, please feel free to call me at (248) 799-9000.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:dj
Enclosure

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

FINANCE

EXECUTIVE SUMMARY

REQUEST:

Receipt and file of the Actuarial Audit reports prepared by Foster and Foster for the 06/30/2023 Actuarial Valuation Reports for Chapters 21, 22 and 23, and the 06/30/2022 Actuarial Valuation Report for the Retiree Healthcare System (OPEB).

DEPARTMENT: Finance

BRIEF DESCRIPTION: Receipt and File of the reports.

PRIOR COUNCIL ACTION: Council has not received this report in previous years. This is the first actuarial audit performed as required by Public Act 202.

BACKGROUND: As a requirement of Public Act 202 of 2017, beginning July 1, 2018; every 8 years, local units are required to either conduct a peer actuarial audit or replace the plan actuary.

FISCAL IMPACT: No errors or significant issues identified by the actuarial audit.

IMPACT TO COMMUNITY: Ensures compliance with laws and regulations as well as providing transparency of data for the community.

IMPLEMENTATION TIMELINE: **N/A**

COMPLIANCE/PERFORMANCE METRICS: No errors or significant issues identified.

FINANCE

EXECUTIVE SUMMARY

TO: City Council

FROM: Michael Kennedy, Director of Finance/Treasurer

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Pension & OPEB Actuarial Peer Audit – Receipt and File

DATE: January 14, 2025

Public Act 202 of 2017: Section 4, subsection 1, item (d):

"Sec. 4. (1) Beginning July 1, 2018, if a local unit of government offers or provides an employee of the local unit of government, or a former employee first employed by the local unit of government before the effective date of this act, with a retirement health benefit, all of the following apply to the local unit of government:

(d) At least every 8 years, the local unit of government shall do at least 1 of the following: (i) Have a peer actuarial audit conducted by an actuary that is not the plan actuary. (ii) Replace the plan actuary."

The actuarial audit reports are attached for the City's three pension systems (Chapters 21, 22 and 23) and the Retiree Healthcare System.

The actuarial audit performed by Foster and Foster found no significant errors or issues with the current valuations prepared by Gabriel, Roeder, Smith & Company, or the methods and assumptions used in said valuation reports.

The Pension Boards of Chapter 22 and Chapter 23 respectively received, reviewed and filed at a pension board meeting with the following pension board resolutions.

Chapter 22: resolution #2024-60.

Chapter 23: resolution #2024-75.

Chapter 21 & OPEB: This receipt and file request will fulfill the Chapter 21 & OPEB requirements in addition to relaying the information regarding the other two pension systems.

Please receive and file the reports.

DocuSigned by:
Michael Kennedy
F77919D1421447F...
Michael Kennedy
Finance Director/Treasurer

DocuSigned by:
Robert Festerman
7C1CCFD374224C2...
Robert Festerman
Pension Administrator

Signed by:
73AD20E941F946E...
Robert Benak
Pension Accountant

CITY OF DEARBORN CHAPTER 21 RETIREMENT SYSTEM

ACTUARIAL AUDIT
OF JUNE 30, 2023 PENSION VALUATION

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

September 17, 2024

City of Dearborn
Dearborn, MI

Re: Actuarial Audit of June 30, 2023 Pension Valuation – Chapter 21 Retirement System

To whom it may concern:

We are pleased to present to the City of Dearborn (City) this report of the actuarial audit of the City's Chapter 21 Retirement System (System). Foster & Foster was retained by the City to perform a limited-scope actuarial audit of the June 30, 2023 actuarial valuation report produced by Gabriel, Roeder, Smith, & Company (Actuary). Accordingly, we have performed the following tasks:

- A review of the actuarial assumptions and methods used in the System's valuation;
- An examination of the current actuary's data collection and calculation processes and its interpretation of plan provisions and benefits;
- Review detailed liability calculations for select members used in the valuation report;
- An assessment of the results of the Actuary's most recent valuation report and experience study;
- An opinion on the System's current actuarial funding policies and practices; and
- Any additional advice, comments, or concerns deemed appropriate.

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City. Foster & Foster will not accept any liability for any misuse of this report.

In conducting the valuation, we have relied on liability information supplied by the System's actuary and various personnel, report and asset information supplied by City staff. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions

contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Dearborn Chapter 21 Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-320-0200.

Respectfully Submitted,

Foster & Foster, Inc.

By: Jason L. Franken

Jason L. Franken, FSA, EA, MAAA

Paul M. Baugher

Paul M. Baugher, FSA, EA, MAAA

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EXECUTIVE SUMMARY

An actuarial valuation provides a best estimate of a plan's liabilities, assets, funded status and annual contribution requirements at a particular point in time. This estimate helps ensure that current assets and future contribution requirements will be sufficient to fund the benefits as they are earned by working members and provide benefits promised to members throughout retirement. Future liabilities are determined by projecting future benefit payments for each member based on individual census data, the plan's provisions, and a set of actuarial assumptions regarding future salary increases and future member behavior. The extent to which an actuarial valuation accurately measures a plan's liabilities, funded status and contribution levels depends on a variety of factors including:

- The accuracy and completeness of the underlying census and financial information;
- Accurate incorporation of the plan's provisions into the actuarial model;
- The extent to which actuarial assumptions predict future participant behavior and future economic outcomes; and
- The appropriateness of the actuarial methods being used.

A thorough actuarial audit will include review of the above factors to ensure the actuary's valuation provides the best estimates possible. In addition, there are several other items an actuary must take into consideration when performing an actuarial valuation. An actuary must consider the Actuarial Standards of Practice, which provide guidelines in assessing the underlying data, setting appropriate actuarial assumptions/methods, and disclosing results. State and federal laws related to maintaining and funding pension systems is another important consideration. Accordingly, a thorough actuarial audit will include review of these factors in conjunction with the ones mentioned previously.

The remainder of this report focuses on the audit of the June 30, 2023 actuarial valuation report for the City of Dearborn Chapter 21 Retirement System prepared by your Actuary. We have organized this audit report into the following key categories which correspond to the objectives outlined above:

- Member Data Review;
- Asset Data and Asset Method Review;
- Liability Review;
- Funding Calculation and Actuarial Methods Review;
- Assumption Review;
- Plan Provisions Review, and
- Report Review.

For each of the above categories, we have provided details regarding the review we performed along with key observations and recommendations. In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations / recommendations are summarized below:

- Asset Method Review
  - The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets.
- Assumption Review
  - The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

MEMBER DATA REVIEW

An actuarial valuation determines liabilities based on current and projected benefits to be paid to each member of the plan. As such, one of the key items provided for the actuarial valuation is data on each of the current members. Member data includes the status of the member (active, terminated, disabled, retired, beneficiary), key dates (birth, hire, retirement, termination), gender, pensionable pay, benefit amounts, and forms of payment.

There are typically two levels of data review:

- Review unprocessed data that was provided to the actuary to perform the valuation. The goal here is to determine if the audit would arrive at substantially the same final data as the plan's actuary after processing was complete.
- Review the final data that was provided by the plan's staff against plan provision requirements and the member data summaries provided in the valuation report.

The scope of our audit only included the second level of data review. We found the data provided to be sufficient to measure the benefits provided by the System. Further, we found no material differences between the data and report summaries. As such, the actuarial valuation appropriately reflected the member data provided by the System.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSET DATA AND ASSET METHOD REVIEW

An actuarial valuation compares the plan's liabilities to the assets to determine the plan's funded status and the resulting need for additional contributions. We confirmed that the valuation used assets consistent with those shown in the June 30, 2023 financial statements for the City.

While assets are measured on a market-value basis, an actuarial value of assets is used to measure the funded status of the plan and determine contribution requirements. The actuarial value of assets is based on a method that recognizes asset gains and losses over a period of time. This produces an asset value that is less volatile than the market value, resulting in less volatile contribution requirements. An acceptable smoothing method will dampen volatility and will meet the following three requirements:

1. Will not produce an actuarial value of assets that is unreasonably higher or lower than the market value of assets.

2. Will not be biased (systematically higher or lower than the market value); and

3. Will not spread asset gains and losses over an unreasonable length of time.

OBSERVATIONS / RECOMMENDATIONS

- The System's actuarial value of assets is based on a commonly accepted and widely used method that smooths gains and losses over a five-year period. Since the method recognizes gains and losses over a five-year period, the actuarial value of assets will converge with the market value absent future gains and losses on assets.
- The method used appears to determine gains and losses compared to the expected actuarial value, rather than the expected market value. This is not optimal, as it could take more than five years for the two asset values to converge if there are no future gains and losses. We would recommend determining the gain or loss based on the expected market value.

LIABILITY REVIEW

In order to confirm the accuracy of the liability calculations provided in the actuarial valuation report, we developed an independent actuarial model. The model used the same plan provisions, member data, actuarial assumptions, and methods that were used by the Actuary to independently verify the liabilities calculated for representative sample members.

The actuarial valuation process, while sophisticated in its calculation methodology, is an estimate of the financial value of benefits payable on contingent events, most of which occur many years into the future. This means that the estimates contain a considerable amount of uncertainty and variability. As actuaries, we recognize that small differences in the results do not change the overall financial results portrayed in the valuation. Furthermore, the actuarial software used by different firms has implicit differences that create variances in valuation numbers. For these reasons, we consider the comparison of key valuation results in terms of both value and percentage differences. As a general rule, results that are within 2% of the plan actuary's calculation of present value of future benefits and within 5% for the plan actuary's calculation of actuarial accrued liability and normal cost are deemed acceptable. Further analysis may be needed to determine if any calculation issues exist when results fall outside those margins.

For the System, full member data was provided, so we were able to look at the results from a high-level in total and for representative sample members. Our present value of future benefits, which is also the actuarial accrued liability for this inactive plan, calculations are within 1.2% of what the Actuary prepared, which is promising. We did not dig into various liability breakouts in total, since it was beyond the scope of this project.

Below is a summary of the results of the verification process, which involved the review of liabilities for five inactive members, all of whom are in-payment (one retiree, one disabled, and three survivors). All members fall within the thresholds outlined above.

Based on these combined results, it is our professional assessment that the Actuary has provided a reasonable valuation of the liabilities.

KEY LIABILITY RESULTS
(% Difference from Actuary Results)

Member	Actuarial Accrued Liability
InPay #1	(0.41%)
InPay #2	(1.01%)
InPay #3	0.31%
InPay #4	(1.88%)
InPay #5	(0.83%)

OBSERVATIONS / RECOMMENDATIONS

None.

FUNDING CALCULATION AND ACTUARIAL METHODS REVIEW

Review of the calculation of the recommended contributions consists of review of several components as follows:

- Review of the accuracy of the calculations used to determine the contribution requirements.
- Review of the appropriateness of the underlying actuarial funding method used to calculate the normal cost (the annual amount needed to fund the benefits as they are earned by members).
- Review of the funding policy used to pay off (amortize) unfunded liabilities.
- Review of planned contribution rates.

Below is an analysis of each of these items:

Review of the Accuracy of the Calculations Used

We reviewed the calculation of the required contribution based on the underlying assumptions and methods and found the calculations to be accurate. Being an inactive plan, the System does not have a normal cost but we were able to tie to the amortization of the unfunded liability based on the information provided in the report. We were also able to replicate the actuarial value of assets based on the asset detail provided in the report.

Review of the Appropriateness of the Underlying Actuarial Funding Method

The Entry Age Normal funding method is the method used by most public sector funds. This method spreads costs evenly over the member's career in relation to their annual salary, which is consistent with how many public funds base their contributions. Entry Age Normal is also required for use with Governmental Accounting Standards. The Conference of Consulting Actuaries (CCA) Public Plans Community in their October 2014 white paper entitled "Actuarial Funding Policies and Practices for Public Pension Plans" recommend use of the "Entry Age cost method with level percentage of pay" as a model practice. As such, we find the funding method used to be appropriate.

Review of the Policy Used to Amortize Unfunded Liabilities

Since the System is significantly overfunded, there are no unfunded liabilities to amortize and, therefore, no issue with the policy used to amortize them.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSUMPTION REVIEW

Actuarial assumptions are used within a valuation to measure the future benefits to be paid from a plan by considering economic and demographic factors that will impact the plan. Economic assumptions include investment rates of return/discount rates, inflation rates, and salary scales. Demographic assumptions include rates for mortality, retirement, termination, and disability.

As part of any audit, assumptions are to be reviewed in terms of their reasonableness and appropriateness as well as their compliance with applicable Actuarial Standards of Practice. Our review has considered all the assumptions, both individually and collectively, and we find them to be reasonable and appropriate. Further, we believe the assumptions and methods are in compliance with Actuarial Standards of Practice, most notably Standards 4, 27, and 35. It should be noted however, that a detailed review of the assumptions based on past and anticipated future experience or prior gains and losses is beyond the scope of this report.

OBSERVATIONS / RECOMMENDATIONS

- The last detailed study of System experience was completed in 2019 and reflected in the June 30, 2019 valuation report. Having a regularly scheduled review of experience is a best practice and puts you squarely in compliance with Michigan requirements. We expect that your next experience study may be in the works at this point.

- We noticed that the mortality generational projection makes use of MP-2019, which was not the most recent scale available when the valuation reports were completed. Since these projection scales are generally updated annually, it might be worth considering including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year and the impact of future mortality table changes is minimized.

- A detailed analysis of the interest rate assumption is beyond the scope of this audit. We were able to consider the 6.00% assumption, though, from two perspectives to give our thoughts on the selected rate. This review, summarized below, gives us no reason to doubt the reasonability of the assumption.

    - One approach is to review the model of the long-term rate of return using the Horizon Actuarial Services (HAS) survey. Using the 2023 survey results and the asset allocation information included in the June 30, 2023 Annual Comprehensive Financial Report for the System, a reasonable range for the long-term rate of return assumption would be 6.70% to 8.05%. The range is based on the 40th and 60th percentile of the 20-year returns using the capital market assumptions of the 27 survey respondents who provided long-term assumptions to the HAS survey. The percentiles generally mean that there would be a 60% probability that the average return over the 20-year period would exceed 6.70% and a 40% probability that the average return over the 20-year period would exceed 8.05%. The 50% probability is 7.37%.

    - A second approach is to consider return assumptions used by other public funds, as found in national assumption surveys. The National Association of State Retirement Administrators (NASRA) released updated information in March 2024 to their ongoing summary of investment return assumptions used by public employers. Figure 1 below, taken from NASRA's website, shows that an assumption of 7.00% is most common among respondents.

Figure 2 shows how discount rates are trending down over the last 23 years, with a current median of 7.00%.

Figure 1

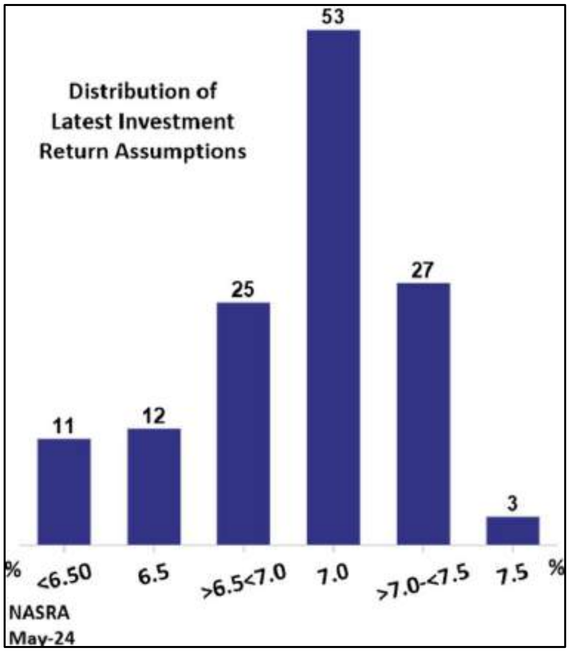
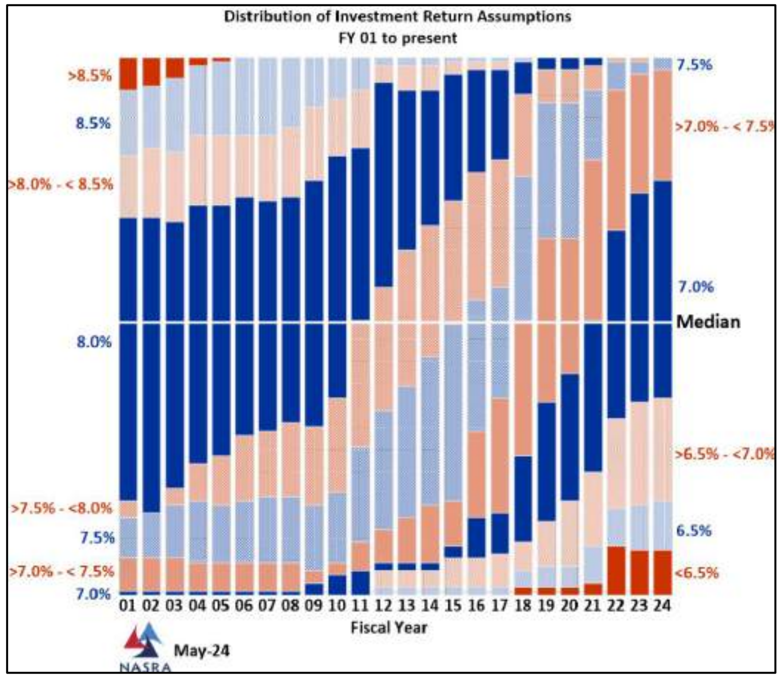


Figure 2



PLAN SUMMARY REVIEW

The benefits available to System membership are outlined in the plan document. The "Plan Provisions" section of the valuation report provides a brief summary of the relevant provisions of the plan document which impact the benefits paid by the System. Our audit compared this summary to the plan document, considering both the content as well as the clarity of the provisions shown. We found the summary to be complete and understandable.

OBSERVATIONS / RECOMMENDATIONS

None.

REPORT REVIEW

VALUATION REPORT

The valuation report summarizes the work completed as part of the valuation process. In doing so, the report should meet certain requirements and objectives. Below is a summary of the key requirements and objectives:

- The report should clearly and concisely relay the results of the valuation;
- The report should include a summary of the data, assumptions, methods and plan provisions used to develop the results;
- The report should provide discussion of the key risks that should be considered by the reader in reviewing the results and a discussion of the impact on plan maturity (including measures of maturity where appropriate) when reviewing these risks;
- The report should provide certain disclosures that clarify and supplement the results as required by the Actuarial Standards of Practice; and
- The report should provide information sufficient to allow another actuary to reasonably verify the results.

We find that the report meets the above requirements and objectives.

OBSERVATIONS / RECOMMENDATIONS

None.

RESPONSE FROM SYSTEM ACTUARY

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 13, 2024

Mr. Michael Kennedy
Finance Director / Treasurer
City of Dearborn
16901 Michigan Ave
Dearborn, Michigan 48126

Re: Actuarial Audit of GRS' Work for the City of Dearborn Chapters 21-23 Retirement Systems and the City of Dearborn Retiree Health Care Plan

Dear Mr. Kennedy:

Late last year, the City of Dearborn retained Foster & Foster Actuaries and Consultants, Inc. (F&F) to review our June 30, 2023 actuarial valuation reports and related work for the City of Dearborn Chapters 21-23 Retirement Systems, and the June 30, 2022 actuarial valuation report and related work for the City of Dearborn Retiree Health Care Plan. Common purposes of an actuarial audit include double-checking the retained actuary's technical work, and to ensure that mathematical processes are being carried out correctly and appropriately. The actuarial audit process also provides a means for the Boards to receive a different perspective on their particular situation from another experienced consulting firm.

Jason Franken, Paul Baugher and Colleen Atchison, the F&F actuaries assigned to these audits, have now completed the audits and have provided their reports. The conclusions reached in their audits of the June 30, 2023 pension valuation reports and June 30, 2022 retiree health care valuation report are stated in the Executive Summary on pages 1 and 2 of their reports, as well as in the discussion of each section, and may be summarized as follows:

In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;

- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and

- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations/recommendations are summarized below:

- Asset Method Review: The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets; and

- Assumption Review: The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

For the Chapter 22 retirement system, the following observation/recommendation was also made:

- Actuarial Method Review: The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this.

A discussion of the observations/recommendations follows on the next page.

Asset Method Review:

F&F Commentary: "The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets."

GRS Response: The auditing actuary's observations/recommendations regarding the actuarial value of assets implies that the market value of assets is expected to earn the assumed rate of investment return in each future year. GRS believes that the actuarial value of assets is expected to earn the assumed rate of investment return each future year.

The implication that the market value of assets is expected to earn the investment return assumption in each future year is inconsistent with how contribution rates and funded ratios are determined, which are based upon the actuarial value of assets. It is also inconsistent with how the investment gain or loss is determined for the valuation year when reconciling the beginning and ending year unfunded actuarial accrued liability.

If there are no future investment gains and losses based upon the actuarial value of assets, the market value of assets and the actuarial value of assets will converge at the end of the smoothing period. While there are alternate approaches to calculate investment gains or losses, the way GRS calculates investment gains and losses, for the City of Dearborn pension and Retiree Health Care plans, is GRS' preferred method.

Assumption Review:

F&F Commentary: "The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year."

GRS Response: Experience studies are scheduled to be performed in the foreseeable future. The mortality assumption (the base mortality tables as well as the mortality projection scales) is one of several assumptions that will be analyzed and potentially modified with those experience studies.

Actuarial Method Review:

F&F Commentary: "The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this."

GRS Response: Recent Board of Trustees action lengthened the amortization period. We do not have a problem shortening the amortization period if the Chapter 22 Board would prefer the use of a shorter period. However, this would require a change to the current funding policy that includes a movement to layered amortization once a 15-year period is reached, regardless of the average expected future lifetime of the membership. Also, please note that lengthening the amortization period beyond the average expected future lifetime of membership falls within the acceptable practices of the "*Conference of Consulting Actuaries Public Plans Community (CCA PPC) Actuarial Funding Policies and Practices for Public Pension Plans*".

We would like to thank Mr. Franken, Mr. Baugher and Ms. Atchison for the work they have done, the suggestions that they have provided, and for their very professional demeanor and handling of this review.

Mark Buis, Francois Pieterse and Richard C. Koch Jr. 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.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis, FSA, EA, FCA, MAAA

Francois Pieterse, ASA, FCA, MAAA

Richard C. Koch Jr., FSA, EA, MAAA

MB/FP/RCK:ah

cc: Jason Franken, F&F
Paul Baugher, F&F
Colleen Atchison, F&F

CITY OF DEARBORN CHAPTER 22 RETIREMENT SYSTEM

ACTUARIAL AUDIT
OF JUNE 30, 2023 PENSION VALUATION

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

September 17, 2024

City of Dearborn
Dearborn, MI

Re: Actuarial Audit of June 30, 2023 Pension Valuation – Chapter 22 Retirement System

To whom it may concern:

We are pleased to present to the City of Dearborn (City) this report of the actuarial audit of the City's Chapter 22 Retirement System (System). Foster & Foster was retained by the City to perform a limited-scope actuarial audit of the June 30, 2023 actuarial valuation report produced by Gabriel, Roeder, Smith, & Company (Actuary). Accordingly, we have performed the following tasks:

- A review of the actuarial assumptions and methods used in the System's valuation;
- An examination of the current actuary's data collection and calculation processes and its interpretation of plan provisions and benefits;
- Review detailed liability calculations for select members used in the valuation report;
- An assessment of the results of the Actuary's most recent valuation report and experience study;
- An opinion on the System's current actuarial funding policies and practices; and
- Any additional advice, comments, or concerns deemed appropriate.

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City. Foster & Foster will not accept any liability for any misuse of this report.

In conducting the valuation, we have relied on liability information supplied by the System's actuary and various personnel, report and asset information supplied by City staff. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions

contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Dearborn Chapter 22 Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-320-0200.

Respectfully Submitted,

Foster & Foster, Inc.

By: Jason L. Franken

Jason L. Franken, FSA, EA, MAAA

Paul M. Baugher

Paul M. Baugher, FSA, EA, MAAA

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EXECUTIVE SUMMARY

An actuarial valuation provides a best estimate of a plan's liabilities, assets, funded status and annual contribution requirements at a particular point in time. This estimate helps ensure that current assets and future contribution requirements will be sufficient to fund the benefits as they are earned by working members and provide benefits promised to members throughout retirement. Future liabilities are determined by projecting future benefit payments for each member based on individual census data, the plan's provisions, and a set of actuarial assumptions regarding future salary increases and future member behavior. The extent to which an actuarial valuation accurately measures a plan's liabilities, funded status and contribution levels depends on a variety of factors including:

- The accuracy and completeness of the underlying census and financial information;
- Accurate incorporation of the plan's provisions into the actuarial model;
- The extent to which actuarial assumptions predict future participant behavior and future economic outcomes; and
- The appropriateness of the actuarial methods being used.

A thorough actuarial audit will include review of the above factors to ensure the actuary's valuation provides the best estimates possible. In addition, there are several other items an actuary must take into consideration when performing an actuarial valuation. An actuary must consider the Actuarial Standards of Practice, which provide guidelines in assessing the underlying data, setting appropriate actuarial assumptions/methods, and disclosing results. State and federal laws related to maintaining and funding pension systems is another important consideration. Accordingly, a thorough actuarial audit will include review of these factors in conjunction with the ones mentioned previously.

The remainder of this report focuses on the audit of the June 30, 2023 actuarial valuation report for the City of Dearborn Chapter 22 Retirement System prepared by your Actuary. We have organized this audit report into the following key categories which correspond to the objectives outlined above:

- Member Data Review;
- Asset Data and Asset Method Review;
- Liability Review;
- Funding Calculation and Actuarial Methods Review;
- Assumption Review;
- Plan Provisions Review, and
- Report Review.

For each of the above categories, we have provided details regarding the review we performed along with key observations and recommendations. In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations / recommendations are summarized below:

- Asset Method Review
  - The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets.
- Actuarial Methods Review
  - The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this.
- Assumption Review
  - The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

MEMBER DATA REVIEW

An actuarial valuation determines liabilities based on current and projected benefits to be paid to each member of the plan. As such, one of the key items provided for the actuarial valuation is data on each of the current members. Member data includes the status of the member (active, terminated, disabled, retired, beneficiary), key dates (birth, hire, retirement, termination), gender, pensionable pay, benefit amounts, and forms of payment.

There are typically two levels of data review:

- Review unprocessed data that was provided to the actuary to perform the valuation. The goal here is to determine if the audit would arrive at substantially the same final data as the plan's actuary after processing was complete.
- Review the final data that was provided by the plan's staff against plan provision requirements and the member data summaries provided in the valuation report.

The scope of our audit only included the second level of data review. We found the data provided to be sufficient to measure the benefits provided by the System. Further, we found no material differences between the data and report summaries. As such, the actuarial valuation appropriately reflected the member data provided by the System.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSET DATA AND ASSET METHOD REVIEW

An actuarial valuation compares the plan's liabilities to the assets to determine the plan's funded status and the resulting need for additional contributions. We confirmed that the valuation used assets consistent with those shown in the June 30, 2023 financial statements for the City.

While assets are measured on a market-value basis, an actuarial value of assets is used to measure the funded status of the plan and determine contribution requirements. The actuarial value of assets is based on a method that recognizes asset gains and losses over a period of time. This produces an asset value that is less volatile than the market value, resulting in less volatile contribution requirements. An acceptable smoothing method will dampen volatility and will meet the following three requirements:

1. Will not produce an actuarial value of assets that is unreasonably higher or lower than the market value of assets. To achieve this, an appropriate market value corridor is applied to the actuarial value of assets;

2. Will not be biased (systematically higher or lower than the market value); and

3. Will not spread asset gains and losses over an unreasonable length of time.

OBSERVATIONS / RECOMMENDATIONS

- The System's actuarial value of assets is based on a commonly accepted and widely used method that smooths gains and losses over a five-year period. Since the method recognizes gains and losses over a five-year period, the actuarial value of assets will converge with the market value absent future gains and losses on assets.
- The 20% corridor is acceptable and keeps the actuarial value of assets from deviating too far from the market value of assets.
- The method used appears to determine gains and losses compared to the expected actuarial value, rather than the expected market value. This is not optimal, as it could take more than five years for the two asset values to converge if there are no future gains and losses. We would recommend determining the gain or loss based on the expected market value.

LIABILITY REVIEW

In order to confirm the accuracy of the liability calculations provided in the actuarial valuation report, we developed an independent actuarial model. The model used the same plan provisions, member data, actuarial assumptions, and methods that were used by the Actuary to independently verify the liabilities calculated for representative sample members.

The actuarial valuation process, while sophisticated in its calculation methodology, is an estimate of the financial value of benefits payable on contingent events, most of which occur many years into the future. This means that the estimates contain a considerable amount of uncertainty and variability. As actuaries, we recognize that small differences in the results do not change the overall financial results portrayed in the valuation. Furthermore, the actuarial software used by different firms has implicit differences that create variances in valuation numbers. For these reasons, we consider the comparison of key valuation results in terms of both value and percentage differences. As a general rule, results that are within 2% of the plan actuary's calculation of present value of future benefits and within 5% for the plan actuary's calculation of actuarial accrued liability and normal cost are deemed acceptable. Further analysis may be needed to determine if any calculation issues exist when results fall outside those margins.

For the System, full member data was provided, so we were able to look at the results from a high-level in total and for representative sample members. Our present value of future benefits and actuarial accrued liability calculations are within 0.5% of what the Actuary prepared, which is very promising. Our normal cost calculation was lower than what the Actuary prepared, but still well within the acceptable range. We did not dig into various liability breakouts in total, since it was beyond the scope of this project.

Below is a summary of the results of the verification process, which involved the review of liabilities for ten active members and nine inactive members (six retirees, two disableds, one survivor, and one deferred vested). Most members fall within the thresholds outlined above; we have included some notes below on possible reasons why certain members fall outside the range.

Based on these combined results, it is our professional assessment that the Actuary has provided a reasonable valuation of the liabilities.

KEY LIABILITY RESULTS – ACTIVES
(% Difference from Actuary Results)

Member	Present Value of Benefits (%)	Actuarial Accrued Liability	Normal Cost
Active #1	(0.78%)	(0.57%)	(26.81%)
Active #2	0.61%	1.49%	(1.89%)
Active #3	3.43%	4.13%	2.98%
Active #4	2.77%	3.53%	1.20%
Active #5	(1.91%)	(2.11%)	(0.64%)
Active #6	1.02%	1.87%	(2.24%)
Active #7	0.92%	0.96%	(3.57%)
Active #8	0.26%	1.22%	(1.82%)
Active #9	1.75%	2.42%	0.84%
Active #10	0.99%	1.11%	(1.75%)
All Samples	1.11%	1.56%	(1.40%)

KEY LIABILITY RESULTS – INACTIVES
(% Difference from Actuary Results)

Member	Actuarial Accrued Liability
InPay #1	0.26%
InPay #2	0.56%
InPay #3	0.32%
InPay #4	0.84%
InPay #5	0.35%
InPay #6	0.54%
InPay #7	0.89%
InPay #8	0.68%
InPay #9	0.56%
Deferred #1	(2.02%)
All Samples	0.24%

OBSERVATIONS / RECOMMENDATIONS

- Active #1 is a member that is over age 70 and is assumed to retire immediately. Our system handles such members in a certain way, resulting in no normal cost even with mid-year decrements. The Actuary's approach is a little different and has a normal cost in the current year. While the difference exceeds the 5% threshold, this is a limited item for the full System and should not have a material impact on overall results.

- Actives #3 and #4 are both dispatch supervisors. The results above are based on the current benefit provisions for this group. However, when we switch to the provisions in effect prior to 2014, we match much more closely. This is an area that may need to be reviewed but is limited to this group so it is not expected to have a material impact on overall results.

FUNDING CALCULATION AND ACTUARIAL METHODS REVIEW

Review of the calculation of the recommended contributions consists of review of several components as follows:

- Review of the accuracy of the calculations used to determine the contribution requirements.
- Review of the appropriateness of the underlying actuarial funding method used to calculate the normal cost (the annual amount needed to fund the benefits as they are earned by members).
- Review of the funding policy used to pay off (amortize) unfunded liabilities.
- Review of planned contribution rates.

Below is an analysis of each of these items:

Review of the Accuracy of the Calculations Used

We reviewed the calculation of the required contribution based on the underlying assumptions and methods and found the calculations to be accurate We were able to tie to the normal cost as a percentage of payroll and the amortization of the unfunded liability based on the information provided in the report. We were also able to replicate the actuarial value of assets based on the asset detail provided in the report.

Review of the Appropriateness of the Underlying Actuarial Funding Method

The Entry Age Normal funding method is the method used by most public sector funds. This method spreads costs evenly over the member's career in relation to their annual salary, which is consistent with how many public funds base their contributions. Entry Age Normal is also required for use with Governmental Accounting Standards. The Conference of Consulting Actuaries (CCA) Public Plans Community in their October 2014 white paper entitled "Actuarial Funding Policies and Practices for Public Pension Plans" recommend use of the "Entry Age cost method with level percentage of pay" as a model practice. As such, we find the funding method used to be appropriate.

Review of the Policy Used to Amortize Unfunded Liabilities

The amortization of the full unfunded liability is a reasonable method that recognizes gains and losses without the complexity of layered amortizations. Our only concern is that the amortization period is 21 years, while the average expected future lifetime for all members is approximately 18.6 years. So in theory the System could be recognizing amounts over a period longer than the membership will be benefiting, which is not ideal. Given the small gap, we would recommend that the Board find a way to reduce the current amortization period by a few years to be more in line with the expected lifetime of the membership.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSUMPTION REVIEW

Actuarial assumptions are used within a valuation to measure the future benefits to be paid from a plan by considering economic and demographic factors that will impact the plan. Economic assumptions include investment rates of return/discount rates, inflation rates, and salary scales. Demographic assumptions include rates for mortality, retirement, termination, and disability.

As part of any audit, assumptions are to be reviewed in terms of their reasonableness and appropriateness as well as their compliance with applicable Actuarial Standards of Practice. Our review has considered all the assumptions, both individually and collectively, and we find them to be reasonable and appropriate. Further, we believe the assumptions and methods are in compliance with Actuarial Standards of Practice, most notably Standards 4, 27, and 35. It should be noted however, that a detailed review of the assumptions based on past and anticipated future experience or prior gains and losses is beyond the scope of this report.

OBSERVATIONS / RECOMMENDATIONS

- The last detailed study of System experience was completed in 2019 and reflected in the June 30, 2019 valuation report. Having a regularly scheduled review of experience is a best practice and puts you squarely in compliance with Michigan requirements. We expect that your next experience study may be in the works at this point.

- We noticed that the mortality generational projection makes use of MP-2019, which was not the most recent scale available when the valuation reports were completed. Since these projection scales are generally updated annually, it might be worth considering including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year and the impact of future mortality table changes is minimized.

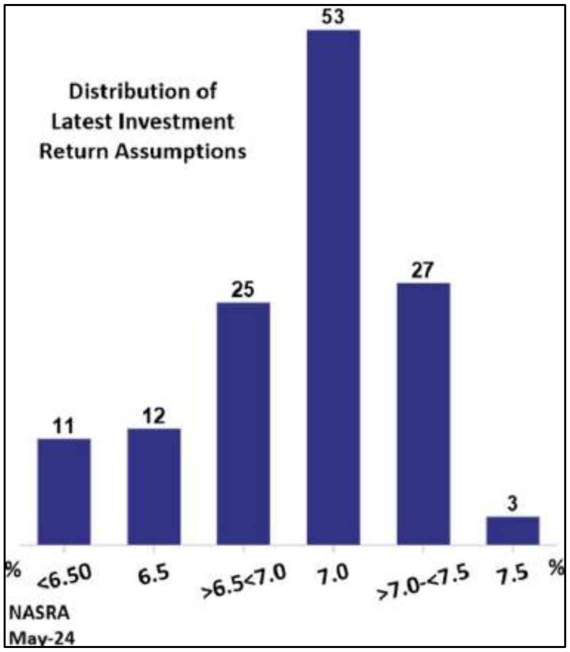
- A detailed analysis of the interest rate assumption is beyond the scope of this audit. We were able to consider the 7.00% assumption, though, from two perspectives to give our thoughts on the selected rate. This review, summarized below, gives us no reason to doubt the reasonability of the assumption.

    - One approach is to review the model of the long-term rate of return using the Horizon Actuarial Services (HAS) survey. Using the 2023 survey results and the asset allocation information included in the June 30, 2023 Annual Comprehensive Financial Report for the System, a reasonable range for the long-term rate of return assumption would be 6.70% to 7.97%. The range is based on the 40th and 60th percentile of the 20-year returns using the capital market assumptions of the 27 survey respondents who provided long-term assumptions to the HAS survey. The percentiles generally mean that there would be a 60% probability that the average return over the 20-year period would exceed 6.70% and a 40% probability that the average return over the 20-year period would exceed 7.97%. The 50% probability is 7.33%.

    - A second approach is to consider return assumptions used by other public funds, as found in national assumption surveys. The National Association of State Retirement Administrators (NASRA) released updated information in March 2024 to their ongoing summary of investment return assumptions used by public employers. Figure 1 below, taken from NASRA's website, shows that an assumption of 7.00% is most common among respondents.

Figure 2 shows how discount rates are trending down over the last 23 years, with a current median of 7.00%.

Figure 1



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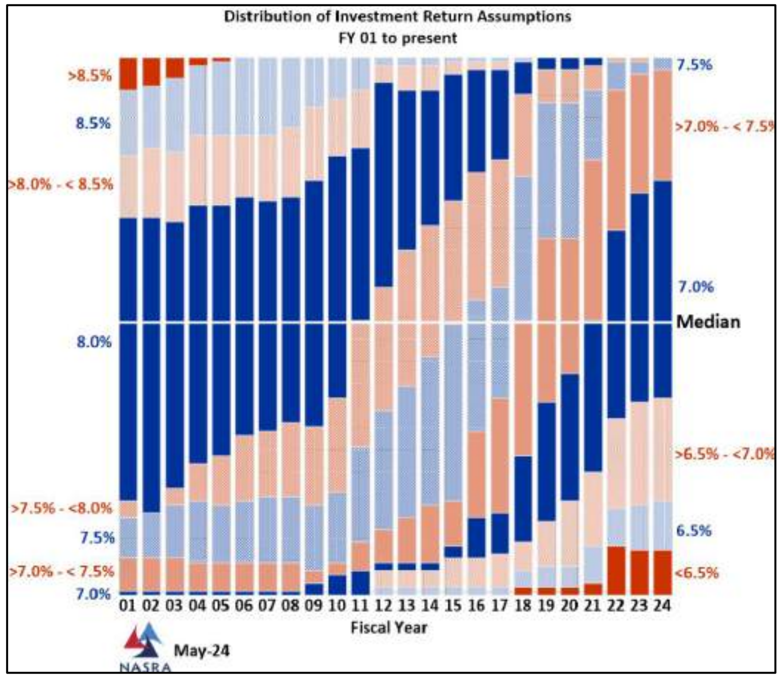

PLAN SUMMARY REVIEW

The benefits available to System membership are outlined in the plan document. The "Plan Provisions" section of the valuation report provides a brief summary of the relevant provisions of the plan document which impact the benefits paid by the System. Our audit compared this summary to the plan document, considering both the content as well as the clarity of the provisions shown. We found the summary to be complete and understandable.

OBSERVATIONS / RECOMMENDATIONS

None.

REPORT REVIEW

VALUATION REPORT

The valuation report summarizes the work completed as part of the valuation process. In doing so, the report should meet certain requirements and objectives. Below is a summary of the key requirements and objectives:

- The report should clearly and concisely relay the results of the valuation;
- The report should include a summary of the data, assumptions, methods and plan provisions used to develop the results;
- The report should provide discussion of the key risks that should be considered by the reader in reviewing the results and a discussion of the impact on plan maturity (including measures of maturity where appropriate) when reviewing these risks;
- The report should provide certain disclosures that clarify and supplement the results as required by the Actuarial Standards of Practice; and
- The report should provide information sufficient to allow another actuary to reasonably verify the results.

We find that the report meets the above requirements and objectives.

OBSERVATIONS / RECOMMENDATIONS

None.

RESPONSE FROM SYSTEM ACTUARY

GRS

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 13, 2024

Mr. Michael Kennedy
Finance Director / Treasurer
City of Dearborn
16901 Michigan Ave
Dearborn, Michigan 48126

Re: Actuarial Audit of GRS' Work for the City of Dearborn Chapters 21-23 Retirement Systems and the City of Dearborn Retiree Health Care Plan

Dear Mr. Kennedy:

Late last year, the City of Dearborn retained Foster & Foster Actuaries and Consultants, Inc. (F&F) to review our June 30, 2023 actuarial valuation reports and related work for the City of Dearborn Chapters 21-23 Retirement Systems, and the June 30, 2022 actuarial valuation report and related work for the City of Dearborn Retiree Health Care Plan. Common purposes of an actuarial audit include double-checking the retained actuary's technical work, and to ensure that mathematical processes are being carried out correctly and appropriately. The actuarial audit process also provides a means for the Boards to receive a different perspective on their particular situation from another experienced consulting firm.

Jason Franken, Paul Baugher and Colleen Atchison, the F&F actuaries assigned to these audits, have now completed the audits and have provided their reports. The conclusions reached in their audits of the June 30, 2023 pension valuation reports and June 30, 2022 retiree health care valuation report are stated in the Executive Summary on pages 1 and 2 of their reports, as well as in the discussion of each section, and may be summarized as follows:

In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;

- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations/recommendations are summarized below:

- Asset Method Review: The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets; and
- Assumption Review: The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

For the Chapter 22 retirement system, the following observation/recommendation was also made:

- Actuarial Method Review: The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this.

A discussion of the observations/recommendations follows on the next page.

Asset Method Review:

F&F Commentary: "The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets."

GRS Response: The auditing actuary's observations/recommendations regarding the actuarial value of assets implies that the market value of assets is expected to earn the assumed rate of investment return in each future year. GRS believes that the actuarial value of assets is expected to earn the assumed rate of investment return each future year.

The implication that the market value of assets is expected to earn the investment return assumption in each future year is inconsistent with how contribution rates and funded ratios are determined, which are based upon the actuarial value of assets. It is also inconsistent with how the investment gain or loss is determined for the valuation year when reconciling the beginning and ending year unfunded actuarial accrued liability.

If there are no future investment gains and losses based upon the actuarial value of assets, the market value of assets and the actuarial value of assets will converge at the end of the smoothing period. While there are alternate approaches to calculate investment gains or losses, the way GRS calculates investment gains and losses, for the City of Dearborn pension and Retiree Health Care plans, is GRS' preferred method.

Assumption Review:

F&F Commentary: "The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year."

GRS Response: Experience studies are scheduled to be performed in the foreseeable future. The mortality assumption (the base mortality tables as well as the mortality projection scales) is one of several assumptions that will be analyzed and potentially modified with those experience studies.

Actuarial Method Review:

F&F Commentary: "The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this."

GRS Response: Recent Board of Trustees action lengthened the amortization period. We do not have a problem shortening the amortization period if the Chapter 22 Board would prefer the use of a shorter period. However, this would require a change to the current funding policy that includes a movement to layered amortization once a 15-year period is reached, regardless of the average expected future lifetime of the membership. Also, please note that lengthening the amortization period beyond the average expected future lifetime of membership falls within the acceptable practices of the "*Conference of Consulting Actuaries Public Plans Community (CCA PPC) Actuarial Funding Policies and Practices for Public Pension Plans*".

We would like to thank Mr. Franken, Mr. Baugher and Ms. Atchison for the work they have done, the suggestions that they have provided, and for their very professional demeanor and handling of this review.

Mark Buis, Francois Pieterse and Richard C. Koch Jr. 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.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis

Mark Buis, FSA, EA, FCA, MAAA

Pieterse

Francois Pieterse, ASA, FCA, MAAA

Richard C. Koch Jr.

Richard C. Koch Jr., FSA, EA, MAAA

MB/FP/RCK:ah

cc: Jason Franken, F&F
Paul Baugher, F&F
Colleen Atchison, F&F

GRS

CITY OF DEARBORN CHAPTER 23 RETIREMENT SYSTEM

ACTUARIAL AUDIT
OF JUNE 30, 2023 PENSION VALUATION

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

September 17, 2024

City of Dearborn
Dearborn, MI

Re: Actuarial Audit of June 30, 2023 Pension Valuation – Chapter 23 Retirement System

To whom it may concern:

We are pleased to present to the City of Dearborn (City) this report of the actuarial audit of the City's Chapter 23 Retirement System (System). Foster & Foster was retained by the City to perform a limited-scope actuarial audit of the June 30, 2023 actuarial valuation report produced by Gabriel, Roeder, Smith, & Company (Actuary). Accordingly, we have performed the following tasks:

- A review of the actuarial assumptions and methods used in the System's valuation;
- An examination of the current actuary's data collection and calculation processes and its interpretation of plan provisions and benefits;
- Review detailed liability calculations for select members used in the valuation report;
- An assessment of the results of the Actuary's most recent valuation report and experience study;
- An opinion on the System's current actuarial funding policies and practices; and
- Any additional advice, comments, or concerns deemed appropriate.

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City. Foster & Foster will not accept any liability for any misuse of this report.

In conducting the valuation, we have relied on liability information supplied by the System's actuary and various personnel, report and asset information supplied by City staff. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions

contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Dearborn Chapter 23 Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-320-0200.

Respectfully Submitted,

Foster & Foster, Inc.

By: Jason L. Franken, FSA, EA, MAAA

Paul M. Baugher, FSA, EA, MAAA

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EXECUTIVE SUMMARY

An actuarial valuation provides a best estimate of a plan's liabilities, assets, funded status and annual contribution requirements at a particular point in time. This estimate helps ensure that current assets and future contribution requirements will be sufficient to fund the benefits as they are earned by working members and provide benefits promised to members throughout retirement. Future liabilities are determined by projecting future benefit payments for each member based on individual census data, the plan's provisions, and a set of actuarial assumptions regarding future salary increases and future member behavior. The extent to which an actuarial valuation accurately measures a plan's liabilities, funded status and contribution levels depends on a variety of factors including:

- The accuracy and completeness of the underlying census and financial information;
- Accurate incorporation of the plan's provisions into the actuarial model;
- The extent to which actuarial assumptions predict future participant behavior and future economic outcomes; and
- The appropriateness of the actuarial methods being used.

A thorough actuarial audit will include review of the above factors to ensure the actuary's valuation provides the best estimates possible. In addition, there are several other items an actuary must take into consideration when performing an actuarial valuation. An actuary must consider the Actuarial Standards of Practice, which provide guidelines in assessing the underlying data, setting appropriate actuarial assumptions/methods, and disclosing results. State and federal laws related to maintaining and funding pension systems is another important consideration. Accordingly, a thorough actuarial audit will include review of these factors in conjunction with the ones mentioned previously.

The remainder of this report focuses on the audit of the June 30, 2023 actuarial valuation report for the City of Dearborn Chapter 23 Retirement System prepared by your Actuary. We have organized this audit report into the following key categories which correspond to the objectives outlined above:

- Member Data Review;
- Asset Data and Asset Method Review;
- Liability Review;
- Funding Calculation and Actuarial Methods Review;
- Assumption Review;
- Plan Provisions Review, and
- Report Review.

For each of the above categories, we have provided details regarding the review we performed along with key observations and recommendations. In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations / recommendations are summarized below:

- Asset Method Review
  - The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets.
- Assumption Review
  - The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

MEMBER DATA REVIEW

An actuarial valuation determines liabilities based on current and projected benefits to be paid to each member of the plan. As such, one of the key items provided for the actuarial valuation is data on each of the current members. Member data includes the status of the member (active, terminated, disabled, retired, beneficiary), key dates (birth, hire, retirement, termination), gender, pensionable pay, benefit amounts, and forms of payment.

There are typically two levels of data review:

- Review unprocessed data that was provided to the actuary to perform the valuation. The goal here is to determine if the audit would arrive at substantially the same final data as the plan's actuary after processing was complete.
- Review the final data that was provided by the plan's staff against plan provision requirements and the member data summaries provided in the valuation report.

The scope of our audit only included the second level of data review. We found the data provided to be sufficient to measure the benefits provided by the System. Further, we found no material differences between the data and report summaries. As such, the actuarial valuation appropriately reflected the member data provided by the System.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSET DATA AND ASSET METHOD REVIEW

An actuarial valuation compares the plan's liabilities to the assets to determine the plan's funded status and the resulting need for additional contributions. We confirmed that the valuation used assets consistent with those shown in the June 30, 2023 financial statements for the City.

While assets are measured on a market-value basis, an actuarial value of assets is used to measure the funded status of the plan and determine contribution requirements. The actuarial value of assets is based on a method that recognizes asset gains and losses over a period of time. This produces an asset value that is less volatile than the market value, resulting in less volatile contribution requirements. An acceptable smoothing method will dampen volatility and will meet the following three requirements:

1. Will not produce an actuarial value of assets that is unreasonably higher or lower than the market value of assets. To achieve this, an appropriate market value corridor is applied to the actuarial value of assets;

2. Will not be biased (systematically higher or lower than the market value); and

3. Will not spread asset gains and losses over an unreasonable length of time.

OBSERVATIONS / RECOMMENDATIONS

- The System's actuarial value of assets is based on a commonly accepted and widely used method that smooths gains and losses over a five-year period. Since the method recognizes gains and losses over a five-year period, the actuarial value of assets will converge with the market value absent future gains and losses on assets.
- The 20% corridor is acceptable and keeps the actuarial value of assets from deviating too far from the market value of assets.
- The method used appears to determine gains and losses compared to the expected actuarial value, rather than the expected market value. This is not optimal, as it could take more than five years for the two asset values to converge if there are no future gains and losses. We would recommend determining the gain or loss based on the expected market value.

LIABILITY REVIEW

In order to confirm the accuracy of the liability calculations provided in the actuarial valuation report, we developed an independent actuarial model. The model used the same plan provisions, member data, actuarial assumptions, and methods that were used by the Actuary to independently verify the liabilities calculated for representative sample members.

The actuarial valuation process, while sophisticated in its calculation methodology, is an estimate of the financial value of benefits payable on contingent events, most of which occur many years into the future. This means that the estimates contain a considerable amount of uncertainty and variability. As actuaries, we recognize that small differences in the results do not change the overall financial results portrayed in the valuation. Furthermore, the actuarial software used by different firms has implicit differences that create variances in valuation numbers. For these reasons, we consider the comparison of key valuation results in terms of both value and percentage differences. As a general rule, results that are within 2% of the plan actuary's calculation of present value of future benefits and within 5% for the plan actuary's calculation of actuarial accrued liability and normal cost are deemed acceptable. Further analysis may be needed to determine if any calculation issues exist when results fall outside those margins.

For the System, full member data was provided, so we were able to look at the results from a high-level in total and for representative sample members. Our present value of future benefits, actuarial accrued liability, and normal cost calculations are all within 0.5% of what the Actuary prepared, which is very promising. We did not dig into various liability breakouts in total, since it was beyond the scope of this project.

Below is a summary of the results of the verification process, which involved the review of liabilities for ten active members and eight inactive members (four retirees, two disableds, two survivors, and two deferred vesteds). Most members fall within the thresholds outlined above; we have included some notes below on possible reasons why certain members fall outside the range.

Based on these combined results, it is our professional assessment that the Actuary has provided a reasonable valuation of the liabilities.

KEY LIABILITY RESULTS – ACTIVES
(% Difference from Actuary Results)

Member	Present Value of Benefits (%)	Actuarial Accrued Liability	Normal Cost
Active #1	(0.15%)	(0.76%)	1.51%
Active #2	(2.21%)	(2.36%)	0.87%
Active #3	0.54%	0.83%	0.21%
Active #4	0.12%	(0.53%)	(0.02%)
Active #5	(1.95%)	(4.15%)	0.66%
Active #6	(1.83%)	(3.10%)	2.10%
Active #7	0.03%	0.17%	(2.43%)
Active #8	(0.48%)	(1.91%)	0.59%
Active #9	(1.30%)	(3.16%)	1.74%
Active #10	(1.84%)	(2.33%)	2.03%
All Samples	(0.98%)	(1.87%)	0.67%

KEY LIABILITY RESULTS – INACTIVES
(% Difference from Actuary Results)

Member	Actuarial Accrued Liability
InPay #1	0.86%
InPay #2	0.28%
InPay #3	(0.55%)
InPay #4	0.59%
InPay #5	1.26%
InPay #6	(0.05%)
InPay #7	0.71%
InPay #8	0.54%
Deferred #1	0.00%
Deferred #2	(0.63%)
All Samples	0.33%

OBSERVATIONS / RECOMMENDATIONS

- Active #2 is a member that is assumed to retire immediately. Our system handles such members in a certain way, resulting in no normal cost even with mid-year decrements. The Actuary's approach is a little different and has a normal cost in the current year. While the difference exceeds the 2% threshold, this is a limited item for the full System and should not have a material impact on overall results.

FUNDING CALCULATION AND ACTUARIAL METHODS REVIEW

Review of the calculation of the recommended contributions consists of review of several components as follows:

- Review of the accuracy of the calculations used to determine the contribution requirements.
- Review of the appropriateness of the underlying actuarial funding method used to calculate the normal cost (the annual amount needed to fund the benefits as they are earned by members).
- Review of the funding policy used to pay off (amortize) unfunded liabilities.
- Review of planned contribution rates.

Below is an analysis of each of these items:

Review of the Accuracy of the Calculations Used

We reviewed the calculation of the required contribution based on the underlying assumptions and methods and found the calculations to be accurate. We were able to tie to the normal cost as a percentage of payroll and the amortization of the unfunded liability based on the information provided in the report. We were also able to replicate the actuarial value of assets based on the asset detail provided in the report.

Review of the Appropriateness of the Underlying Actuarial Funding Method

The Entry Age Normal funding method is the method used by most public sector funds. This method spreads costs evenly over the member's career in relation to their annual salary, which is consistent with how many public funds base their contributions. Entry Age Normal is also required for use with Governmental Accounting Standards. The Conference of Consulting Actuaries (CCA) Public Plans Community in their October 2014 white paper entitled "Actuarial Funding Policies and Practices for Public Pension Plans" recommend use of the "Entry Age cost method with level percentage of pay" as a model practice. As such, we find the funding method used to be appropriate.

Review of the Policy Used to Amortize Unfunded Liabilities

The amortization of the full unfunded liability is a reasonable method that recognizes gains and losses without the complexity of layered amortizations. The amortization period of 21 years is a little high, but is decreasing each year so we have no concerns as long as this practice continues.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSUMPTION REVIEW

Actuarial assumptions are used within a valuation to measure the future benefits to be paid from a plan by considering economic and demographic factors that will impact the plan. Economic assumptions include investment rates of return/discount rates, inflation rates, and salary scales. Demographic assumptions include rates for mortality, retirement, termination, and disability.

As part of any audit, assumptions are to be reviewed in terms of their reasonableness and appropriateness as well as their compliance with applicable Actuarial Standards of Practice. Our review has considered all the assumptions, both individually and collectively, and we find them to be reasonable and appropriate. Further, we believe the assumptions and methods are in compliance with Actuarial Standards of Practice, most notably Standards 4, 27, and 35. It should be noted however, that a detailed review of the assumptions based on past and anticipated future experience or prior gains and losses is beyond the scope of this report.

OBSERVATIONS / RECOMMENDATIONS

- The last detailed study of System experience was completed in 2019 and reflected in the June 30, 2019 valuation report. Having a regularly scheduled review of experience is a best practice and puts you squarely in compliance with Michigan requirements. We expect that your next experience study may be in the works at this point.

- We noticed that the mortality generational projection makes use of MP-2019, which was not the most recent scale available when the valuation reports were completed. Since these projection scales are generally updated annually, it might be worth considering including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year and the impact of future mortality table changes is minimized.

- A detailed analysis of the interest rate assumption is beyond the scope of this audit. We were able to consider the 7.00% assumption, though, from two perspectives to give our thoughts on the selected rate. This review, summarized below, gives us no reason to doubt the reasonability of the assumption.

    - One approach is to review the model of the long-term rate of return using the Horizon Actuarial Services (HAS) survey. Using the 2023 survey results and the asset allocation information included in the June 30, 2023 Annual Comprehensive Financial Report for the System, a reasonable range for the long-term rate of return assumption would be 6.83% to 8.14%. The range is based on the 40th and 60th percentile of the 20-year returns using the capital market assumptions of the 27 survey respondents who provided long-term assumptions to the HAS survey. The percentiles generally mean that there would be a 60% probability that the average return over the 20-year period would exceed 6.83% and a 40% probability that the average return over the 20-year period would exceed 8.14%. The 50% probability is 7.49%.

    - A second approach is to consider return assumptions used by other public funds, as found in national assumption surveys. The National Association of State Retirement Administrators (NASRA) released updated information in March 2024 to their ongoing summary of investment return assumptions used by public employers. Figure 1 below, taken from NASRA's website, shows that an assumption of 7.00% is most common among respondents.

Figure 2 shows how discount rates are trending down over the last 23 years, with a current median of 7.00%.

Figure 1

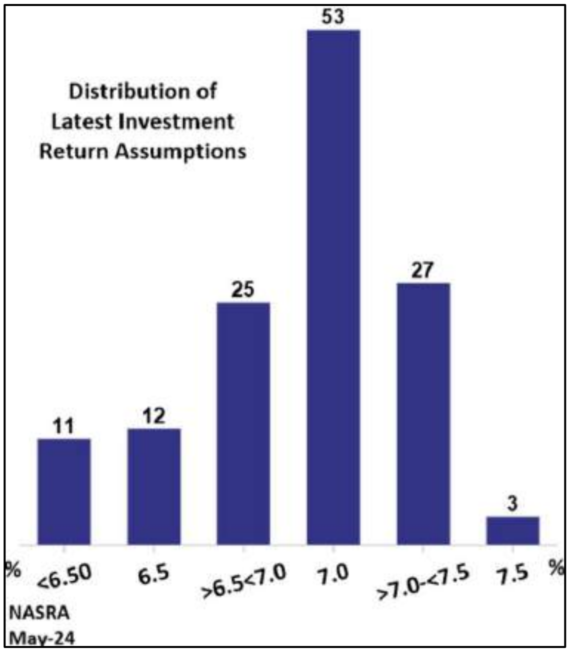
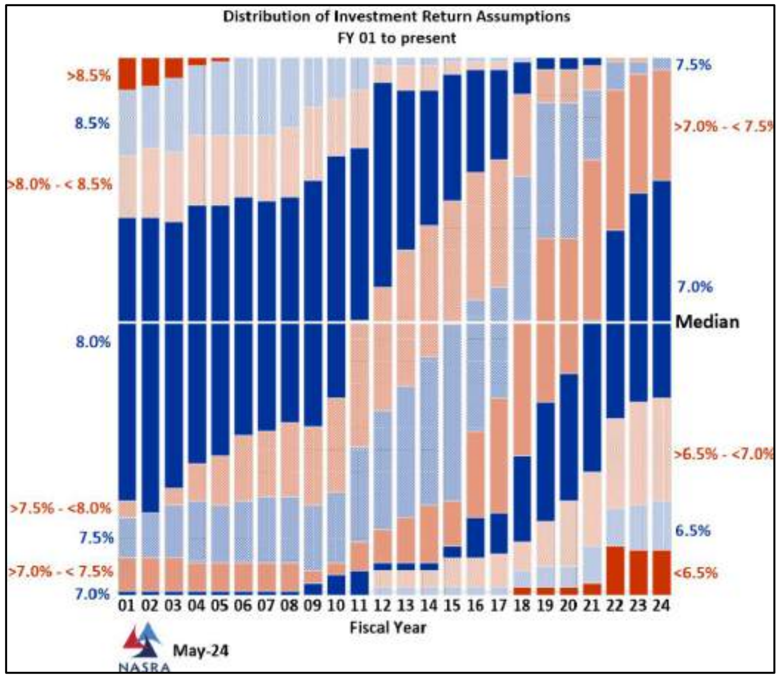


Figure 2



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OBSERVATIONS / RECOMMENDATIONS

- For Fire, the summary lists the eligibility for Deferred Allowance to be the earlier of age 55 or when the member would have attained 25 years of service. While we see the projected 25 years of service as an eligibility in Section 235.07.(4), this is exclusively for Police. It appears Fire is subject to Section 235.07.(3), which is based on age only. This is a summary issue and will not have a material impact on results.

REPORT REVIEW

VALUATION REPORT

The valuation report summarizes the work completed as part of the valuation process. In doing so, the report should meet certain requirements and objectives. Below is a summary of the key requirements and objectives:

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None.

RESPONSE FROM SYSTEM ACTUARY

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 13, 2024

Mr. Michael Kennedy
Finance Director / Treasurer
City of Dearborn
16901 Michigan Ave
Dearborn, Michigan 48126

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One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

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In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations/recommendations are summarized below:

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GRS Response: Experience studies are scheduled to be performed in the foreseeable future. The mortality assumption (the base mortality tables as well as the mortality projection scales) is one of several assumptions that will be analyzed and potentially modified with those experience studies.

Actuarial Method Review:

F&F Commentary: "The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this."

GRS Response: Recent Board of Trustees action lengthened the amortization period. We do not have a problem shortening the amortization period if the Chapter 22 Board would prefer the use of a shorter period. However, this would require a change to the current funding policy that includes a movement to layered amortization once a 15-year period is reached, regardless of the average expected future lifetime of the membership. Also, please note that lengthening the amortization period beyond the average expected future lifetime of membership falls within the acceptable practices of the "*Conference of Consulting Actuaries Public Plans Community (CCA PPC) Actuarial Funding Policies and Practices for Public Pension Plans*".

We would like to thank Mr. Franken, Mr. Baugher and Ms. Atchison for the work they have done, the suggestions that they have provided, and for their very professional demeanor and handling of this review.

Mark Buis, Francois Pieterse and Richard C. Koch Jr. 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.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis

Mark Buis, FSA, EA, FCA, MAAA

Pieterse

Francois Pieterse, ASA, FCA, MAAA

Richard C. Koch Jr.

Richard C. Koch Jr., FSA, EA, MAAA

MB/FP/RCK:ah

cc: Jason Franken, F&F
Paul Baugher, F&F
Colleen Atchison, F&F

CITY OF DEARBORN
RETIREE HEALTH CARE PLAN

ACTUARIAL AUDIT
OF JUNE 30, 2022 OTHER POST EMPLOYMENT BENEFITS VALUATION

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

VIA E-MAIL

September 17, 2024

City of Dearborn
Dearborn, MI

Re: Actuarial Audit of June 30, 2022 Other Post Employment Benefits (OPEB) Valuation

To whom it may concern:

We are pleased to present to the City of Dearborn (City) this report of the actuarial audit of the City's Retiree Health Care Plan. Foster & Foster was retained by the City to perform a limited-scope actuarial audit of the June 30, 2022 actuarial valuation report produced by Gabriel, Roeder, Smith, & Company (Actuary), which is the most recent valuation of the plan. Accordingly, we have performed the following tasks:

- A review of the actuarial assumptions and methods used in the System's valuation;
- An examination of the current actuary's data collection and calculation processes and its interpretation of plan provisions and benefits;
- Review detailed liability calculations for select members used in the valuation report;
- An assessment of the results of the Actuary's most recent valuation report and experience study;
- An opinion on the System's current actuarial funding policies and practices; and
- Any additional advice, comments, or concerns deemed appropriate.

This report was prepared at the request of the City and is intended for use by the City and those designated or approved by the City. This report may be provided to other parties only in its entirety and only with the permission of the City. Foster & Foster will not accept any liability for any misuse of this report.

In conducting the valuation, we have relied on liability information supplied by the System's actuary and various personnel, report and asset information supplied by City staff. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

The undersigned are familiar with the immediate and long-term aspects of Other Post-Employment Benefit valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Dearborn Retiree Health Care Plan, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-320-0200.

Respectfully Submitted,

Foster & Foster, Inc.

By: Jason L. Franken

Jason L. Franken, FSA, EA, MAAA

Colleen M. Atchison

Colleen M. Atchison, FSA, MAAA

TABLE OF CONTENTS

EXECUTIVE SUMMARY

An actuarial valuation provides a best estimate of a plan's liabilities, assets, funded status and annual contribution requirements at a particular point in time. This estimate helps ensure that current assets and future contribution requirements will be sufficient to fund the benefits as they are earned by working members and provide benefits promised to members throughout retirement. Future liabilities are determined by projecting future benefit payments for each member based on individual census data, the plan's provisions, and a set of actuarial assumptions regarding future salary increases and future member behavior. The extent to which an actuarial valuation accurately measures a plan's liabilities, funded status and contribution levels depends on a variety of factors including:

- The accuracy and completeness of the underlying census and financial information;
- Accurate incorporation of the plan's provisions into the actuarial model;
- The extent to which actuarial assumptions predict future participant behavior and future economic outcomes; and
- The appropriateness of the actuarial methods being used.

A thorough actuarial audit will include review of the above factors to ensure the actuary's valuation provides the best estimates possible. In addition, there are several other items an actuary must take into consideration when performing an actuarial valuation. An actuary must consider the Actuarial Standards of Practice, which provide guidelines in assessing the underlying data, setting appropriate actuarial assumptions/methods, and disclosing results. State and federal laws related to maintaining and funding retirement systems is another important consideration. Accordingly, a thorough actuarial audit will include review of these factors in conjunction with the ones mentioned previously.

The remainder of this report focuses on the audit of the June 30, 2022 actuarial valuation report for the City of Dearborn Retiree Health Care Plan prepared by your Actuary. We have organized this audit report into the following key categories which correspond to the objectives outlined above:

- Member Data Review;
- Asset Data and Asset Method Review;
- Liability Review;
- Funding Calculation and Actuarial Methods Review;
- Assumption Review;
- Plan Provisions Review, and
- Report Review.

For each of the above categories, we have provided details regarding the review we performed along with key observations and recommendations. In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;
- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing retirement benefits and is sufficient in communicating actuarial results; and
- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations / recommendations are summarized below:

- The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets.
- The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.
- On page A-2 of the report, Comment B states that:

  "Retired former employees who are receiving medical coverage elsewhere are eligible for an annual health insurance allowance of $1,250 - $2,500 from the Retiree Health Care Plan". The liability associated with this allowance has not been included in this report."

  We requested further justification from the Actuary as to why this benefit is not included in this valuation. The response from the Actuary was as follows:

  "Our understanding of the annual amounts referenced in Comment B on page A-2 is that the money is not specifically set aside for health care costs. Given the money does not have to be used to cover health care costs, we do not believe it constitutes an OPEB and, therefore, it was excluded from our annual valuation work."

MEMBER DATA REVIEW

An actuarial valuation determines liabilities based on current and projected benefits to be paid to each member of the plan. As such, one of the key items provided for the actuarial valuation is data on each of the current members. Member data includes the status of the member (active, terminated, disabled, retired, beneficiary), key dates (birth, hire, retirement, termination), gender, pensionable pay, benefit amounts, and forms of payment.

There are typically two levels of data review:

- Review unprocessed data that was provided to the actuary to perform the valuation. The goal here is to determine if the audit would arrive at substantially the same final data as the plan's actuary after processing was complete.
- Review the final data that was provided by the plan's staff against plan provision requirements and the member data summaries provided in the valuation report.

The scope of our audit only included the second level of data review. We found the data provided to be sufficient to measure the benefits provided by the System. Further, we found no material differences between the data and report summaries. As such, the actuarial valuation appropriately reflected the member data provided by the System.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSET DATA AND ASSET METHOD REVIEW

An actuarial valuation compares the plan's liabilities to the assets to determine the plan's funded status and the resulting need for additional contributions. We confirmed that the valuation used assets consistent with those shown in the June 30, 2022 financial statements for the City.

While assets are measured on a market-value basis, an actuarial value of assets is used to measure the funded status of the plan and determine contribution requirements. The actuarial value of assets is based on a method that recognizes asset gains and losses over a period of time. This produces an asset value that is less volatile than the market value, resulting in less volatile contribution requirements. An acceptable smoothing method will dampen volatility and will meet the following three requirements:

1. Will not produce an actuarial value of assets that is unreasonably higher or lower than the market value of assets. To achieve this, an appropriate market value corridor is applied to the actuarial value of assets;

2. Will not be biased (systematically higher or lower than the market value); and

3. Will not spread asset gains and losses over an unreasonable length of time.

OBSERVATIONS / RECOMMENDATIONS

- The System's actuarial value of assets is based on a commonly accepted and widely used method that smooths gains and losses over a five-year period. Since the method recognizes gains and losses over a five-year period, the actuarial value of assets will converge with the market value absent future gains and losses on assets.
- The method used appears to determine gains and losses compared to the expected actuarial value, rather than the expected market value. This is not optimal, as it could take more than five years for the two asset values to converge if there are no future gains and losses. We would recommend determining the gain or loss based on the expected market value.

LIABILITY REVIEW

In order to confirm the accuracy of the liability calculations provided in the actuarial valuation report, we developed an independent actuarial model. The model used the same plan provisions, member data, actuarial assumptions, and methods that were used by the Actuary to independently verify the liabilities calculated for representative sample members.

The actuarial valuation process, while sophisticated in its calculation methodology, is an estimate of the financial value of benefits payable on contingent events, most of which occur many years into the future. This means that the estimates contain a considerable amount of uncertainty and variability. As actuaries, we recognize that small differences in the results do not change the overall financial results portrayed in the valuation. Furthermore, the actuarial software used by different firms has implicit differences that create variances in valuation numbers. For these reasons, we consider the comparison of key valuation results in terms of both value and percentage differences. As a general rule, results that are within 2% of the plan actuary's calculation of present value of future benefits and within 5% for the plan actuary's calculation of actuarial accrued liability and normal cost are deemed acceptable. Further analysis may be needed to determine if any calculation issues exist when results fall outside those margins.

For the System, full member data was provided, so we were able to look at the results from a high-level in total and for representative sample members. Our present value of future benefits and actuarial accrued liability are both within 2.0% of what the Actuary prepared. We did not dig into various liability breakouts in total, since it was beyond the scope of this project.

Below is a summary of the results of the verification process, which involved the review of liabilities for 14 active members and 11 inactive members (ten retirees, one deferred vested). Most members fall within the thresholds outlined above.

Based on these combined results, it is our professional assessment that the Actuary has provided a reasonable valuation of the liabilities.

KEY LIABILITY RESULTS – ACTIVES
(% Difference from Actuary Results)

Member	Present Value of Benefits (%)	Actuarial Accrued Liability	Normal Cost
Active #1	0.19%	0.31%	(2.03%)
Active #2	0.07%	(2.99%)	(1.26%)
Active #3	(0.21%)	(3.57%)	(2.04%)
Active #4	1.19%	(3.17%)	5.12%
Active #5	0.52%	(0.56%)	5.14%
Active #6	1.12%	(0.10%)	0.15%
Active #7	0.53%	0.44%	1.28%
Active #8	0.96%	(1.20%)	3.68%
Active #9	1.46%	0.84%	1.85%
Active #10	3.65%	2.91%	(0.58%)
Active #11	1.94%	(3.26%)	(1.19%)
Active #12	1.40%	(3.72%)	(1.41%)
Active #13	(1.83%)	(3.56%)	65.19%
Active #14	(0.91%)	(3.07%)	0.41%
All Samples	0.83%	(1.63%)	3.93%

KEY LIABILITY RESULTS – INACTIVES
(% Difference from Actuary Results)

Member	Actuarial Accrued Liability
InPay #1	(1.99%)
InPay #2	(2.62%)
InPay #3	0.71%
InPay #4	1.96%
InPay #5	(2.42%)
InPay #6	(1.10%)
InPay #7	(1.37%)
InPay #8	0.02%
InPay #9	(2.05%)
InPay #10	0.28%
Deferred #1	2.71%
All Samples	0.27%

OBSERVATIONS / RECOMMENDATIONS

- Active #10 has a difference in present value of benefits (PVB) exceeding the 2% threshed. However, the difference is a relatively small dollar amount and would not have a material impact on overall results.

- Active #13 is a member that is assumed to retire immediately. Our system handles such members in a certain way, resulting in no normal cost even with mid-year decrements. The Actuary’s approach is a little different and has a normal cost in the current year. While the difference exceeds the 5% threshold, this is a limited item for the full System and should not have a material impact on overall results.

FUNDING CALCULATION AND ACTUARIAL METHODS REVIEW

Review of the calculation of the recommended contributions consists of review of several components as follows:

- Review of the accuracy of the calculations used to determine the contribution requirements.
- Review of the appropriateness of the underlying actuarial funding method used to calculate the normal cost (the annual amount needed to fund the benefits as they are earned by members).
- Review of the funding policy used to pay off (amortize) unfunded liabilities.
- Review of planned contribution rates.

Below is an analysis of each of these items:

Review of the Accuracy of the Calculations Used

We reviewed the calculation of the required contribution based on the underlying assumptions and methods and found the calculations to be accurate. We were able to tie to the normal cost as a percentage of payroll and the amortization of the unfunded liability based on the information provided in the report. We were also able to replicate the actuarial value of assets based on the asset detail provided in the report.

Review of the Appropriateness of the Underlying Actuarial Funding Method

The Entry Age Normal funding method is the method used by most public sector funds. This method spreads costs evenly over the member's career in relation to their annual salary, which is consistent with how many public funds base their contributions. Entry Age Normal is also required for use with Governmental Accounting Standards. The Conference of Consulting Actuaries (CCA) Public Plans Community in their October 2014 white paper entitled "Actuarial Funding Policies and Practices for Public Pension Plans" recommend use of the "Entry Age cost method with level percentage of pay" as a model practice. As such, we find the funding method used to be appropriate.

Review of the Policy Used to Amortize Unfunded Liabilities

The amortization of the full unfunded liability is a reasonable method that recognizes gains and losses without the complexity of layered amortizations. The amortization period of 14 years is reasonable, and we don't have any concerns about this method.

OBSERVATIONS / RECOMMENDATIONS

None.

ASSUMPTION REVIEW

Actuarial assumptions are used within a valuation to measure the future benefits to be paid from a plan by considering economic and demographic factors that will impact the plan. Economic assumptions include investment rates of return/discount rates, inflation rates, and salary scales. Demographic assumptions include rates for mortality, retirement, termination, and disability.

As part of any audit, assumptions are to be reviewed in terms of their reasonableness and appropriateness as well as their compliance with applicable Actuarial Standards of Practice. Our review has considered all the assumptions, both individually and collectively, and we find them to be reasonable and appropriate. Further, we believe the assumptions and methods are in compliance with Actuarial Standards of Practice, most notably Standards 4, 27, and 35. It should be noted however, that a detailed review of the assumptions based on past and anticipated future experience or prior gains and losses is beyond the scope of this report.

OBSERVATIONS / RECOMMENDATIONS

- The last detailed study of System experience was completed in 2019 and reflected in the June 30, 2019 valuation report. Having a regularly scheduled review of experience is a best practice and puts you squarely in compliance with Michigan requirements. We expect that your next experience study may be in the works at this point.

- We noticed that the mortality generational projection makes use of MP-2019, which was not the most recent scale available when the valuation reports were completed. Since these projection scales are generally updated annually, it might be worth considering including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year and the impact of future mortality table changes is minimized.

- A detailed analysis of the interest rate assumption is beyond the scope of this audit. We do feel that the 6.00% assumption is reasonable and is within the range of other public retiree health care fund return assumptions.

- The health care trend assumption is split between pre-65 and post-65 ages. The rates begin at 7.50% pre-65 and 6.25% post-65, with each grading down gradually to a long-term assumption of 3.50%. These are reasonable and consistent with observed experience in the industry.

- The assumed election and opt-out rates are outlined on page F-11 of the report. We would suggest these rates be monitored to ensure they capture observed experience. These assumptions could have a significant impact on the results of the valuation if they don't accurately reflect experience.

PLAN SUMMARY REVIEW

The benefits available to System membership are outlined in the plan document. The “Summary of Benefits” section of the valuation report provides a brief summary of the relevant provisions of the plan document which impact the benefits paid by the System. Our audit compared this summary to the plan document, considering both the content as well as the clarity of the provisions shown. We found the summary to be complete and understandable.

OBSERVATIONS / RECOMMENDATIONS

None.

REPORT REVIEW

VALUATION REPORT

The valuation report summarizes the work completed as part of the valuation process. In doing so, the report should meet certain requirements and objectives. Below is a summary of the key requirements and objectives:

- The report should clearly and concisely relay the results of the valuation;
- The report should include a summary of the data, assumptions, methods and plan provisions used to develop the results;
- The report should provide discussion of the key risks that should be considered by the reader in reviewing the results and a discussion of the impact on plan maturity (including measures of maturity where appropriate) when reviewing these risks;
- The report should provide certain disclosures that clarify and supplement the results as required by the Actuarial Standards of Practice; and
- The report should provide information sufficient to allow another actuary to reasonably verify the results.

We find that the report meets the above requirements and objectives.

OBSERVATIONS / RECOMMENDATIONS

None.

RESPONSE FROM SYSTEM ACTUARY

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 13, 2024

Mr. Michael Kennedy
Finance Director / Treasurer
City of Dearborn
16901 Michigan Ave
Dearborn, Michigan 48126

Re: Actuarial Audit of GRS' Work for the City of Dearborn Chapters 21-23 Retirement Systems and the City of Dearborn Retiree Health Care Plan

Dear Mr. Kennedy:

Late last year, the City of Dearborn retained Foster & Foster Actuaries and Consultants, Inc. (F&F) to review our June 30, 2023 actuarial valuation reports and related work for the City of Dearborn Chapters 21-23 Retirement Systems, and the June 30, 2022 actuarial valuation report and related work for the City of Dearborn Retiree Health Care Plan. Common purposes of an actuarial audit include double-checking the retained actuary's technical work, and to ensure that mathematical processes are being carried out correctly and appropriately. The actuarial audit process also provides a means for the Boards to receive a different perspective on their particular situation from another experienced consulting firm.

Jason Franken, Paul Baugher and Colleen Atchison, the F&F actuaries assigned to these audits, have now completed the audits and have provided their reports. The conclusions reached in their audits of the June 30, 2023 pension valuation reports and June 30, 2022 retiree health care valuation report are stated in the Executive Summary on pages 1 and 2 of their reports, as well as in the discussion of each section, and may be summarized as follows:

In general, we believe the valuation results are reasonable and we found no major deficiencies. More specifically, we find that:

- The approach to develop the actuarially determined contribution is sufficient and consistent with the long-term objective of funding the plan over time and paying benefits as they become due;
- Underlying member and asset information used is reasonable, consistent, and free of any material discrepancies;
- Actuarial assumptions and methods are reasonable;

- The valuation report generally complies with the Actuarial Standards of Practice that apply specifically to valuing pensions and is sufficient in communicating actuarial results; and

- The valuation has been completed in accordance with State and Federal requirements.

In completing our review, we also made several observations and recommendations for the City's consideration. The most notable of these observations/recommendations are summarized below:

- Asset Method Review: The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets; and

- Assumption Review: The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year.

For the Chapter 22 retirement system, the following observation/recommendation was also made:

- Actuarial Method Review: The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this.

A discussion of the observations/recommendations follows on the next page.

Asset Method Review:

F&F Commentary: "The asset method should calculate the gain or loss based on the expected market value of assets, rather than the expected actuarial value of assets."

GRS Response: The auditing actuary's observations/recommendations regarding the actuarial value of assets implies that the market value of assets is expected to earn the assumed rate of investment return in each future year. GRS believes that the actuarial value of assets is expected to earn the assumed rate of investment return each future year.

The implication that the market value of assets is expected to earn the investment return assumption in each future year is inconsistent with how contribution rates and funded ratios are determined, which are based upon the actuarial value of assets. It is also inconsistent with how the investment gain or loss is determined for the valuation year when reconciling the beginning and ending year unfunded actuarial accrued liability.

If there are no future investment gains and losses based upon the actuarial value of assets, the market value of assets and the actuarial value of assets will converge at the end of the smoothing period. While there are alternate approaches to calculate investment gains or losses, the way GRS calculates investment gains and losses, for the City of Dearborn pension and Retiree Health Care plans, is GRS' preferred method.

Assumption Review:

F&F Commentary: "The mortality projection is currently based on the MP-2019 table. Since these projection scales are updated annually, it might be worth including the annual projection scale update as part of the underlying mortality assumption, so that the most current information is being used each year."

GRS Response: Experience studies are scheduled to be performed in the foreseeable future. The mortality assumption (the base mortality tables as well as the mortality projection scales) is one of several assumptions that will be analyzed and potentially modified with those experience studies.

Actuarial Method Review:

F&F Commentary: "The amortization period used should not exceed that average expected future lifetime of the membership. A small adjustment to the current period should address this."

GRS Response: Recent Board of Trustees action lengthened the amortization period. We do not have a problem shortening the amortization period if the Chapter 22 Board would prefer the use of a shorter period. However, this would require a change to the current funding policy that includes a movement to layered amortization once a 15-year period is reached, regardless of the average expected future lifetime of the membership. Also, please note that lengthening the amortization period beyond the average expected future lifetime of membership falls within the acceptable practices of the "*Conference of Consulting Actuaries Public Plans Community (CCA PPC) Actuarial Funding Policies and Practices for Public Pension Plans"*.

We would like to thank Mr. Franken, Mr. Baugher and Ms. Atchison for the work they have done, the suggestions that they have provided, and for their very professional demeanor and handling of this review.

Mark Buis, Francois Pieterse and Richard C. Koch Jr. 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.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis

Mark Buis, FSA, EA, FCA, MAAA

Pieterse

Francois Pieterse, ASA, FCA, MAAA

Richard C. Koch Jr.

Richard C. Koch Jr., FSA, EA, MAAA

MB/FP/RCK:ah

cc: Jason Franken, F&F
Paul Baugher, F&F
Colleen Atchison, F&F

FINANCE

EXECUTIVE SUMMARY

REQUEST:

Receipt and file of the Annual Actuarial GASB 67/68 and GASB 74/75 reports as of 06/30/2024 for the City's Pension Systems and Retiree Healthcare System.

DEPARTMENT: Finance

BRIEF DESCRIPTION: Receipt and File of the reports.

PRIOR COUNCIL ACTION: Council has received similar memos in the past to receive and file the actuarial provided GASB 67/68 and GASB 74/75 reports.

BACKGROUND:

GASB 67/68:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Dearborn pension systems.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a Trust.

GASB 74/75:

This report provides information on behalf of the City of Dearborn Retiree Health Care System in connection with the Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75.

GASB Statement No. 74 is the accounting standard, which applies to Other Postemployment Benefits (OPEB) systems that are administered through trusts or equivalent arrangements. GASB Statement No. 75 establishes accounting and financial reporting requirements for state and local government employers that provide their employees with postemployment benefits other than pensions.

FISCAL IMPACT: Impacts of GASB Statements 67/68 and 74/75 require annual year-end adjustments to be recorded in the City's governmental wide financial statements.

IMPACT TO COMMUNITY: Ensures compliance with laws and regulations as well as providing transparency of data for the community.

IMPLEMENTATION TIMELINE: **: N/A**

COMPLIANCE/PERFORMANCE METRICS: These reports are required annually.

FINANCE

EXECUTIVE SUMMARY

TO: City Council

FROM: Michael Kennedy, Director of Finance/Treasurer

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Pension GASB 67/68 and GASB 74/75 Reports for Fiscal Year ending 6/30/24 – Receipt and File

DATE: January 14, 2025

The GASB 67/68 statements for the City's three pension systems (Chapters 21, 22 and 23) and GASB 74/75 for the postemployment healthcare system are attached.

The funding percentages indicated in the FY2024 GASB Reports are similar to that indicated in the FY2023 GASB Reports for all systems, with the exception of Chapter 21, which has increased.

	FY23 GASB Funding %	**FY24 GASB Funding %**
Chapter 21 – Police & Fire	**434.3%**	**577.2%**
Chapter 22 – General Employees	**85.3%**	**84.1%**
Chapter 23 – Revised Police and Fire	**73.7%**	**73.8%**
OPEB – Retiree Healthcare	**75.1%**	**75.1%**

Please receive and file the report.

DocuSigned by:
Michael Kennedy
F77919D1421447F...
Michael Kennedy
Finance Director/Treasurer

DocuSigned by:
Robert Festerman
7C1CCFD374224C2...
Robert Festerman
Pension Administrator

Signed by:
73AD20E941F946F...
Robert Benak
Pension Accountant

City of Dearborn Chapter 21 Retirement System

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions

June 30, 2024

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Board of Trustees
City of Dearborn Chapter 21 Retirement System
Dearborn, Michigan

Dear Board Members:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Dearborn Chapter 21 Retirement System. These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a Trust.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimate cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City of Dearborn Chapter 21 Retirement System only in its entirety and only with the permission of the Retirement System. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Retirement System, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report that was provided to the Retirement System, dated February 5, 2024, and should be considered in conjunction with that report. Please see the actuarial valuation report as of June 30, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the City of Dearborn Chapter 21 Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

In Section H of this report, you will find some of the information necessary to complete the reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). This information is not required to be included in your financial statements.

The signing actuaries are independent of the plan sponsor.

Mark Buis and Francois Pieterse 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Mark Buis, FSA, EA, FCA, MAAA

Francois Pieterse, ASA, FCA, MAAA

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SECTION A

EXECUTIVE SUMMARY

Executive Summary as of June 30, 2024

Actuarial Valuation Date	June 30, 2023
Measurement Date of the Net Pension Liability	June 30, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	June 30, 2024

Membership (as of the valuation date)

Number of	
- Retirees and Beneficiaries	21
- Inactive, Nonretired Members	-
- Active Members	-
- Total	21
Covered Payroll	$ -

Net Pension Liability

Total Pension Liability	$ 3,729,348
Plan Fiduciary Net Position	26,914,604
Net Pension Liability	$ (23,185,256)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	721.70%
Net Pension Liability as a Percentage of Covered Payroll	0.00%

Development of the Single Discount Rate

Single Discount Rate	6.00%
Long-Term Expected Rate of Investment Return	6.00%
Long-Term Municipal Bond Rate[1]	3.97%
Last year ending June 30 in the 2025 to 2124 projection period for which projected benefit payments are fully funded	2124

Total Pension Expense $ (2,051,892)

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,446,280	3,412,305
Total	$ 2,446,280	$ 3,412,305

(1) Source: *Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.*

Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report, and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the Retirement System subsequent to the measurement date of June 30, 2024.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.00% on the actuarial value of assets), then the funded status of the plan is expected to remain at a 100% funded ratio and no future contributions will be necessary.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2124.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled-forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The total pension liability was "rolled-forward" from June 30, 2023 to June 30, 2024 using generally accepted actuarial principles.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.00%; the municipal bond rate is 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.00%.

SECTION B

FINANCIAL STATEMENTS

Statement of Pension Expense under GASB Statement No. 68
Fiscal Year Ended June 30, 2024

A. Expense		
1. Service Cost	$	-
2. Interest on the Total Pension Liability		277,627
3. Current-Period Benefit Changes		-
4. Employee Contributions (made negative for addition here)		-
5. Projected Earnings on Plan Investments (made negative for addition here)		(1,378,298)
6. Pension Plan Administrative Expense		70,095
7. Other Changes in Plan Fiduciary Net Position		-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		(734,103)
9. Recognition of Outflow (Inflow) of Resources due to Assets		(287,213)
10. Total Pension Expense	**$**	**(2,051,892)**

Statement of Outflows and Inflows Arising from the Current Reporting Period Fiscal Year Ended June 30, 2024

A. Outflows (Inflows) of Resources Due to Liabilities		
1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	$	(734,103)
2. Assumption Changes (gains) or losses	$	-
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		1.0000
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	$	(734,103)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	(734,103)
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	$	-
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	-
B. Outflows (Inflows) of Resources Due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	(3,041,023)
2. Recognition period for Assets {in years}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	$	(608,205)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	(2,432,818)

Statement of Outflows and Inflows Arising from the Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	$ -	$ 734,103	$ (734,103)
2. Due to Assets	1,288,050	1,575,263	(287,213)
3. Total	$ 1,288,050	$ 2,309,366	$ (1,021,316)

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ -	$ 734,103	$ (734,103)
2. Assumption Changes	0	0	0
3. Net Difference between projected and actual earnings on pension plan investments	1,288,050	1,575,263	(287,213)
4. Total	$ 1,288,050	$ 2,309,366	$ (1,021,316)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ 0	$ 0	$ 0
2. Assumption Changes	0	0	0
3. Net Difference between projected and actual earnings on pension plan investments	2,446,280	3,412,305	(966,025)
4. Total	$ 2,446,280	3,412,305	$ (966,025)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2025	$ (352,124)
2026	608,720
2027	(614,418)
2028	(608,203)
2029	-
Thereafter	-
Total	$ (966,025)

Recognition of Deferred Outflows and Inflows of Resources
Fiscal Year Ended June 30, 2024

Year Established		Initial Amount	Initial Recognition Period		Current Year Recognition		Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities								
2020	$	514,407	1.0000	$	0	$	0	0.0000
2021		(95,295)	1.0000		0		0	0.0000
2022		(266,246)	1.0000		0		0	0.0000
2023		253,757	1.0000		0		0	0.0000
2024		(734,103)	1.0000		(734,103)		0	0.0000
Total				**$**	**(734,103)**	**$**	**0**	
Deferred Outflow (Inflow) Due to Assumption Changes								
2020	$	(22,030)	1.0000	$	0	$	0	0.0000
2021		0	1.0000		0		0	0.0000
2022		0	1.0000		0		0	0.0000
2023		0	1.0000		0		0	0.0000
2024		0	1.0000		0		0	0.0000
Total				**$**	**0**	**$**	**0**	
Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments								
2020	$	324,554	5.0000	$	64,910	$	0	0.0000
2021		(4,804,216)	5.0000		(960,843)		(960,844)	1.0000
2022		6,115,700	5.0000		1,223,140		2,446,280	2.0000
2023		(31,073)	5.0000		(6,215)		(18,643)	3.0000
2024		(3,041,023)	5.0000		(608,205)		(2,432,818)	4.0000
Total				**$**	**(287,213)**	**$**	**(966,025)**	

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB Statement No. 68, *differences between expected and actual experience* and *changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 0 years. Additionally, the total plan membership (active employees and inactive employees) was 21. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 1 year.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

Statement of Fiduciary Net Position
as of June 30, 2024

Assets		
Cash and Deposits	$	78,663
Receivables		
Accounts Receivable - Sale of Investments	$	-
Accrued Interest and Other Dividends		30,612
Contributions		-
Accounts Receivable - Other		503
Total Receivables	$	31,115
Investments		
Fixed Income	$	9,513,762
Domestic Equities		17,108,104
International Equities		-
Real Estate		-
Other		190,182
Total Investments	$	26,812,048
Total Assets	$	26,921,826
Liabilities		
Payables		
Accounts Payable - Purchase of Investments	$	-
Accrued Expenses		-
Accounts Payable - Other		7,222
Total Liabilities	$	7,222
Net Position Restricted for Pensions	$	26,914,604

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024

Additions		
Contributions		
Employer	$	-
Employee		-
Other		-
Total Contributions	$	-
Investment Income		
Net Appreciation in Fair Value of Investments	$	3,711,261
Interest and Dividends		739,067
Less Investment Expense		(31,007)
Net Investment Income	$	4,419,321
Other	$	-
Total Additions	$	4,419,321
Deductions		
Benefit payments, including refunds of employee contributions	$	882,590
Pension Plan Administrative Expense		70,095
Other		-
Total Deductions	$	952,685
Net Increase in Net Position	$	3,466,636
Net Position Restricted for Pensions		
Beginning of Year	$	23,447,968
End of Year	$	26,914,604

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios Current Period
Fiscal Year Ended June 30, 2024

A. Total pension liability		
1. Service cost	$	-
2. Interest on the total pension liability		277,627
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the total pension liability		(734,103)
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(882,590)
7. Net change in total pension liability	$	(1,339,066)
8. Total pension liability – beginning		5,068,414
9. Total pension liability – ending	**$**	**3,729,348**
B. Plan fiduciary net position		
1. Contributions – employer	$	-
2. Contributions – employee		-
3. Net investment income		4,419,321
4. Benefit payments, including refunds of employee contributions		(882,590)
5. Pension plan administrative expense		(70,095)
6. Other		-
7. Net change in plan fiduciary net position	$	3,466,636
8. Plan fiduciary net position – beginning		23,447,968
9. Plan fiduciary net position – ending	**$**	**26,914,604**
C. Net pension liability	**$**	**(23,185,256)**
D. Plan fiduciary net position as a percentage of the total pension liability		**721.70%**
E. Covered-employee payroll	**$**	**-**
F. Net pension liability as a percentage of covered-employee payroll		**0.00%**

Schedules of Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on the Total Pension Liability	277,627	302,010	362,848	416,686	446,872	500,421	584,705	843,395	968,468	990,509
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	(734,103)	253,757	(266,246)	(95,295)	514,407	272,190	(248,496)	(942,664)	(767,527)	34,361
Assumption Changes	-	-	-	-	(22,030)	-	-	(359,820)	-	832,813
Benefit Payments and Refunds	(882,590)	(1,041,695)	(1,179,457)	(1,257,927)	(1,626,765)	(1,703,422)	(1,778,459)	(1,910,207)	(2,065,187)	(2,279,928)
Net Change in Total Pension Liability	(1,339,066)	(485,928)	(1,082,855)	(936,536)	(687,516)	(930,811)	(1,442,250)	(2,369,296)	(1,864,246)	(422,245)
Total Pension Liability - Beginning	5,068,414	5,554,342	6,637,197	7,573,733	8,261,249	9,192,060	10,634,310	13,003,606	14,867,852	15,290,097
Total Pension Liability - Ending (a)	$ 3,729,348	$ 5,068,414	$ 5,554,342	$ 6,637,197	$ 7,573,733	$ 8,261,249	$ 9,192,060	$ 10,634,310	$ 13,003,606	$ 14,867,852
Plan Fiduciary Net Position										
Employer Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee Contributions	-	-	-	-	-	-	-	-	-	-
Pension Plan Net Investment Income	4,419,321	1,386,464	(4,427,177)	6,194,984	1,088,352	1,461,419	1,013,366	2,161,183	278,885	181,557
Benefit Payments and Refunds	(882,590)	(1,041,695)	(1,179,457)	(1,257,927)	(1,626,765)	(1,703,422)	(1,778,459)	(1,910,207)	(2,065,187)	(2,279,928)
Pension Plan Administrative Expense	(70,095)	(15,000)	(13,902)	(13,510)	(16,448)	(18,580)	(12,446)	(11,830)	(13,288)	(14,444)
Other [(1)]	-	-	2	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,466,636	329,769	(5,620,534)	4,923,547	(554,861)	(260,583)	(777,539)	239,146	(1,799,590)	(2,112,815)
Plan Fiduciary Net Position - Beginning	23,447,968	23,118,199	28,738,733	23,815,186	24,370,047	24,630,630	25,408,169	25,169,023	26,968,613	29,081,428
Plan Fiduciary Net Position - Ending (b)	$ 26,914,604	$ 23,447,968	$ 23,118,199	$ 28,738,733	$ 23,815,186	$ 24,370,047	$ 24,630,630	$ 25,408,169	$ 25,169,023	$ 26,968,613
Net Pension Liability - Ending (a) - (b)	(23,185,256)	(18,379,554)	(17,563,857)	(22,101,536)	(16,241,453)	(16,108,798)	(15,438,570)	(14,773,859)	(12,165,417)	(12,100,761)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	721.70 %	462.63 %	416.22 %	433.00 %	314.44 %	294.99 %	267.96 %	238.93 %	193.55 %	181.39 %
Covered-Employee Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Notes to Schedule:

N/A

(1) *An adjustment to account for the difference between the ending net position used in last year's valuation and this year's beginning net position provided by the City.*

Schedules of Required Supplementary Information
Schedule of the Employer's Net Pension Liability

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2015	$14,867,852	$26,968,613	$(12,100,761)	181.39%	$0	0.00%
2016	13,003,606	25,169,023	(12,165,417)	193.55%	0	0.00%
2017	10,634,310	25,408,169	(14,773,859)	238.93%	0	0.00%
2018	9,192,060	24,630,630	(15,438,570)	267.96%	0	0.00%
2019	8,261,249	24,370,047	(16,108,798)	294.99%	0	0.00%
2020	7,573,733	23,815,186	(16,241,453)	314.44%	0	0.00%
2021	6,637,197	28,738,733	(22,101,536)	433.00%	0	0.00%
2022	5,554,342	23,118,199	(17,563,857)	416.22%	0	0.00%
2023	5,068,414	23,447,968	(18,379,554)	462.63%	0	0.00%
2024	3,729,348	26,914,604	(23,185,256)	721.70%	0	0.00%

Schedule of Contributions

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 0	$ 0	$ 0	$ 0	0.00%
2016	0	0	0	0	0.00%
2017	0	0	0	0	0.00%
2018	0	0	0	0	0.00%
2019	0	0	0	0	0.00%
2020	0	0	0	0	0.00%
2021	0	0	0	0	0.00%
2022	0	0	0	0	0.00%
2023	0	0	0	0	0.00%
2024	0	0	0	0	0.00%

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending June 30, 2024*:

Actuarial Cost Method	Fully Funded Retiree Only Plan
Amortization Method	Level dollar
Remaining Amortization Period	0 years
Asset Valuation Method	5-Year smoothed market
Price Inflation	2.50%
Salary Increases	NA
Investment Rate of Return	6.00% (net of investment and administrative expenses)
Retirement Age	NA
Mortality	**Healthy Post-Retirement**: The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019. **Disability Retirement**: The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Other Information:

Notes	None

** Based on Valuation Assumptions used in the June 30, 2022 valuation.*

Schedule of Investment Returns

Last 10 Fiscal Years

FY Ending June 30,	Annual Return[1]
2015	0.60 %
2016	1.02 %
2017	8.87 %
2018	4.08 %
2019	6.06 %
2020	4.54 %
2021	26.70 %
2022	(15.80)%
2023	6.08 %
2024	18.87 %

[1] *Annual money-weighted rate of return, net of investment expenses.*

SECTION D

NOTES TO FINANCIAL STATEMENTS

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s). Additional information about the assumed rate of investment return is included in our actuarial valuation report as of June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best arithmetic estimates are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return [1]
Large Cap Equity	25.00%	5.76%
Small/Mid Cap Equity	15.00%	5.56%
International Equity	13.00%	4.68%
Emerging International Equity	7.00%	5.66%
Core Bonds	17.00%	1.17%
Emerging Market Debt	6.00%	4.10%
Diversified Credit	5.00%	1.17%
Absolute Return Fixed Income	5.00%	2.63%
Real Estate - Core	4.00%	4.39%
Private Equity	3.00%	10.24%
Total	100.00%	

[1] *Real rate of return is based on investment manager inflation assumption of 2.50%.*

The figures in the above table were supplied by the City of Dearborn Chapter 21 Retirement System. Gabriel, Roeder, Smith & Company does not provide investment advice.

Single Discount Rate

A Single Discount Rate of 6.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.00%. Based on the System's current funding policy and the City's practice of contributing 100% of the recommended contribution, it is the opinion of the actuaries that the Plan Fiduciary Net Position is sufficient to make all future projected benefit payments, assuming all other assumptions are realized. Therefore, the Single Discount Rate would equal the long-term expected rate of return of 6.00%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
Total Pension Liability	$ 3,884,557	$ 3,729,348	$ 3,586,683
Plan Fiduciary Net Position	26,914,604	26,914,604	26,914,604
Net Pension Liability/(Asset)	$ (23,030,047)	$ (23,185,256)	$ (23,327,921)

Summary of Population Statistics
(as of the Valuation Date)

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	-
Total Plan Members	21

SECTION E

SUMMARY OF BENEFITS

Summary of Provisions Evaluated and/or Considered

The City of Dearborn Chapter 21 Retirement System is a closed plan. The last active member retired in the plan year ending June 30, 1995. The plan contains an "unlimited escalator" provision which calls for annuity payments to be changed automatically whenever the active member pay schedule changes for Chapter 23.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Summary of Assumptions Used for the June 30, 2023 Actuarial Valuation of Dearborn Chapter 21

(Assumptions Adopted by the Board of Trustees after Consulting with the Actuary)

Economic Assumptions

The investment return rate assumed in the valuation was 6.0% per year, compounded annually (net after investment and administrative expenses).

The **Wage Inflation Rate** assumed in this valuation was 2.75% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects. The annuity escalator assumption for Chapter 21 retirees is 2.75% (which is equal to wage inflation assumption of Chapter 23 active members).

No specific **Price Inflation** assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption of 2.50% would be consistent with other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 6.0% investment return rate translates to an assumed real rate of return over wage inflation of 3.25%.

Non-Economic Assumptions

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and a projection scale MP-2019. The tables used were as follows:

- **Healthy Post-Retirement:** The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Disability Retirement:** The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Summary of Assumptions Used for the June 30, 2023 Actuarial Valuation of Dearborn Chapter 21

Sample Attained Ages	Future Life Expectancy (Years)*			
	Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females
60	25.87	27.82	24.84	27.02
65	21.24	23.15	20.46	22.67
70	16.92	18.73	16.39	18.52
75	12.97	14.63	12.64	14.59
80	9.52	11.00	9.39	11.00

* *Life expectancy in future years is determined by the fully generational MP-2019 projection scale. The sample values shown are for individuals with the indicated attained ages in 2023.*

Employer contribution dollars were assumed to be paid in equal installments throughout the employer's fiscal year.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

Roll-forward methodology. The Total Pension Liability was determined by an actuarial valuation as of June 30, 2023 and a measurement date of June 30, 2024. The roll-forward procedure increases the June 30, 2023 actuarial accrued liability with normal cost and interest and decreases it with actual benefit payments.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.00% and the municipal bond rate is 3.97%. Since the plan is well-funded, it was determined that assets would always be sufficient to meet benefit obligations and therefore the resulting SDR is 6.00%.

SECTION H

MICHIGAN PUBLIC ACT 202

State Reporting Assumptions as of June 30, 2024

The Protecting Local Government Retirement and Benefits Act, Public Act 202 (PA 202) of 2017, was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions, are denoted below. Additional discussion of the PA 202 and uniform assumptions may be found on the State website in the *Public Act 202 of 2017: Selection of the Uniform Assumptions for Fiscal Year 2024* memo dated February 13, 2024.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return	Maximum of 6.90%[1]	6.00%	6.00%
Salary Increase	Minimum of 3.25% or based on experience study within last 5 years	2.75% (based on experience study issued December 6, 2019)	2.75% (based on experience study issued December 6, 2019)
Mortality	Version of Pub-2010 mortality tables with future mortality improvement projected generationally using scale MP-2021 or based on an experience study within last 5 years	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)
Amortization of the Unfunded Accrued Actuarial Liability			
Period	Maximum Period of 15 Years	5 years[2]	5 years[2]
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll or Level Dollar	Level Dollar	Level Dollar
Type	Closed	Closed	Closed

[1] *A blended rate calculated using GASB Statement No. 68 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 6.90%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – maximum of 3.65%.*

[2] *For the fiscal year ending June 30, 2025.*

State Reporting
as of June 30, 2024

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). The local unit of government is required to complete/develop all of the remaining reporting requirements necessary for Form 5572. Additional resources are available on the State website.

Line	Descriptive Information	
18	**Actuarial Assumptions[1]**	
19	Actuarial assumed rate of investment return	6.00%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Dollar
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any[2]	5
22	Is each division within the system closed to new employees?	Yes
23	**Uniform Assumptions[3]**	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	$ 25,257,941
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	$ 4,375,864
26	Funded ratio using uniform assumptions	577.2%
27	Actuarially Determined Contribution (ADC) using uniform assumptions	-
28	All systems combined ADC/Governmental fund revenues	Auto[4]

1. *Information lines 19-22 can be found in the annual actuarial funding valuation report for the System dated February 5, 2024.*
2. *For the fiscal year ending June 30, 2025.*
3. *Information on lines 24-28 is based on Uniform Assumptions Used, listed on the prior page, as of the most recent valuation date, June 30, 2023.*
4. *Automatically calculated by State of Michigan Form 5572.*

SECTION I

GLOSSARY OF TERMS

Glossary of Terms

Accrued Service	Service credited under the system which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding, which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
Actuarial Assumptions	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the "actuarial funding method."
Actuarial Equivalent	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
Actuarial Gain (Loss)	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
Actuarial Present Value (APV)	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
Actuarial Valuation	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

Amortization Method	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year).
Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered-Employee Payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred Retirement Option Program (DROP)	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
Deferred Inflows and Outflows	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
Discount Rate	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

Entry Age Actuarial Cost Method (EAN)	The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
Fiduciary Net Position	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
GASB	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
Long-Term Expected Rate of Return	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
Money-Weighted Rate of Return	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
Multiple-Employer Defined Benefit Pension Plan	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Municipal Bond Rate	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
Net Pension Liability (NPL)	The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.
Non-Employer Contributing Entities	Non-employer contributing entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.
Normal Cost	The portion of the actuarial present value allocated to a valuation year is called the “normal cost.” For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

Glossary of Terms

Other Postemployment Benefits (OPEB)	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Real Rate of Return	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
Service Cost	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total Pension Expense	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: 1. Service Cost 2. Interest on the Total Pension Liability 3. Current Period Benefit Changes 4. Employee Contributions (made negative for addition here) 5. Projected Earnings on Plan Investments (made negative for addition here) 6. Pension Plan Administrative Expense 7. Other Changes in Plan Fiduciary Net Position 8. Recognition of Outflow (Inflow) of Resources due to Liabilities 9. Recognition of Outflow (Inflow) of Resources due to Assets
Total Pension Liability (TPL)	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
Unfunded Actuarial Accrued Liability (UAAL)	The UAAL is the difference between actuarial accrued liability and valuation assets.
Valuation Assets	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Mr. Michael Kennedy
Finance Director/Treasurer
Dearborn Administrative Center
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Please find enclosed 1 copy of the GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions report of the City of Dearborn Chapter 21 Retirement System.

We will be happy to meet with the Board to discuss the results of this report.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:rl
Enclosures

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Dearborn Chapter 22 Retirement System

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions

June 30, 2024

GRS

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Board of Trustees
City of Dearborn Chapter 22 Retirement System
Dearborn, Michigan

Dear Board Members:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Dearborn Chapter 22 Retirement System. These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimate cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City of Dearborn Chapter 22 Retirement System only in its entirety and only with the permission of the Retirement System. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Retirement System, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report that was provided to the Retirement System, dated February 8, 2024, and should be considered in conjunction with that report. Please see the actuarial valuation report as of June 30, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the City of Dearborn Chapter 22 Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

In Section H of this report, you will find some of the information necessary to complete the reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). This information is not required to be included in your financial statements.

The signing actuaries are independent of the plan sponsor.

Mark Buis and Francois Pieterse 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Mark Buis

Mark Buis, FSA, EA, FCA, MAAA

Pieterse

Francois Pieterse, ASA, FCA, MAAA

MB/FP:ah

C0013

Table of Contents

SECTION A

EXECUTIVE SUMMARY

Executive Summary
as of June 30, 2024

Actuarial Valuation Date		June 30, 2023
Measurement Date of the Net Pension Liability		June 30, 2024
Employer's Fiscal Year Ending Date (Reporting Date)		June 30, 2024
Membership (as of the valuation date)		
Number of		
- Retirees and Beneficiaries		575
- Inactive, Nonretired Members		28
- Active Members		51
- Total		654
Covered Payroll[1]	$	3,582,094
Net Pension Liability		
Total Pension Liability	$	191,448,624
Plan Fiduciary Net Position		161,612,193
Net Pension Liability	$	29,836,431
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		84.42%
Net Pension Liability as a Percentage of Covered Payroll		832.93%
Development of the Single Discount Rate		
Single Discount Rate		7.00%
Long-Term Expected Rate of Investment Return		7.00%
Long-Term Municipal Bond Rate[2]		3.97%
Last year ending June 30 in the 2025 to 2124 projection period for which projected benefit payments are fully funded		2124
Total Pension Expense	$	4,748,950

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	14,742,930	14,458,808
Total	$ 14,742,930	$ 14,458,808

(1) *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

(2) *Source:* *Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.*

Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the Retirement System subsequent to the measurement date of June 30, 2024.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets), then the following outcomes are expected:

1. The employer normal cost as a percentage of pay is expected to remain level as a percentage of payroll.
2. The unfunded liability is expected to be paid off in approximately 21 years, which is the number of years remaining in the closed amortization schedule of the unfunded liability.
3. The funded status of the plan is expected to reach a 100% funded ratio in approximately 21 years, which is the number of years remaining in the closed amortization schedule of the unfunded liability.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2124.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled-forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The total pension liability was "rolled-forward" from June 30, 2023 to June 30, 2024 using generally accepted actuarial principles.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 7.00%.

SECTION B

FINANCIAL STATEMENTS

Statement of Pension Expense under GASB Statement No. 68
Fiscal Year Ended June 30, 2024

A. Expense

1. Service Cost	$	429,945
2. Interest on the Total Pension Liability		12,883,466
3. Current-Period Benefit Changes		0
4. Employee Contributions (made negative for addition here)		(249,948)
5. Projected Earnings on Plan Investments (made negative for addition here)		(10,575,847)
6. Pension Plan Administrative Expense		79,865
7. Other Changes in Plan Fiduciary Net Position		(1,000)
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		2,345,459
9. Recognition of Outflow (Inflow) of Resources due to Assets		(162,990)
10. Total Pension Expense	**$**	**4,748,950**

Statement of Outflows and Inflows Arising from the Current Reporting Period
Fiscal Year Ended June 30, 2024

A. Outflows (Inflows) of Resources Due to Liabilities		
1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	$	2,345,459
2. Assumption Changes (gains) or losses	$	-
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		1.0000
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	$	2,345,459
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	2,345,459
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	$	-
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	-
B. Outflows (Inflows) of Resources Due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	(6,635,688)
2. Recognition period for Assets {in years}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	$	(1,327,138)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	(5,308,550)

Statement of Outflows and Inflows Arising from the Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	$ 2,345,459	$ -	$ 2,345,459
2. Due to Assets	9,270,468	9,433,458	(162,990)
3. Total	$ 11,615,927	$ 9,433,458	$ 2,182,469

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ 2,345,459	$ -	$ 2,345,459
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	9,270,468	9,433,458	(162,990)
4. Total	$ 11,615,927	$ 9,433,458	$ 2,182,469

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ -	$ -	$ -
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	14,742,930	14,458,808	284,122
4. Total	$ 14,742,930	$ 14,458,808	$ 284,122

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2025	$ (2,061,994)
2026	5,522,358
2027	(1,849,106)
2028	(1,327,136)
2029	-
Thereafter	-
Total	$ 284,122

Recognition of Deferred Outflows and Inflows of Resources
Fiscal Year Ended June 30, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities					
2020	$ 1,319,492	1.0000	$ 0	$ 0	0.0000
2021	(2,443,812)	1.0000	0	0	0.0000
2022	(191,181)	1.0000	0	0	0.0000
2023	(432,185)	1.0000	0	0	0.0000
2024	2,345,459	1.0000	2,345,459	0	0.0000
Total			**$ 2,345,459**	**$ 0**	
Deferred Outflow (Inflow) Due to Assumption Changes					
2020	$ 5,764,797	1.0000	$ 0	$ 0	0.0000
2021	0	1.0000	0	0	0.0000
2022	0	1.0000	0	0	0.0000
2023	0	1.0000	0	0	0.0000
2024	0	1.0000	0	0	0.0000
Total			**$ 0**	**$ 0**	
Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments					
2020	$ 9,495,010	5.0000	$ 1,899,002	$ 0	0.0000
2021	(37,921,762)	5.0000	(7,584,352)	(7,584,354)	1.0000
2022	36,857,328	5.0000	7,371,466	14,742,930	2.0000
2023	(2,609,840)	5.0000	(521,968)	(1,565,904)	3.0000
2024	(6,635,688)	5.0000	(1,327,138)	(5,308,550)	4.0000
Total			**$ (162,990)**	**$ 284,122**	

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB Statement No. 68, *differences between expected and actual experience* and *changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 256 years. Additionally, the total plan membership (active employees and inactive employees) was 654. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 1.0000 years.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

Statement of Fiduciary Net Position
as of June 30, 2024

Assets		
Cash and Deposits	$	498,303
Receivables		
Accounts Receivable - Sale of Investments	$	132,452
Accrued Interest and Other Dividends		94,502
Contributions		-
Accounts Receivable - Other		42,927
Total Receivables	$	269,881
Investments		
Fixed Income	$	48,010,605
Domestic Equities		73,196,931
Real Estate		7,650,637
Mutual Funds		30,665,253
Other		1,540,684
Total Investments	$	161,064,110
Total Assets	$	161,832,294
Liabilities		
Payables		
Accounts Payable - Purchase of Investments	$	120,309
Accrued Expenses		99,792
Accounts Payable - Other		-
Total Liabilities	$	220,101
Net Position Restricted for Pensions	$	161,612,193

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024

Additions		
Contributions		
Employer	$	2,552,754
Employee		249,948
Other		-
Total Contributions	$	2,802,702
Investment Income		
Net Appreciation in Fair Value of Investments	$	15,430,190
Interest and Dividends		2,121,188
Less Investment Expense		(339,843)
Net Investment Income	$	17,211,535
Other	$	1,000
Total Additions	$	20,015,237
Deductions		
Benefit payments, including refunds of employee contributions	$	16,089,589
Pension Plan Administrative Expense		79,865
Other		-
Total Deductions	$	16,169,454
Net Increase in Net Position	$	3,845,783
Net Position Restricted for Pensions		
Beginning of Year	$	157,766,410
End of Year	$	161,612,193

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios Current Period
Fiscal Year Ended June 30, 2024

A. Total pension liability		
1. Service cost	$	429,945
2. Interest on the total pension liability		12,883,466
3. Changes of benefit terms		-
4. Difference between expected and actual experience of the total pension liability		2,345,459
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(16,089,589)
7. Net change in total pension liability	$	(430,719)
8. Total pension liability – beginning		191,879,343
9. Total pension liability – ending	**$**	**191,448,624**
B. Plan fiduciary net position		
1. Contributions – employer	$	2,552,754
2. Contributions – employee		249,948
3. Net investment income		17,211,535
4. Benefit payments, including refunds of employee contributions		(16,089,589)
5. Pension plan administrative expense		(79,865)
6. Other		1,000
7. Net change in plan fiduciary net position	$	3,845,783
8. Plan fiduciary net position – beginning		157,766,410
9. Plan fiduciary net position – ending	**$**	**161,612,193**
C. Net pension liability	**$**	**29,836,431**
D. Plan fiduciary net position as a percentage of the total pension liability		**84.42%**
E. Covered-employee payroll[(1)]	**$**	**3,582,094**
F. Net pension liability as a percentage of covered-employee payroll		**832.93%**

[(1)] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedules of Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Last 10 Fiscal Years

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 429,945	$ 520,933	$ 793,399	$ 923,879	$ 983,853	$ 1,198,566	$ 1,287,938	$ 1,324,548	$ 1,406,866	$ 1,463,932
Interest on the Total Pension Liability	12,883,466	13,082,659	13,186,196	13,345,779	12,838,979	12,672,928	12,599,353	12,538,642	12,334,306	12,268,658
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience of the Total Pension Liability	2,345,459	(432,185)	(191,181)	(2,443,812)	1,319,492	1,764,893	(407,550)	480,342	688,134	(1,318,646)
Assumption Changes	-	-	-	-	5,764,797	-	-	4,553,695	-	-
Benefit Payments and Refunds	(16,089,589)	(15,853,459)	(14,409,097)	(13,671,637)	(13,602,619)	(12,711,133)	(12,056,834)	(11,613,053)	(11,526,386)	(11,433,468)
Net Change in Total Pension Liability	(430,719)	(2,682,052)	(620,683)	(1,845,791)	7,304,502	2,925,254	1,422,907	7,284,174	2,902,920	980,476
Total Pension Liability - Beginning	191,879,343	194,561,395	195,182,078	197,027,869	189,723,367	186,798,113	185,375,206	178,091,032	175,188,112	174,207,636
Total Pension Liability - Ending (a)	$ 191,448,624	$ 191,879,343	$ 194,561,395	$ 195,182,078	$ 197,027,869	$ 189,723,367	$ 186,798,113	$ 185,375,206	$ 178,091,032	$ 175,188,112
Plan Fiduciary Net Position										
Employer Contributions	$ 2,552,754	$ 2,991,818	$ 3,560,541	$ 3,323,517	$ 2,740,312	$ 24,550,694	$ 4,520,402	$ 3,767,771	$ 3,646,206	$ 3,804,508
Employee Contributions	249,948	223,327	317,548	378,300	415,055	488,277	427,812	451,138	467,245	505,681
Pension Plan Net Investment Income	17,211,535	13,176,370	(23,808,372)	48,310,288	1,506,951	8,456,687	7,609,795	13,691,060	(701,395)	716,111
Benefit Payments and Refunds	(16,089,589)	(15,853,459)	(14,409,097)	(13,671,637)	(13,602,619)	(12,711,133)	(12,056,834)	(11,613,053)	(11,526,386)	(11,433,468)
Pension Plan Administrative Expense	(79,865)	(82,458)	(59,136)	(49,022)	(53,251)	(43,649)	(39,089)	(27,568)	(28,932)	(40,136)
Other	1,000	-	1,200	(504)	(20,757)	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	3,845,783	455,598	(34,397,316)	38,290,942	(9,014,309)	20,740,876	462,086	6,269,348	(8,143,262)	(6,447,304)
Plan Fiduciary Net Position - Beginning[1]	157,766,410	157,310,812	191,708,128	153,417,186	162,431,495	141,690,619	141,226,033	134,956,685	143,099,947	149,547,251
Plan Fiduciary Net Position - Ending (b)	$ 161,612,193	$ 157,766,410	$ 157,310,812	$ 191,708,128	$ 153,417,186	$ 162,431,495	$ 141,688,119	$ 141,226,033	$ 134,956,685	$ 143,099,947
Net Pension Liability - Ending (a) - (b)	29,836,431	34,112,933	37,250,583	3,473,950	43,610,683	27,291,872	45,109,994	44,149,173	43,134,347	32,088,165
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.42 %	82.22 %	80.85 %	98.22 %	77.87 %	85.61 %	75.85 %	76.18 %	75.78 %	81.68 %
Covered-Employee Payroll[2]	$ 3,582,094	$ 4,335,910	$ 6,479,374	$ 7,570,075	$ 9,918,017	$ 9,888,715	$ 11,584,835	$ 11,528,291	$ 11,430,114	$ 12,433,033
Net Pension Liability as a Percentage of Covered-Employee Payroll	832.93 %	786.75 %	574.91 %	45.89 %	439.71 %	275.99 %	389.39 %	382.96 %	377.37 %	258.09 %

Notes to Schedule:

[1] *For fiscal year 2019, the beginning of year net position does not match fiscal year 2018 end of year net position due to a $2,500 adjustment in the pension plan administrative expense.*

[2] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedules of Required Supplementary Information
Schedule of the Employer's Net Pension Liability

Last 10 Fiscal Years

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll[1]	Net Pension Liability as a % of Covered Payroll
2015	$175,188,112	$143,099,947	$32,088,165	81.68%	$12,433,033	258.09%
2016	178,091,032	134,956,685	43,134,347	75.78%	11,430,114	377.37%
2017	185,375,206	141,226,033	44,149,173	76.18%	11,528,291	382.96%
2018	186,798,113	141,688,119	45,109,994	75.85%	11,584,835	389.39%
2019	189,723,367	162,431,495	27,291,872	85.61%	9,888,715	275.99%
2020	197,027,869	153,417,186	43,610,683	77.87%	9,918,017	439.71%
2021	195,182,078	191,708,128	3,473,950	98.22%	7,570,075	45.89%
2022	194,561,395	157,310,812	37,250,583	80.85%	6,479,374	574.91%
2023	191,879,343	157,766,410	34,112,933	82.22%	4,335,910	786.75%
2024	191,448,624	161,612,193	29,836,431	84.42%	3,582,094	832.93%

[1] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedule of Contributions

Last 10 Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll[1]	Actual Contribution as a % of Covered Payroll
2015	$ 3,743,710	$ 3,804,508	$ (60,798)	$ 12,433,033	30.60%
2016	3,537,464	3,646,206	(108,742)	11,430,114	31.90%
2017	3,718,752	3,767,771	(49,019)	11,528,291	32.68%
2018	4,609,384	4,520,402	88,982	11,584,835	39.02%
2019[2]	4,540,864	24,550,694	(20,009,830)	9,888,715	248.27%
2020	2,887,985	2,740,312	147,673	9,918,017	27.63%
2021	3,355,601	3,323,517	32,084	7,570,075	43.90%
2022	3,566,061	3,560,541	5,520	6,479,374	54.95%
2023	2,903,693	2,991,818	(88,125)	4,335,910	69.00%
2024	2,459,856	2,552,754	(92,898)	3,582,094	71.26%

(1) *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

(2) *Actual contribution includes $19,864,800 in proceeds from a bond issuance.*

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending June 30, 2024*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	5-Year smoothed market 80%/120% Corridor
Price Inflation	2.50%
Salary Increases	3.15% to 6.05% including inflation.
Investment Rate of Return	7.00% (net of investment and administrative expenses).
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period 2013-2018.
Mortality	**Healthy Pre-Retirement**: The PubG-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019. **Healthy Post-Retirement**: The PubG-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019. **Disability Retirement**: The PubG-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Other Information:

Notes	None

** Based on Valuation Assumptions used in the June 30, 2022 valuation.*

Schedule of Investment Returns

Last 10 Fiscal Years

FY Ending June 30,	Annual Return[1]
2015	0.46 %
2016	(0.52)%
2017	10.38 %
2018	5.52 %
2019	5.53 %
2020	0.92 %
2021	32.39 %
2022	(12.78)%
2023	8.64 %
2024	11.26 %

[1] *Annual money-weighted rate of return, net of investment expenses.*

SECTION D

NOTES TO FINANCIAL STATEMENTS

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s). Additional information about the assumed rate of investment return is included in our actuarial valuation report as of June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best arithmetic estimates are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return [1]
Large Cap Equity	22.00%	5.76%
Small/Mid Cap Equity	12.00%	5.56%
International Equity	13.00%	4.68%
Emerging International Equity	5.00%	5.66%
Core Bonds	20.00%	1.17%
Emerging Market Debt	4.00%	4.10%
Diversified Credit	4.00%	1.17%
Absolute Return Fixed Income	5.00%	2.63%
Real Estate - Core	8.00%	4.39%
Private Debt	3.00%	6.34%
Private Equity	4.00%	10.24%
Total	100.00%	

[1] *Real rate of return is based on investment manager inflation assumption of 2.50%.*

The figures in the above table were supplied by the City of Dearborn. Gabriel, Roeder, Smith & Company does not provide investment advice.

Single Discount Rate

A Single Discount Rate of 7.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the System's current funding policy and the City's practice of contributing 100% of the recommended contribution, it is the opinion of the actuaries that the Plan Fiduciary Net Position is sufficient to make all future projected benefit payments, assuming all other assumptions are realized. Therefore, the Single Discount Rate would equal the long-term expected rate of return of 7.00%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$ 209,427,407	$ 191,448,624	$ 176,063,114
Plan Fiduciary Net Position	161,612,193	161,612,193	161,612,193
Net Pension Liability/(Asset)	$ 47,815,214	$ 29,836,431	$ 14,450,921

Summary of Population Statistics

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	575
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	28
Active Plan Members	51
Total Plan Members	654

SECTION E

SUMMARY OF BENEFITS

Summary of Benefit Provisions

1. ***Voluntary Retirement***. A member may retire after either: completing 25 years of service and attaining age 55 (age 50 for Police Dispatch members); or attaining age 60 and completing 10 years of service. Department Heads and the Mayoral Assistant need 24 years of service to qualify at age 55.

2. ***Age & Service Annuity for Service July 1, 1974 & Later***. An annuity equal to (a) 2.50% of final average earnings times the first 26 years of credited service plus 1.75% times the next 3 years of credited service plus 2.25% times the next 1 year of credited service, which is rendered after July 1, 1974.

   Final Average Earnings means the average of the member's highest annual pays received during any 3 consecutive years of service contained within the last 10 years of credited service.

3. ***Age & Service Annuity for Service Before July 1, 1974***. An annuity equal to: 2.75% of indexed average final pay times the first 30 years of credited service rendered before July 1, 1974, with a maximum of $5,900 annually.

   Average Final Pay means the average of the highest annual pays received by the member during any 3 consecutive years of service contained within the last 10 years of credited service, with a maximum of $8,500.

   The above $5,900 and $8,500 maximums are indexed each July 1 for the coming year, as follows:

   (a) The adjusted maximum is the unadjusted maximum increased by 3% compounded annually for each year since July 1, 1974, subject to the maximum in (b).

   (b) The adjusted maximum cannot exceed the unadjusted maximum multiplied by the ratio of the average Consumer Price Index for the calendar year immediately preceding retirement to the average Consumer Price Index for calendar 1974.

   For retirements during the period July 1, 2023 to June 30, 2024, $25,112 is applied in place of $5,900 and $36,178 is applied in place of $8,500. The Total Age & Service Annuity is the total of the post-1974 annuity and the pre-1974 annuity.

4. ***Deferred Annuity***. A member with 10 or more years of service who leaves City employment before retirement receives an annuity computed in the same manner as an age and service annuity, payments beginning upon application at voluntary retirement age.

5. ***Duty Disability Annuity***. A member who becomes totally and permanently disabled from duty-connected causes before attaining age 60 receives, subject to offsetting for worker's compensation and Social Security, a duty disability annuity computed in nearly the same manner as an age and service annuity, including service credit for the period from disability to age 60.

Summary of Benefit Provisions

6. ***Non-Duty Disability Annuity***. A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in nearly the same manner as a service annuity.

7. ***Death-in-Service Benefits***. Upon the death of a member, the surviving dependents receive, subject to offsetting for worker's compensation and Social Security, the following benefits:

   (a) The spouse receives an annuity equal to the Option B-100 annuity (joint and 100% survivor actuarial equivalent benefit) which would have been payable had the deceased member retired at the time of death and elected Option B-100. The minimum annuity payable to the spouse is 20% of the member's final average earnings.
   (b) The dependent children under age 18 (age 23 if they are full-time students) each receive an annuity of 15% of the member's final average earnings until they reach age 18 (23). If there are 4 or more dependent children, each child receives an equal share of 50% of the member's final average earnings until they reach the above ages.
   (c) If there are neither a spouse nor children, each dependent parent receives an annuity equal to 15% of final average earnings.

8. ***Annuity Withdrawal***. Upon retirement a member may withdraw a lump sum not to exceed the accumulated member contributions. (Other provisions apply to withdrawal of contributions prior to retirement.)

9. ***Optional Benefit Forms***. Retiring members may elect to receive a reduced retirement allowance with the provision that a portion (100%, 75%, or 50%) of the reduced amount will continue to a beneficiary after the death of the retiree. The reduction amount is based upon 7.00% interest, the Pub-2010 Mortality Table projected to 2030 using mortality improvement scale MP-2019 with an 85% Unisex blend, and the ages of the retiree and beneficiary on the member's voluntary retirement date. If a member elects an optional form and the beneficiary predeceases the member, the amount payable to the member "pops-up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit is provided at no cost to the retiring member.

10. ***Member Contributions.*** Effective January 1, 2013, members contribute 4% of annual pay. If a member terminates employment before any allowance is payable, accumulated contributions are refunded. Effective July 1, 2018, members contribute 5% of annual pay (non-refundable). Effective February 9, 2023, members contribute 6% of annual pay (non-refundable). Effective July 1, 2023, members contribute 7% of annual pay (non-refundable).

11. ***Employer Contributions***. The City contributes the amounts necessary to finance the Retirement System. The minimum employer contribution is 10% of the normal cost.

12. ***Refund of Contributions.*** The interest rate currently being credited on refunds of accumulated contributions paid to terminating members was assumed to be 0% per annum, in accordance with the Board of Trustees resolution.

The plan was closed to new employees effective July 1, 2002.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Actuarial Assumptions Used in the Valuation

The assumptions were revised for the June 30, 2019 valuation, based on an experience study dated December 6, 2019, unless a different date is indicated for a particular assumption. It is anticipated that non-economic assumptions will be reviewed periodically after sufficient data has accumulated.

Economic Assumptions

The investment return rate assumed in the valuations was 7.00% per year, compounded annually (net after investment and administrative expenses).

The long-term **Wage Inflation Rate** assumed in this valuation was 2.75% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption on the order of 2.50% would be consistent with other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.00% investment return rate translates to an assumed real rate of return over wage inflation of 4.25%.

Pay increase assumptions for individual active members are shown for sample ages on page 25. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.75% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

Actuarial Assumptions Used in the Valuation (Continued)

Non-Economic Assumptions

The mortality table used was the Pub-2010, based on data from public pension systems only, and using projection scale MP-2019. Related values are shown on page 26.

The probabilities of age/service retirement for members eligible to retire are shown on page 27.

The probabilities of separation from service (including ***death-in-service*** and ***disability***) are shown for sample ages on page 28.

The actuarial cost method of valuation used in determining all benefit liabilities and normal cost was the entry age normal actuarial cost method. Differences between assumed experience and actual experience ("actuarial gains and losses") become part of actuarial accrued liabilities.

Employer contribution dollars were assumed to be paid in equal installments throughout the employer fiscal year.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

Actuarial Assumptions Used in the Valuation (Continued)

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefit amounts will be based.

Sample Ages	Percent Increase in Pay During Next Year Base Portion	Merit & Seniority	Total
25	2.75%	3.30%	6.05%
30	2.75%	1.60%	4.35%
35	2.75%	1.20%	3.95%
40	2.75%	0.90%	3.65%
45	2.75%	0.80%	3.55%
50	2.75%	0.60%	3.35%
55	2.75%	0.50%	3.25%
60	2.75%	0.40%	3.15%
65	2.75%	0.40%	3.15%
Ref		131	

Active member payroll is assumed to grow at 2.75% per year.

The price inflation component of the investment return rate and the wage inflation rate is assumed to be 2.50%.

The rate of investment return was 7.00% per year, compounded annually. This assumption is used to make money payable at one point in time equal in value to a different amount of money payable at another point in time.

Actuarial Assumptions Used in the Valuation (Continued)

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and projection scale MP-2019. The tables used were as follows:

- **Healthy Pre-Retirement:** The PubG-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Healthy Post-Retirement:** The PubG-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Disability Retirement:** The PubG-2010, Amount-Weighted, Disabled Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	49.90	52.26	46.20	49.29	34.19	36.94
45	44.75	47.03	40.94	43.96	30.11	32.81
50	39.62	41.82	35.81	38.76	26.29	28.99
55	34.57	36.66	30.91	33.77	22.84	25.55
60	29.62	31.58	26.18	28.89	19.73	22.35
65	24.80	26.60	21.65	24.13	16.82	19.11
70	20.09	21.70	17.36	19.56	13.99	15.76
75	15.49	16.93	13.39	15.28	11.22	12.48
80	11.02	12.31	9.88	11.42	8.64	9.54

* *Life expectancy in future years is determined by the fully generational MP-2019 projection scale. The sample values shown are for individuals with the indicated attained ages in 2023.*

Actuarial Assumptions Used in the Valuation (Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year were as follows:

Attained Ages	Percent of Eligible Members Retiring Within Next Year				
	General Members		Police Dispatch Members		Operative Members
	Males	Females	Males	Females	
50			27%	24%	
51			27%	24%	
52			27%	24%	
53			27%	24%	
54			27%	24%	
55	36%	28%	36%	28%	27%
56	23%	16%	23%	16%	27%
57	23%	16%	23%	16%	27%
58	23%	16%	23%	16%	27%
59	23%	16%	23%	16%	27%
60	32%	24%	32%	24%	27%
61	23%	16%	23%	16%	27%
62	27%	20%	27%	20%	36%
63	27%	20%	27%	20%	36%
64	27%	20%	27%	20%	36%
65	54%	44%	54%	44%	36%
66	27%	20%	27%	20%	36%
67	32%	24%	32%	24%	36%
68	41%	36%	41%	36%	36%
69	45%	36%	45%	36%	36%
70	100%	100%	100%	100%	100%
Ref	2994	2995	2996	2997	2998

Effective June 30, 1999, if a person has the maximum years of credited service for benefit purposes, the assumed probability of retirement is the greater of 25% or the rate in the retirement table.

Actuarial Assumptions Used in the Valuation (Concluded)

Rates of separation 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 terminating.

Sample Ages	% of Active Members Separating Within Next Year		
	General		
	Males	Females	Operative
25	10.00%	10.00%	4.00%
30	8.80%	8.80%	4.00%
35	6.80%	6.80%	4.00%
40	4.50%	4.80%	3.40%
45	2.60%	3.40%	2.40%
50	1.40%	2.40%	1.40%
55	0.70%	1.40%	0.70%
Ref	1 x 685	1 x 686	1 x 263

The interest rate currently being credited on refunds of accumulated contributions paid to terminating members was assumed to be 0% per annum, in accordance with the Board of Trustees resolution.

Rates of disability were as follows. This assumption measures the probability of members retiring with a disability benefit.

Sample Ages	% of Active Members Separating Within Next Year			
	General		Operative	
	Males	Females	Males	Females
25	0.04%	0.03%	0.06%	0.08%
30	0.04%	0.03%	0.06%	0.08%
35	0.04%	0.03%	0.06%	0.08%
40	0.10%	0.09%	0.15%	0.27%
45	0.13%	0.10%	0.20%	0.30%
50	0.25%	0.14%	0.37%	0.43%
55	0.45%	0.19%	0.67%	0.57%
Ref	0.50 x 9	0.25 x 10	0.75 x 9	0.75 x 10

Miscellaneous and Technical Assumptions

Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation:	Disability and turnover decrements do not operate during retirement eligibility.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Estimated Benefits:	For new retirees who have yet to have a formal benefit calculation completed, retirement benefits were used as provided by the City.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption:	80% of males and 25% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Miscellaneous Loading Factors:	The normal cost and liabilities for all decrements were increased by 0.8% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form.
Normal Form of Benefit:	A straight life payment is the assumed normal form of benefit.
Option Factors:	Option factors are based upon 7.00% interest and the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with an 85% Unisex Blend.

Miscellaneous and Technical Assumptions (Concluded)

Pay Increase Timing:	Reported pays were adjusted due to contract settlements for purposes of this valuation. Future pay increases are assumed to occur at the end of the fiscal year.
Pop-Up Benefits:	Pop-up amounts for members retired on/after July 1, 2010 who elected a joint & survivor payment option are not provided by the Retirement System. For members who elect a 50% joint & survivor annuity, the pop-up amount is estimated to be 7% higher than the benefit payable while both the retiree and beneficiary are alive. Similarly, for members who elect a 75% joint & survivor annuity, the pop-up amount is estimated to be 10% higher than the benefit payable while both the retiree and beneficiary are alive. Finally, for members who elect a 100% joint & survivor annuity, the pop-up amount is estimated to be 12.5% higher than the benefit payable while both the retiree and beneficiary are alive.
Roll-Forward Methodology:	The Total Pension Liability was determined by an actuarial valuation as of June 30, 2023 and a measurement date of June 30, 2024. The roll-forward procedure increases the June 30, 2023 actuarial accrued liability with normal cost and interest and decreases it with actual benefit payments.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year.

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97%; and the resulting SDR is 7.00%.

The City of Dearborn Chapter 22 Retirement System has a long history of adhering to a funding policy with actuarially determined contributions. In addition, the System uses a closed amortization period and has a history of fully contributing the actuarially determined contributions to the fund. As a result, the SDR is the expected rate of return on pension plan investments (7.00%) and projections have been excluded from this report.

SECTION H

MICHIGAN PUBLIC ACT 202

State Reporting Assumptions as of June 30, 2024

The Protecting Local Government Retirement and Benefits Act, Public Act 202 (PA 202) of 2017, was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions are denoted below. Additional discussion of the PA 202 and uniform assumptions may be found on the State website in the *Public Act 202 of 2017: Selection of the Uniform Assumptions for Fiscal Year 2024* memo dated February 13, 2024.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return	Maximum of 6.90%[1]	7.00%	**6.90%**
Salary Increase	Minimum of 3.25% or based on experience study within last 5 years	2.75% + Merit and longevity (based on experience study issued December 6, 2019)	2.75% + Merit and longevity (based on experience study issued December 6, 2019)
Mortality	A version of Pub-2010 mortality tables with future mortality improvement projected generationally using scale MP-2021 or based on an experience study within last 5 years	PubG-2010 with mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)	PubG-2010 with mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)
Amortization of the Unfunded Accrued Actuarial Liability			
Period	Maximum Period of 15 Years	21 years[2]	**15 years[2]**
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll or Level Dollar	Level Dollar	Level Dollar
Type	Closed	Closed	Closed

[1] *A blended rate calculated using GASB Statement No. 75 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 6.90%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – maximum of 3.65%.*

[2] *For the fiscal year ending June 30, 2025.*

State Reporting
as of June 30, 2024

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). The local unit of government is required to complete/develop all of the remaining reporting requirements necessary for Form 5572. Additional resources are available on the State website.

Line	Descriptive Information	
18	**Actuarial Assumptions**[1]	
19	Actuarial assumed rate of investment return[3]	7.00%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Dollar
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any[2]	21
22	Is each division within the system closed to new employees?	Yes
23	**Uniform Assumptions**[3]	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	$ 164,665,432
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	$ 195,798,507
26	Funded ratio using uniform assumptions	84.1%
27	Actuarially Determined Contribution (ADC) using uniform assumptions	$ 3,437,853
28	All systems combined ADC/Governmental fund revenues	Auto[4]

[1] *Information on lines 19-22 can be found in the annual actuarial funding valuation report for the System dated February 8, 2024.*

[2] *For the fiscal year ending June 30, 2025.*

[3] *Information on lines 24-28 is based on Uniform Assumption Used, listed on the prior page as of the most recent valuation date, June 30, 2023.*

[4] *Automatically calculated by State of Michigan Form 5572.*

SECTION I

GLOSSARY OF TERMS

Glossary of Terms

Accrued Service	Service credited under the system which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
Actuarial Assumptions	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
Actuarial Equivalent	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
Actuarial Gain (Loss)	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
Actuarial Present Value (APV)	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
Actuarial Valuation	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

Amortization Method	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year).
Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered-Employee Payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred Retirement Option Program (DROP)	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
Deferred Inflows and Outflows	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
Discount Rate	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

Entry Age Actuarial Cost Method (EAN)	The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
Fiduciary Net Position	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
GASB	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
Long-Term Expected Rate of Return	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
Money-Weighted Rate of Return	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
Multiple-Employer Defined Benefit Pension Plan	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Municipal Bond Rate	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
Net Pension Liability (NPL)	The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.
Non-Employer Contributing Entities	Non-employer contributing entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.
Normal Cost	The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

Glossary of Terms

Other Postemployment Benefits (OPEB) — All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.

Real Rate of Return — The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.

Service Cost — The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Total Pension Expense — The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:

1. Service Cost
2. Interest on the Total Pension Liability
3. Current-Period Benefit Changes
4. Employee Contributions (made negative for addition here)
5. Projected Earnings on Plan Investments (made negative for addition here)
6. Pension Plan Administrative Expense
7. Other Changes in Plan Fiduciary Net Position
8. Recognition of Outflow (Inflow) of Resources due to Liabilities
9. Recognition of Outflow (Inflow) of Resources due to Assets

Total Pension Liability (TPL) — The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

Unfunded Actuarial Accrued Liability (UAAL) — The UAAL is the difference between actuarial accrued liability and valuation assets.

Valuation Assets — The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Mr. Michael Kennedy
Finance Director/Treasurer
Dearborn Administrative Center
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Please find a copy of the GASB Statement Nos. 67 and No. 68 Accounting and Financial Reporting for Pensions report of the City of Dearborn Chapter 22 Retirement System.

We will be happy to meet with the Board to discuss the results of this report.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:ah
Enclosures

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Dearborn Chapter 23 Retirement System

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions

June 30, 2024

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Board of Trustees
City of Dearborn Chapter 23 Retirement System
Dearborn, Michigan

Dear Board Members:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Dearborn Chapter 23 Retirement System. These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimate cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City of Dearborn Chapter 23 Retirement System only in its entirety and only with the permission of the Retirement System. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Retirement System, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report that was provided to the Retirement System, dated February 8, 2024, and should be considered in conjunction with that report. Please see the actuarial valuation report as of June 30, 2023 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the City of Dearborn Chapter 23 Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices, as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

In Section H of this report, you will find some of the information necessary to complete the reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). This information is not required to be included in your financial statements.

The signing actuaries are independent of the plan sponsor.

Mark Buis and Francois Pieterse 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Mark Buis, FSA, EA, FCA, MAAA

Francois Pieterse, ASA, FCA, MAAA

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Table of Contents

SECTION A

EXECUTIVE SUMMARY

Executive Summary
as of June 30, 2024

Actuarial Valuation Date	June 30, 2023
Measurement Date of the Net Pension Liability	June 30, 2024
Employer's Fiscal Year Ending Date (Reporting Date)	June 30, 2024

Membership (as of the valuation date)

Number of	
- Retirees and Beneficiaries	460
- Inactive, Nonretired Members	3
- Active Members	90
- Total	553
Covered Payroll[1]	$ 10,050,479

Net Pension Liability

Total Pension Liability	$ 456,536,458
Plan Fiduciary Net Position	343,560,825
Net Pension Liability	$ 112,975,633
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.25%
Net Pension Liability as a Percentage of Covered Payroll	1124.08%

Development of the Single Discount Rate

Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate[2]	3.97%
Last year ending June 30 in the 2025 to 2124 projection period for which projected benefit payments are fully funded	2124

Total Pension Expense $ 13,015,175

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	24,886,738	24,839,452
Total	$ 24,886,738	$ 24,839,452

(1) *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

(2) *Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.*

Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the Retirement System subsequent to the measurement date of June 30, 2024.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets), then the following outcomes are expected:

1. The employer normal cost as a percentage of pay is expected to remain level as a percentage of payroll.
2. The unfunded liability is expected to be paid off in approximately 21 years, which is the number of years remaining in the closed amortization schedule of the unfunded liability.
3. The funded status of the plan is expected to reach a 100% funded ratio in approximately 21 years, which is the number of years remaining in the closed amortization schedule of the unfunded liability.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2124.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled-forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The total pension liability was "rolled-forward" from June 30, 2023 to June 30, 2024 using generally accepted actuarial principles.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"), and the resulting Single Discount Rate is 7.00%.

SECTION B

FINANCIAL STATEMENTS

Statement of Pension Expense under GASB Statement No. 68
Fiscal Year Ended June 30, 2024

A. Expense		
1. Service Cost	$	3,413,716
2. Interest on the Total Pension Liability		30,520,390
3. Current-Period Benefit Changes		309,620
4. Employee Contributions (made negative for addition here)		(498,430)
5. Projected Earnings on Plan Investments (made negative for addition here)		(22,127,080)
6. Pension Plan Administrative Expense		125,140
7. Other Changes in Plan Fiduciary Net Position		25,516
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		1,641,443
9. Recognition of Outflow (Inflow) of Resources due to Assets		(395,140)
10. Total Pension Expense	**$**	**13,015,175**

Statement of Outflows and Inflows Arising from the Current Reporting Period Fiscal Year Ended June 30, 2024

A. Outflows (Inflows) of Resources Due to Liabilities		
1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	$	1,666,852
2. Assumption Changes (gains) or losses	$	-
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		1.0000
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	$	1,666,852
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	1,666,852
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	$	-
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	-
B. Outflows (Inflows) of Resources Due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	(12,482,800)
2. Recognition period for Assets {in years}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	$	(2,496,560)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	(9,986,240)

Statement of Outflows and Inflows Arising from the Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	$ 1,666,852	$ 25,409	$ 1,641,443
2. Due to Assets	16,463,893	16,859,033	(395,140)
3. Total	$ 18,130,745	$ 16,884,442	$ 1,246,303

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ 1,666,852	$ 25,409	$ 1,641,443
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	16,463,893	16,859,033	(395,140)
4. Total	$ 18,130,745	$ 16,884,442	$ 1,246,303

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ -	$ 0	$ -
2. Assumption Changes	-	-	-
3. Net Difference between projected and actual earnings on pension plan investments	24,886,738	24,839,452	47,286
4. Total	$ 24,886,738	$ 24,839,452	$ 47,286

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2025	$ (4,415,666)
2026	9,701,440
2027	(2,741,928)
2028	(2,496,560)
2029	-
Thereafter	-
Total	$ 47,286

Recognition of Deferred Outflows and Inflows of Resources
Fiscal Year Ended June 30, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities					
2020	$ (1,311,598)	2.2865	$ 0	$ 0	0.0000
2021	(1,100,468)	1.6060	0	0	0.0000
2022	(2,043,439)	1.3758	0	0	0.0000
2023	(188,709)	1.1556	(25,409)	0	0.0000
2024	1,666,852	1.0000	1,666,852	0	0.0000
Total			**$ 1,641,443**	**$ 0**	
Deferred Outflow (Inflow) Due to Assumption Changes					
2020	$ 27,098,377	2.2865	$ 0	$ 0	0.0000
2021	0	1.6060	0	0	0.0000
2022	0	1.3758	0	0	0.0000
2023	0	1.1556	0	0	0.0000
2024	0	1.0000	0	0	0.0000
Total			**$ 0**	**$ 0**	
Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments					
2020	$ 20,102,633	5.0000	$ 4,020,525	$ 0	0.0000
2021	(70,585,516)	5.0000	(14,117,103)	(14,117,104)	1.0000
2022	62,216,842	5.0000	12,443,368	24,886,738	2.0000
2023	(1,226,848)	5.0000	(245,370)	(736,108)	3.0000
2024	(12,482,800)	5.0000	(2,496,560)	(9,986,240)	4.0000
Total			**$ (395,140)**	**$ 47,286**	

Recognition of Deferred Outflows and Inflows of Resources

According to paragraph 33 of GASB Statement No. 68, *differences between expected and actual experience* and *changes in assumptions* are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 543 years. Additionally, the total plan membership (active employees and inactive employees) was 553. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 0.9816 years, with a minimum of 1.0000 years.

Additionally, *differences between projected and actual earnings on pension plan investments* should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

Statement of Fiduciary Net Position
as of June 30, 2024

Assets		
Cash and Deposits	$	79,542
Receivables		
Accounts Receivable - Sale of Investments	$	182,127
Accrued Interest and Other Dividends		234,492
Contributions		-
Accounts Receivable - Other		208,148
Total Receivables	$	624,767
Investments		
Fixed Income	$	84,092,109
Domestic Equities		226,759,330
International Equities		-
Real Estate		28,459,355
Other		3,926,662
Total Investments	$	343,237,456
Total Assets	$	343,941,765
Liabilities		
Payables		
Accounts Payable - Purchase of Investments	$	-
Accrued Expenses		222,202
Accounts Payable - Other		158,738
Total Liabilities	$	380,940
Net Position Restricted for Pensions	$	343,560,825

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024

Additions		
Contributions		
Employer	$	12,697,501
Employee		498,430
Other		-
Total Contributions	$	13,195,931
Investment Income		
Net Appreciation in Fair Value of Investments	$	32,314,114
Interest and Dividends		3,874,779
Less Investment Expense		(1,579,013)
Net Investment Income	$	34,609,880
Other	$	-
Total Additions	$	47,805,811
Deductions		
Benefit payments, including refunds of employee contributions	$	27,345,659
Pension Plan Administrative Expense		125,140
Other		25,516
Total Deductions	$	27,496,315
Net Increase in Net Position	$	20,309,496
Net Position Restricted for Pensions		
Beginning of Year	$	323,251,329
End of Year	$	343,560,825

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability and Related Ratios
Current Period
Fiscal Year Ended June 30, 2024

A. Total pension liability		
1. Service cost	$	3,413,716
2. Interest on the total pension liability		30,520,390
3. Changes of benefit terms		309,620
4. Difference between expected and actual experience of the total pension liability		1,666,852
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(27,345,659)
7. Net change in total pension liability	$	8,564,919
8. Total pension liability – beginning		447,971,539
9. Total pension liability – ending	**$**	**456,536,458**
B. Plan fiduciary net position		
1. Contributions – employer	$	12,697,501
2. Contributions – employee		498,430
3. Net investment income		34,609,880
4. Benefit payments, including refunds of employee contributions		(27,345,659)
5. Pension plan administrative expense		(125,140)
6. Other		(25,516)
7. Net change in plan fiduciary net position	$	20,309,496
8. Plan fiduciary net position – beginning		323,251,329
9. Plan fiduciary net position – ending	**$**	**343,560,825**
C. Net pension liability	**$**	**112,975,633**
D. Plan fiduciary net position as a percentage of the total pension liability		**75.25%**
E. Covered-employee payroll[1]	**$**	**10,050,479**
F. Net pension liability as a percentage of covered-employee payroll		**1124.08%**

[1] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedules of Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Last 10 Fiscal Years

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 3,413,716	$ 3,565,508	$ 3,833,375	$ 4,011,913	$ 3,869,766	$ 4,095,946	$ 4,018,651	$ 3,513,973	$ 3,655,514	$ 3,854,655
Interest on the Total Pension Liability	30,520,390	30,061,379	29,664,178	29,163,511	26,883,815	26,179,051	25,092,709	24,593,122	24,070,844	23,542,045
Benefit Changes	309,620	-	-	-	-	-	5,515,313	-	-	-
Difference between expected and actual experience of the Total Pension Liability	1,666,852	(188,709)	(2,043,439)	(1,100,468)	(1,311,598)	2,541,671	2,467,804	1,006,214	(243,214)	(429,811)
Assumption Changes	-	-	-	-	27,098,377	-	-	10,829,368	-	-
Benefit Payments and Refunds	(27,345,659)	(26,264,306)	(25,027,463)	(24,639,149)	(23,449,544)	(21,821,478)	(21,406,454)	(20,479,978)	(19,937,083)	(19,210,018)
Net Change in Total Pension Liability	8,564,919	7,173,872	6,426,651	7,435,807	33,090,816	10,995,190	15,688,023	19,462,699	7,546,061	7,756,871
Total Pension Liability - Beginning	447,971,539	440,797,667	434,371,016	426,935,209	393,844,393	382,849,203	367,161,180	347,698,481	340,152,420	332,395,549
Total Pension Liability - Ending (a)	$ 456,536,458	$ 447,971,539	$ 440,797,667	$ 434,371,016	$ 426,935,209	$ 393,844,393	$ 382,849,203	$ 367,161,180	$ 347,698,481	$ 340,152,420
Plan Fiduciary Net Position										
Employer Contributions	$ 12,697,501	$ 12,777,833	$ 15,758,677	$ 14,944,850	$ 13,807,264	$ 13,395,345	$ 12,501,034	$ 9,436,959	$ 9,090,948	$ 9,193,439
Employee Contributions	498,430	526,453	565,400	588,414	660,869	692,666	700,192	687,669	696,462	735,288
Pension Plan Net Investment Income	34,609,880	22,721,616	(37,342,242)	89,806,576	(223,495)	11,869,712	14,694,627	27,486,853	(1,664,166)	838,284
Benefit Payments and Refunds	(27,345,659)	(26,264,306)	(25,027,463)	(24,639,149)	(23,449,544)	(21,821,478)	(21,406,454)	(20,479,978)	(19,937,083)	(19,210,018)
Pension Plan Administrative Expense	(125,140)	(91,266)	(78,031)	(75,508)	(70,170)	(50,883)	(58,614)	(44,080)	(50,774)	(60,739)
Other[(1)]	(25,516)	(25,516)	(23,916)	(96,729)	(25,515)	(25,516)	(291,433)	-	-	-
Net Change in Plan Fiduciary Net Position	20,309,496	9,644,814	(46,147,575)	80,528,454	(9,300,591)	4,059,846	6,139,352	17,087,423	(11,864,613)	(8,503,746)
Plan Fiduciary Net Position - Beginning	323,251,329	313,606,515	359,754,090	279,225,636	288,526,227	284,466,381	278,327,029	261,239,606	273,104,219	281,607,965
Plan Fiduciary Net Position - Ending (b)	$ 343,560,825	$ 323,251,329	$ 313,606,515	$ 359,754,090	$ 279,225,636	$ 288,526,227	$ 284,466,381	$ 278,327,029	$ 261,239,606	$ 273,104,219
Net Pension Liability - Ending (a) - (b)	112,975,633	124,720,210	127,191,152	74,616,926	147,709,573	105,318,166	98,382,822	88,834,151	86,458,875	67,048,201
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.25 %	72.16 %	71.15 %	82.82 %	65.40 %	73.26 %	74.30 %	75.81 %	75.13 %	80.29 %
Covered Employee Payroll[(2)]	$ 10,050,479	$ 10,605,941	$ 11,308,146	$ 11,892,169	$ 13,349,785	$ 13,846,216	$ 14,049,066	$ 13,780,369	$ 14,722,316	$ 15,763,013
Net Pension Liability as a Percentage of Covered Employee Payroll	1,124.08 %	1,175.95 %	1,124.77 %	627.45 %	1,106.46 %	760.63 %	700.28 %	644.64 %	587.26 %	425.35 %

Notes to Schedule:

(1) *For FY 2021, includes an adjustment of $71,213 to account for differences between the ending net position used in last year's valuation and this year's beginning net position provided by the City.*

(2) *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedules of Required Supplementary Information
Schedule of the Employer's Net Pension Liability

Last 10 Fiscal Years

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll[(1)]	Net Pension Liability as a % of Covered Payroll
2015	$340,152,420	$273,104,219	$67,048,201	80.29%	$15,763,013	425.35%
2016	347,698,481	261,239,606	86,458,875	75.13%	14,722,316	587.26%
2017	367,161,180	278,327,029	88,834,151	75.81%	13,780,369	644.64%
2018	382,849,203	284,466,381	98,382,822	74.30%	14,049,066	700.28%
2019	393,844,393	288,526,227	105,318,166	73.26%	13,846,216	760.63%
2020	426,935,209	279,225,636	147,709,573	65.40%	13,349,785	1106.46%
2021	434,371,016	359,754,090	74,616,926	82.82%	11,892,169	627.45%
2022	440,797,667	313,606,515	127,191,152	71.15%	11,308,146	1124.77%
2023	447,971,539	323,251,329	124,720,210	72.16%	10,605,941	1175.95%
2024	456,536,458	343,560,825	112,975,633	75.25%	10,050,479	1124.08%

[(1)] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Schedule of Contributions

Last 10 Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll[1]	Actual Contribution as a % of Covered Payroll
2015	$ 9,298,618	$ 9,193,439	$ 105,179	$ 15,763,013	58.32%
2016	9,153,909	9,090,948	62,961	14,722,316	61.75%
2017	9,333,396	9,436,959	(103,563)	13,780,369	68.48%
2018	11,742,990	12,501,034	(758,044)	14,049,066	88.98%
2019	13,349,132	13,395,345	(46,213)	13,846,216	96.74%
2020	13,656,682	13,807,264	(150,582)	13,349,785	103.43%
2021	14,768,898	14,944,850	(175,952)	11,892,169	125.67%
2022	15,599,084	15,758,677	(159,593)	11,308,146	139.36%
2023	12,591,345	12,777,833	(186,488)	10,605,941	120.48%
2024	12,615,810	12,697,501	(81,691)	10,050,479	126.34%

[1] *Covered payroll was provided by the City of Dearborn and may or may not meet the GASB Statement Nos. 67 and 68 definition of Covered Payroll.*

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending June 30, 2024*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	5-Year smoothed market 80%/120% corridor
Price Inflation	2.50%
Salary Increases	2.75% to 6.25% including inflation.
Investment Rate of Return	7.00% (net of investment and administrative expenses).
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period 2013-2018.
Mortality	**Healthy Pre-Retirement**: The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019. **Healthy Post-Retirement**: The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019. **Disability Retirement**: The PubS-2010, Amount-Weighted, Disabled Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Other Information:

Notes	All department heads and at-will employees appointed by the mayor, meeting normal retirement eligibility conditions will be eligible for the DROP program.

** Based on Valuation Assumptions used in the June 30, 2022 valuation.*

Schedule of Investment Returns

Last 10 Fiscal Years

FY Ending June 30,	Annual Return[1]
2015	0.28 %
2016	(0.64)%
2017	10.73 %
2018	5.25 %
2019	4.21 %
2020	(0.11)%
2021	32.61 %
2022	(10.53)%
2023	7.37 %
2024	10.88 %

[1] *Annual money-weighted rate of return, net of investment expenses.*

SECTION D

NOTES TO FINANCIAL STATEMENTS

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s). Additional information about the assumed rate of investment return is included in our actuarial valuation report as of June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return 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. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best arithmetic estimates are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (1)
Large Cap Equity	20.00%	5.76%
Small/Mid Cap Equity	12.00%	5.56%
International Equity	13.00%	4.59%
Emerging International Equity	5.00%	5.76%
Core Bonds	15.00%	1.27%
Emerging Market Debt	4.00%	4.10%
Diversified Credit	4.00%	1.27%
Absolute Return Fixed Income	5.00%	2.63%
Real Estate - Core	12.00%	4.78%
Private Debt	5.00%	6.15%
Private Equity	5.00%	10.15%
Total	100.00%	

(1) *Real rate of return is based on investment manager inflation assumption of 2.50%.*

The figures in the above table were supplied by the City of Dearborn. Gabriel, Roeder, Smith & Company does not provide investment advice.

Single Discount Rate

A Single Discount Rate of 7.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the System's current funding policy and the City's practice of contributing 100% of the recommended contribution, it is the opinion of the actuaries that the Plan Fiduciary Net Position is sufficient to make all future projected benefit payments, assuming all other assumptions are realized. Therefore, the Single Discount Rate would equal the long-term expected rate of return of 7.00%.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	$511,898,430	$ 456,536,458	$410,257,031
Plan Fiduciary Net Position	343,560,825	343,560,825	343,560,825
Net Pension Liability/(Asset)	$168,337,605	$ 112,975,633	$ 66,696,206

Summary of Population Statistics as of the Valuation Date

	Total
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	460
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	3
Active Plan Members	90
Total Plan Members	553

SECTION E

SUMMARY OF BENEFITS

Summary of Provisions
Evaluated and/or Considered FIRE

1. ***Voluntary Retirement***. Fire members may retire after either: completing 25 years of service regardless of age, or attaining age 55 and completing 10 years of service. Department Heads need 24 years of service to qualify, or 23 years and 9 months of service, if combined service credit and sick, vacation and/or paid time off balances total 24 years of service.

2. ***Compulsory Retirement***. A member must retire upon attaining age 60, except that under certain conditions a member may be extended in service to age 65 (1986 amendments to the A.D.E.A. provide that this provision may no longer be operative).

3. ***Final Average Salary***. The average of a member's annual pays during the highest 36 consecutive months of service contained within the last 10 years of service. The final average salary computation includes overtime taken in cash, accumulated overtime limited to 160 hours, and up to 160 hours of accumulated unused vacation days.

4. ***Age and Service Allowance***. Final average salary times the sum of 2.8% times the first 26 years of service plus 2.2% times the 27th year of service plus 1.0% times the next 3 years of service plus 0% times additional years of service.

5. ***Deferred Allowance***. A member with 10 or more years of service who leaves City employment before retirement is entitled to receive an allowance computed in the same manner as an age and service allowance, payments beginning upon the member's application at age 55 or when the member would have attained 25 years of service, whichever is earlier.

6. ***Duty Disability Allowance***. A member who becomes totally and permanently disabled from duty-connected causes receives, subject to offsetting for worker's compensation, a duty disability allowance computed in nearly the same manner as an age and service allowance. The member will receive as a minimum, a benefit equal to 70% of his final average salary.

7. ***Non-Duty Disability Allowance***. A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability allowance computed in nearly the same manner as an age and service allowance.

8. ***Death-in-Service Benefits***. Upon the death of a member, the surviving dependents receive, subject to offsetting for worker's compensation, the following benefits:

   (a) The surviving spouse receives an allowance equal to the B-100 allowance (joint and 100% survivor actuarial equivalent benefit) which would have been payable had the deceased member retired at the time and elected Option B-100. The minimum allowance payable to the surviving spouse is 20% of the member's final average salary.

   (b) Dependent children under age 18 (age 23 if they are full time students) each receive an allowance of 15% of the member's final average salary until they reach age 18 (23). If there are 4 or more dependent children, each child receives an equal share of 50% of the member's final average salary until they reach the above ages.

Summary of Provisions
Evaluated and/or Considered FIRE (Continued)

(c) If there are neither a surviving spouse nor children, each dependent parent receives an annuity equal to 15% of the member's final average salary.

9. ***Benefit Changes After Retirement***. Each January 1 or July 1, beginning with the January 1 or July 1 that is at least 24 full months after retirement, the amount of monthly benefit will be re-determined. The re-determined amount is the amount payable in the prior year increased by 2% provided that such re-determined amount does not exceed the amount otherwise payable adjusted for inflation. This provision provides "compound" increases after retirement. Persons retired prior to July 1, 2002 are covered by different provisions.

10. ***Annuity Withdrawal***. Upon retirement, a member may withdraw a lump sum not to exceed the amount of his accumulated member contributions (not including interest) at time of retirement. A Fire member may also make an annuity withdrawal after 25 years of credited service before retirement. The life allowance otherwise payable is *not* reduced to reflect the withdrawal of contributions.

11. ***Optional Benefit Forms***. Retiring members may elect to receive a reduced retirement allowance with the provision that a portion (100%, 75%, or 50%) of the reduced amount will continue to a beneficiary after the death of the retiree. The reduction amount is based upon 7.00% interest, the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95% Unisex Blend, a 2% compound COLA with a two-year delay and the ages of the retiree and beneficiary on the retirement date or the member's 25-year service anniversary if earlier.

    If a member retires on or after April 1, 1999 and elects to have 50% of his benefit continue to his spouse upon his death, there will be no reduction in his benefit. Similarly, those who elect to have 75% or 100% of their benefit continue to their spouse, will only have their benefits reduced by the excess of the cost of the elected option over the cost of the 50% option.

    If a member elects an optional form and the beneficiary predeceases the member, the amount payable to the member "pops up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit is provided at no cost to the retiring member.

12. ***Member Contributions***. Fire members contribute 5.0% of annual pay. If a member terminates employment before any allowance is payable, accumulated contributions are refunded.

13. ***Employer Contributions***. The City contributes the remainder amounts necessary to finance the retirement system. The minimum employer contribution is 10% of the normal cost.

Summary of Provisions
Evaluated and/or Considered FIRE (Concluded)

Deferred Retirement Option Plan (DROP)

Eligibility: All Department Heads, at-will employees appointed by the mayor, meeting normal retirement conditions.

Maximum DROP Participation Period: Five years.

DROP Benefit: A benefit equal to the pension the member would have been entitled if the member had actually retired on the DROP date. Benefits will increase, by the lesser of 2% and CPI, after at least 24 months of separation from employment.

DROP Account:

- **Amount credited:** 100% of the DROP Benefit.
- **Interest credit rate:** 3% per year.

Member Contributions during DROP: The member's contributions cease upon entering the DROP.

Distribution of DROP Funds: One or a combination of the following distribution methods.

- A total lump sum distribution, or
- A lump sum direct rollover to another qualified plan.

DROP Payroll: Payroll for members electing DROP will be considered for purposes of employer contributions.

Death During DROP Participation: The member's beneficiary shall receive the remaining balance in the member's DROP account.

Duty Disability or Duty Death During DROP Participation: If a member dies or becomes disabled in the line of duty, their DROP election may be retroactively revoked and the member or their beneficiaries may receive the benefits provided by the Retirement System as if a DROP election had not been made.

Summary of Provisions
Evaluated and/or Considered POLICE

1. ***Voluntary Retirement***. A Police member may retire after either: completing 25 years of service regardless of age; or attaining age 55 and completing 10 years of service. Department Heads need 24 years of service to qualify, or 23 years and 9 months of service, if combined service credit and sick, vacation and/or paid time off balances total 24 years of service.

2. ***Compulsory Retirement***. A member must retire upon attaining age 60, except that under certain conditions a member may be extended in service to age 65 (1986 amendments to the A.D.E.A. provide that this provision may no longer be operative).

3. ***Final Average Salary***. The average of a member's annual pays during the highest 36 consecutive months of service contained within the last 10 years of service. The final average salary computation for members holding the rank of sergeant or higher includes overtime taken in cash, accumulated overtime limited to 120 hours, and carry-over time limited to 40 hours. Effective 9/1/2015, the final average salary computation for other members includes overtime taken in cash and accumulated overtime limited to 140 hours. Pay for up to 20 days of unused vacation time or paid time off may be included in this computation.

4. ***Age and Service Allowance***. Allowance equals final average salary times the sum of 2.8% times the first 25 years of service plus 2.5% times the next two years plus 1.0% times the next three years of service. The allowance for members holding the rank of sergeant or higher is equal to final average salary times the sum of 2.8% times the first 24 years of service plus 3.8% times the next year of service plus 1.4% times the next five years of service.

5. ***Deferred Allowance.*** A member with 10 or more years of service who leaves City employment before retirement is entitled to receive an allowance computed in the same manner as an age and service allowance, payments beginning upon the member's application at age 55 or when the member would have attained 25 years of service, whichever is earlier.

6. ***Duty Disability Allowance***. A member who becomes totally and permanently disabled from duty-connected causes receives, subject to offsetting for worker's compensation, a duty disability allowance computed in nearly the same manner as an age and service allowance. The member will receive as a minimum 70% of his final average salary.

7. ***Non-Duty Disability Allowance***. A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability allowance computed in nearly the same manner as an age and service allowance.

8. ***Death-in-Service Benefits***. Upon the death of a member, the surviving dependents receive, subject to offsetting for worker's compensation, the following benefits:

   (a) The surviving spouse receives an allowance equal to the B-100 allowance (joint and 100% survivor actuarial equivalent benefit) which would have been payable had the deceased member retired at the time and elected Option B-100. The minimum allowance payable to the surviving spouse is 20% of the member's final average salary.

Summary of Provisions
Evaluated and/or Considered POLICE (Continued)

(b) Dependent children under age 18 (age 23 if they are full time students) each receive an allowance of 15% of the member's final average salary until they reach age 18 (23). If there are 4 or more dependent children, each child receives an equal share of 50% of the member's final average salary until they reach the above ages.

(c) If there are neither a surviving spouse nor children, each dependent parent receives an annuity equal to 15% of the member's final average salary.

9. ***Benefit Changes After Retirement***. Commencing 24 full months after retirement the amount of the monthly benefit will be redetermined. The redetermined amount is the amount payable in the prior year increased by the lesser of 2% or the percent change in the Consumer Price Index for the prior calendar year. This provision provides "compound" increases after retirement. Supervisory police retired prior to July 1, 2001 and Non-supervisory police retired prior to March 1, 1999 are covered by different provisions.

10. ***Annuity Withdrawal***. Upon retirement, a member may withdraw a sum not to exceed the amount of his accumulated member contributions (not including interest) at time of retirement. A police member may also make an annuity withdrawal after 25 years of credited service before retirement. The life allowance otherwise payable is <u>not</u> reduced to reflect the withdrawal of contributions.

11. ***Optional Benefit Forms.*** Retiring members may elect to receive a reduced retirement allowance with the provision that a portion (100%, 75%, or 50%) of the reduced amount will continue to a beneficiary after the death of the retiree. The reduction amount is based upon 7.00% interest, the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95% Unisex Blend, a 2% compound COLA with a two-year delay and the ages of the retiree and beneficiary on the retirement date or the member's 25-year service anniversary if earlier.

    If a police member retires on or after April 1, 1999 and elects to have 50% of his benefit continue to his spouse upon his death, there will be no reduction in his benefit. Similarly, those who elect to have 75% or 100% of their benefit continue to their spouse, will only have their benefits reduced by the excess of the cost of the elected option over the cost of the 50% option.

    If a member elects an optional form and the beneficiary predeceases the member, the amount payable to the member "pops up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit is provided at no cost to the retiring member.

12. ***Member Contributions***. Police members contribute 5% of annual pay. If a member terminates employment before any allowance is payable, accumulated contributions are refunded.

13. ***Employer Contributions***. The City contributes the remainder amounts necessary to finance the retirement system. The minimum employer contribution is 10% of the normal cost.

Summary of Provisions
Evaluated and/or Considered POLICE (Concluded)

Deferred Retirement Option Plan (DROP)

Eligibility: All Department Heads, at-will employees appointed by the mayor, meeting normal retirement conditions.

Maximum DROP Participation Period: Five years.

DROP Benefit: A benefit equal to the pension the member would have been entitled if the member had actually retired on the DROP date. Benefits will increase, by the lesser of 2% and CPI, after at least 24 months of separation from employment.

DROP Account:

- **Amount credited:** 100% of the DROP Benefit.
- **Interest credit rate:** 3% per year.

Member Contributions during DROP: The member's contributions cease upon entering the DROP.

Distribution of DROP Funds: One or a combination of the following distribution methods.

- A total lump sum distribution, or
- A lump sum direct rollover to another qualified plan.

DROP Payroll: Payroll for members electing DROP will be considered for purposes of employer contributions.

Death During DROP Participation: The member's beneficiary shall receive the remaining balance in the member's DROP account.

Duty Disability or Duty Death During DROP Participation: If a member dies or becomes disabled in the line of duty, their DROP election may be retroactively revoked and the member or their beneficiaries may receive the benefits provided by the Retirement System as if a DROP election had not been made.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Summary of Assumptions Used in the Valuation – FIRE (Assumptions Adopted by Board of Trustees After Consulting with Actuary)

The assumptions were last revised for the June 30, 2019 actuarial valuation, based on an experience study dated December 6, 2019, unless a different date is indicated for a particular assumption. It is anticipated that non-economic assumptions will be reviewed periodically after sufficient data has accumulated.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuation was 7.00% per year, compounded annually (net after investment and administrative expenses).

The **Wage Inflation Rate** assumed in this valuation was 2.75% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption of 2.50% would be consistent with other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.00% investment return rate translates to an assumed real rate of return over wage inflation of 4.25%.

Pay increase assumptions for individual active members are shown for sample ages on page 27. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.75% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

Summary of Assumptions Used in the Valuation – FIRE (Continued)

NON-ECONOMIC ASSUMPTIONS

The mortality table used was the Pub-2010, based on data from public pension systems only, and projection scale MP-2019. Future life expectancies are shown on page 28.

The probabilities of age/service retirement for members eligible to retire are shown on page 29.

The probabilities of separation from service (including ***death-in-service*** and ***disability***) are shown for sample ages on page 30.

The interest rate used in determining refunds of accumulated contributions, paid to members who terminate prior to retirement, was 0% per annum. ***The actual rate of earnings and losses is credited for defined contribution purposes***.

The actuarial cost method of valuation used in determining all benefit liabilities and normal cost was the entry age normal actuarial cost method. Differences between assumed experience and actual experience ("actuarial gains and losses") become part of actuarial accrued liabilities.

Employer contribution dollars were assumed to be ***paid in equal installments throughout*** the employer fiscal year.

The data about persons now covered and about present assets was furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

Summary of Assumptions Used in the Valuation – FIRE (Continued)

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefit amounts will be based.

Sample Ages	Percent Increase in Pay During Next Year		
	Base Portion	Merit & Seniority	Total
25	2.75%	3.50%	6.25%
30	2.75%	2.50%	5.25%
35	2.75%	2.00%	4.75%
40	2.75%	1.75%	4.50%
45	2.75%	1.50%	4.25%
50	2.75%	1.00%	3.75%
55	2.75%	0.75%	3.50%
Ref		529	

Active member payroll is assumed to grow at 2.75% per year.

The price inflation component of the investment return rate and the wage inflation rate is assumed to be 2.50%.

The rate of investment return was 7.00% per year, compounded annually. This assumption is used to make money payable at one point in time equal in value to a different amount of money payable at another point in time.

Summary of Assumptions Used in the Valuation – FIRE (Continued)

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and a projection scale MP-2019. The tables used were as follows:

- **Healthy Pre-Retirement:** The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Healthy Post-Retirement:** The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Disability Retirement:** The PubS-2010, Amount-Weighted, Disabled Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	49.32	51.85	46.24	48.38	44.33	46.54
45	44.13	46.65	41.01	43.09	39.35	41.51
50	38.96	41.46	35.85	37.85	34.40	36.51
55	33.83	36.31	30.77	32.73	29.53	31.64
60	28.78	31.21	25.87	27.82	24.84	27.02
65	23.87	26.17	21.24	23.15	20.46	22.67
70	19.10	21.19	16.92	18.73	16.39	18.52
75	14.57	16.39	12.97	14.63	12.64	14.59
80	10.34	11.88	9.52	11.00	9.39	11.00

* *Life expectancy in future years is determined by the fully generational MP-2019 projection scale. The sample values shown are for individuals with the indicated attained ages in 2023.*

Summary of Assumptions Used in the Valuation – FIRE (Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year for Fire members were as follows:

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	25%
46	25%
47	25%
48	25%
49	25%
50	25%
51	25%
52	25%
53	25%
54	25%
55	25%
56	25%
57	25%
58	25%
59	25%
60	25%
61	25%
62	25%
63	25%
64	25%
65	100%
Ref:	3002

Service	% Retiring
25	35%
26	25%
27	25%
28	25%
29	25%
30	25%
31	25%
32	50%
33	100%
Rx	3003

Summary of Assumptions Used in the Valuation – FIRE (Concluded)

Rates of separation 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 terminating employment.

Sample Ages	% of Active Members Separating Within Next Year
25	0.88%
30	0.73%
35	0.38%
40	0.15%
45	0.13%
50	0.13%
55	0.13%
Ref	0.25 x 54

Rates of disability were as follows. This assumption measures the probability of members retiring with a disability benefit.

Sample Ages	% of Active Members Separating Within Next Year			
	Duty		Non-Duty	
	Males	Females	Males	Females
25	0.02%	0.02%	0.01%	0.01%
30	0.02%	0.02%	0.01%	0.01%
35	0.02%	0.02%	0.01%	0.01%
40	0.04%	0.07%	0.01%	0.02%
45	0.05%	0.08%	0.02%	0.03%
50	0.10%	0.11%	0.03%	0.04%
55	0.18%	0.15%	0.06%	0.05%
Ref	0.20 x 9	0.2 x 10	0.07 x 9	0.07 x 10

Miscellaneous and Technical Assumptions – FIRE

Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation:	Disability and turnover decrements do not operate during retirement eligibility.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date of the valuation.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption:	80% of participants are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Miscellaneous Loading Factors:	The normal cost and active accrued liabilities for all decrements were increased by 1.00% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form. Normal cost and active accrued liabilities for all decrements were increased by 3.50% to account for the inclusion of unused sick leave, vacation, etc. in the calculation of Final Average Salary. Normal cost and active accrued liabilities for all decrements were increased by 13.00% to account for increased work hours due to recent contract settlement.
Normal Form of Benefit:	A 50% automatic joint and survivor payment is the assumed normal form of benefit.
Option Factors:	Option factors are based upon 7.00% interest and the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95% Unisex Blend, and a 2% compound COLA with a two-year delay.

Miscellaneous and Technical Assumptions – FIRE (Concluded)

Pay Annualization:	If reported pay for members was less than the base pay rate, the base pay rate was used. Reported pay were increased by 2.0% for all fire members due to contracts.
Pay Increase Timing:	Reported pays were increased 2.0% due to contracts for purposes of this valuation. Future pay increases are thereafter assumed to occur at the end of the fiscal year.
Pop-Up Benefits:	Pop-up amounts for members retired on/after July 1, 2010 who elected a joint & survivor payment option are not provided by the Retirement System. For members who elected a 75% joint & survivor annuity, the pop-up amount is estimated to be 4% higher than the benefit payable while both the retiree and beneficiary are alive. Similarly, for members who elected a 100% joint & survivor annuity, the pop-up amount is estimated to be 7.5% higher than the benefit payable while both the retiree and beneficiary are alive.
Roll-Forward Methodology:	The Total Pension Liability was determined by an actuarial valuation as of June 30, 2023 and a measurement date of June 30, 2024. The roll-forward procedure increases the June 30, 2023 actuarial accrued liability with normal cost and interest and decreases it with actual benefit payments.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year.

Summary of Assumptions Used in the Valuation – POLICE (Assumptions Adopted by Board of Trustees After Consulting with Actuary)

The assumptions were last revised for the June 30, 2019 actuarial valuation, based on an experience study dated December 6, 2019, unless a different date is indicated for a particular assumption. It is anticipated that non-economic assumptions will be reviewed periodically after sufficient data has accumulated.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuations was 7.00% per year, compounded annually (net after investment and administrative expenses).

The **Wage Inflation Rate** assumed in this valuation was 2.75% per year. The Wage Inflation Rate is defined to be the portion of total pay increases for an individual that are due to macroeconomic forces including productivity, price inflation, and labor market conditions. The wage inflation rate does not include pay changes related to individual merit and seniority effects.

No specific **Price Inflation** assumption is required to perform this valuation, since there are no benefits that are linked to price increases. However, a price inflation assumption of 2.50% would be consistent with other economic assumptions.

The assumed real rate of return over wage inflation is defined to be the portion of total investment return that is more than the assumed total wage growth rate. Considering other economic assumptions, the 7.00% investment return rate translates to an assumed real rate of return over wage inflation of 4.25%.

Pay increase assumptions for individual active members are shown for sample ages on page 35. Part of the assumption for each age is for merit and/or seniority increase, and the other 2.75% recognizes wage inflation, including price inflation, productivity increases, and other macroeconomic forces.

Summary of Assumptions Used in the Valuation – POLICE (Continued)

NON-ECONOMIC ASSUMPTIONS

The mortality table used was the Pub-2010, based on data from public pension systems only, and projection scale MP-2019. Future life expectancies are shown on page 36.

The probabilities of age/service retirement for members eligible to retire are shown on page 37.

The probabilities of separation from service (including ***death-in-service*** and ***disability***) are shown for sample ages on page 38.

The interest rate used in determining refunds of accumulated contributions, paid to members who terminate prior to retirement, was 0% per annum. ***The actual rate of earnings and losses is credited for defined contribution purposes***.

The actuarial cost method of valuation used in determining all benefit liabilities and normal cost was the entry age normal actuarial cost method. Differences between assumed experience and actual experience ("actuarial gains and losses") become part of actuarial accrued liabilities.

Employer contribution dollars were assumed to be ***paid in equal installments throughout*** the employer fiscal year.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

Summary of Assumptions Used in the Valuation – POLICE (Continued)

The rates of salary increase used for individual members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefit amounts will be based.

Sample Ages	Percent Increase in Pay During Next Year		
	Base Portion	Merit & Seniority	Total
25	2.75%	3.50%	6.25%
30	2.75%	2.60%	5.35%
35	2.75%	2.00%	4.75%
40	2.75%	1.50%	4.25%
45	2.75%	0.90%	3.65%
50	2.75%	0.50%	3.25%
55	2.75%	0.50%	3.25%
Ref		528	

Active member payroll is assumed to grow at 2.75% per year.

The price inflation component of the investment return rate and the wage inflation rate is assumed to be 2.50%.

The rate of investment return was 7.00% per year, compounded annually. This assumption is used to make money payable at one point in time equal in value to a different amount of money payable at another point in time.

Summary of Assumptions Used in the Valuation – POLICE (Continued)

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and a projection scale MP-2019. The tables used were as follows:

- **Healthy Pre-Retirement:** The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Healthy Post-Retirement:** The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

- **Disability Retirement:** The PubS-2010, Amount-Weighted, Disabled Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	49.32	51.85	46.24	48.38	44.33	46.54
45	44.13	46.65	41.01	43.09	39.35	41.51
50	38.96	41.46	35.85	37.85	34.40	36.51
55	33.83	36.31	30.77	32.73	29.53	31.64
60	28.78	31.21	25.87	27.82	24.84	27.02
65	23.87	26.17	21.24	23.15	20.46	22.67
70	19.10	21.19	16.92	18.73	16.39	18.52
75	14.57	16.39	12.97	14.63	12.64	14.59
80	10.34	11.88	9.52	11.00	9.39	11.00

* *Life expectancy in future years is determined by the fully generational MP-2019 projection scale. The sample values shown are for individuals with the indicated attained ages in 2023.*

Summary of Assumptions Used in the Valuation – POLICE (Continued)

The rates of retirement used to measure the probability of eligible members retiring during the next year for Police members were as follows:

Retirement Ages	Percent of Eligible Active Members Retiring within Next Year
45	20%
46	20%
47	20%
48	20%
49	20%
50	20%
51	20%
52	20%
53	20%
54	20%
55	20%
56	20%
57	20%
58	20%
59	20%
60	20%
61	20%
62	20%
63	20%
64	20%
65	100%
Ref:	3000

Service	% Retiring
25	60%
26	40%
27	25%
28	25%
29	25%
30	50%
31	50%
32	50%
33	100%
Rx	3001

Summary of Assumptions Used in the Valuation – POLICE (Concluded)

Rates of separation 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 terminating employment.

Sample Ages	% of Active Members Separating Within Next Year
25	1.35%
30	1.17%
35	0.69%
40	0.27%
45	0.15%
50	0.15%
55	0.15%
Ref	0.3 x 53

Rates of disability were as follows. This assumption measures the probability of members retiring with a disability benefit.

Sample Ages	% of Active Members Separating Within Next Year			
	Duty		Non-Duty	
	Males	Females	Males	Females
25	0.05%	0.07%	0.02%	0.03%
30	0.05%	0.07%	0.02%	0.03%
35	0.05%	0.07%	0.02%	0.03%
40	0.14%	0.25%	0.06%	0.11%
45	0.19%	0.28%	0.08%	0.12%
50	0.34%	0.40%	0.15%	0.17%
55	0.63%	0.54%	0.27%	0.23%
Ref	0.70 x 9	0.7 x 10	0.30 x 9	0.30 x 10

Miscellaneous and Technical Assumptions – POLICE

Benefit Service:	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation:	Disability and turnover decrements do not operate during retirement eligibility.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Timing:	Decrements of all types are assumed to occur mid-year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date of the valuation.
Incidence of Contributions:	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption:	80% of participants are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Miscellaneous Loading Factors:	The normal cost and active accrued liabilities for all decrements were increased by 1.00% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form.
	The normal cost and active accrued liabilities for all decrements were increased by 4.50% to account for the inclusion of unused sick leave, vacation, etc., in the calculation of Final Average Salary.
Normal Form of Benefit:	A 50% automatic joint and survivor payment is the assumed normal form of benefit.
Option Factors:	Option factors are based upon 7.00% interest and the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95% Unisex Blend, and a 2% compound COLA with a two-year delay.
Pay Adjustments:	If reported pay for members was less than the base pay rate, the base pay rate was used. Reported pays were increased 2.0% for all police members due to contracts.
Pay Increase Timing:	Reported pays were increased 3.0% due to contracts for purposes of this valuation. Future pay increases are thereafter assumed to occur at the end of the fiscal year.

Miscellaneous and Technical Assumptions – POLICE (Concluded)

Pop-Up Benefits:	Pop-up amounts for members retired on/after July 1, 2010 who elected a joint & survivor payment option are not provided by the Retirement System. For members who elected a 75% joint & survivor annuity, the pop-up amount is estimated to be 4% higher than the benefit payable while both the retiree and beneficiary are alive. Similarly, for members who elected a 100% joint & survivor annuity, the pop-up amount is estimated to be 7.5% higher than the benefit payable while both the retiree and beneficiary are alive.
Roll-Forward Methodology:	The Total Pension Liability was determined by an actuarial valuation as of June 30, 2023 and a measurement date of June 30, 2024. The roll-forward procedure increases the June 30, 2023 actuarial accrued liability with normal cost and interest and decreases it with actual benefit payments.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year.

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97%; and the resulting SDR is 7.00%.

The City of Dearborn Chapter 23 Retirement System has a long history of adhering to a funding policy with actuarially determined contributions. In addition, the System uses a closed amortization period and has a history of fully contributing the actuarially determined contributions to the fund. As a result, the SDR is the expected rate of return on pension plan investments (7.00%) and projections have been excluded from this report.

SECTION H

MICHIGAN PUBLIC ACT 202

State Reporting Assumptions as of June 30, 2024

The Protecting Local Government Retirement and Benefits Act, Public Act 202 (PA 202) of 2017, was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement, and the required disclosures under uniform assumptions, are denoted below. Additional discussion of the PA 202 and uniform assumptions may be found on the State website in the *Public Act 202 of 2017: Selection of the Uniform Assumptions for Fiscal Year 2024* memo dated February 13, 2024.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return	Maximum of 6.90%[1]	7.00%	**6.90%**
Salary Increase	Minimum of 3.25% or based on experience study within last 5 years	2.75% + Merit and longevity (based on experience study issued December 6, 2019)	2.75% + Merit and longevity (based on experience study issued December 6, 2019)
Mortality	A version of Pub-2010 with future mortality improvement projected generationally using scale MP-2021 or based on an experience study within last 5 years	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on experience study issued December 6, 2019)
Amortization of the Unfunded Accrued Actuarial Liability			
Period	Maximum Period of 15 Years	21 years[2]	**15 years[2]**
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll of Level Dollar	Level Dollar	Level Dollar
Type	Closed	Closed	Closed

1. *A blended rate calculated using GASB Statement No. 68 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 6.90%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – maximum of 3.65%.*
2. For the fiscal year ending June 30, 2025.

State Reporting
as of June 30, 2024

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). The local unit of government is required to complete/develop all of the remaining reporting requirements necessary for Form 5572. Additional resources are available on the State website.

Line	Descriptive Information	
18	**Actuarial Assumptions**[1]	
19	Actuarial assumed rate of investment return	7.00%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Dollar
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any[2]	21
22	Is each division within the system closed to new employees?	Yes
23	**Uniform Assumptions**[3]	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	$ 335,733,393
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	$ 454,918,511
26	Funded ratio using uniform assumptions	73.8%
27	Actuarially Determined Contribution (ADC) using uniform assumptions	$ 15,390,405
28	All systems combined ADC/Governmental fund revenues	Auto[4]

1. *Information on lines 19-22 can be found in the annual actuarial funding valuation report for the System dated February 8, 2024.*
2. *For the fiscal year ending June 30, 2025.*
3. *Information on lines 24-28 is based on Uniform Assumptions Used, listed on the prior page, as of the most recent valuation date, June 30, 2023.*
4. *Automatically calculated by State of Michigan Form 5572.*

SECTION I

GLOSSARY OF TERMS

Glossary of Terms

Accrued Service	Service credited under the system which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
Actuarial Assumptions	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
Actuarial Equivalent	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the "actuarial funding method."
Actuarial Gain (Loss)	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
Actuarial Present Value (APV)	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
Actuarial Valuation	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Amortization Method	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year).
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered-Employee Payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred Retirement Option Program (DROP)	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
Deferred Inflows and Outflows	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
Discount Rate	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

Entry Age Actuarial Cost Method (EAN)	The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
GASB	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
Fiduciary Net Position	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
Long-Term Expected Rate of Return	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
Money-Weighted Rate of Return	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
Multiple-Employer Defined Benefit Pension Plan	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Municipal Bond Rate	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
Net Pension Liability (NPL)	The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.
Non-Employer Contributing Entities	Non-employer contributing entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.
Normal Cost	The portion of the actuarial present value allocated to a valuation year is called the "normal cost." For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

Glossary of Terms

Other Postemployment Benefits (OPEB)	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Real Rate of Return	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
Service Cost	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total Pension Expense	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: 1. Service Cost 2. Interest on the Total Pension Liability 3. Current Period Benefit Changes 4. Employee Contributions (made negative for addition here) 5. Projected Earnings on Plan Investments (made negative for addition here) 6. Pension Plan Administrative Expense 7. Other Changes in Plan Fiduciary Net Position 8. Recognition of Outflow (Inflow) of Resources due to Liabilities 9. Recognition of Outflow (Inflow) of Resources due to Assets
Total Pension Liability (TPL)	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
Unfunded Actuarial Accrued Liability (UAAL)	The UAAL is the difference between actuarial accrued liability and valuation assets.
Valuation Assets	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 26, 2024

Mr. Michael Kennedy
Finance Director/Treasurer
Dearborn Administrative Center
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Please find enclosed 15 copies of the GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions report of the City of Dearborn Chapter 23 Retirement System.

We will be happy to meet with the Board to discuss the results of this report.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:rl
Enclosures

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

City of Dearborn
Retiree Health Care Plan

GASB Statement Nos. 74 and 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
June 30, 2024

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 28, 2024

Board of Trustees
City of Dearborn Retiree Health Care Plan
Dearborn, Michigan

Dear Trustees:

This report provides information on behalf of the City of Dearborn Retiree Health Care Plan in connection with the Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. GASB Statement No. 74 is the accounting standard, which applies to Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements. GASB Statement No. 75 establishes accounting and financial reporting requirements for state and local government employers that provide their employees with postemployment benefits other than pensions.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement Nos. 74 and 75. The Net OPEB Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net OPEB Liability is not an appropriate measure for assessing the need for or amount of future contributions. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 74 and 75 may produce significantly different results. This report may be provided to parties other than the City of Dearborn Retiree Health Care Plan only in its entirety and only with the permission of the City of Dearborn Retiree Health Care Plan. GRS is not responsible for unauthorized use of this report.

This report complements the actuarial valuation report prepared as of June 30, 2022, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to participant data, economic and demographic assumptions, health care trend, and benefit provisions.

This report is based upon information, furnished to us by the City, concerning Other Postemployment Benefits (OPEB), active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

Based on the available data, the information contained in this report is accurate and fairly represents the actuarial position of the City of Dearborn Retiree Health Care Plan as of the reporting date. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as the Actuarial Standards of Practice. If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

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; and changes in plan provisions or applicable law.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Section I of the report details the calculation of the single discount rate and is not required to be included in your financial statements. However, this information may be requested by your auditors; therefore, we have included it in this report.

In Section J of this report, you will find some of the information necessary to complete the OPEB reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). This information is not required to be included in your financial statements.

The signing actuaries are independent of the plan sponsor.

Mark Buis and Francois Pieterse 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.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Mark Buis

Mark Buis, FSA, EA, FCA, MAAA

Pieterse

Francois Pieterse, ASA, FCA, MAAA

MB/FP:dj

C1747

Auditor’s Note – This information is intended to assist in preparation of the financial statements of the City of Dearborn Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor’s review. Please let us know if the auditor recommends any changes.

Table of Contents

SECTION A

EXECUTIVE SUMMARY

Executive Summary
as of June 30, 2024

Actuarial Valuation Date		June 30, 2022
Measurement Date of the Net OPEB Liability		June 30, 2024
Employer's Fiscal Year Ending Date (Reporting Date)		June 30, 2024
Membership		
Number of[1]		
- Retirees and Beneficiaries		840
- Inactive, Nonretired Members		5
- Active Members		265
- Total		1,110
Covered Payroll[2]	$	24,938,909
Net OPEB Liability		
Total OPEB Liability	$	199,244,257
Plan Fiduciary Net Position		160,196,695
Net OPEB Liability	$	39,047,562
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		80.40 %
Net OPEB Liability as a Percentage of Covered Payroll		156.57 %
Development of the Single Discount Rate		
Single Discount Rate		6.00 %
Long-Term Expected Rate of Investment Return		6.00 %
Long-Term Municipal Bond Rate[3]		3.97 %
Last year ending June 30 in the 2025 to 2124 projection period for which projected benefit payments are fully funded		2124
Total OPEB Expense	$	8,169,530

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 0	$ 525,346
Changes in assumptions	46,002	0
Net difference between projected and actual earnings on OPEB plan investments	14,685,730	14,909,527
Total	$ 14,731,732	$ 15,434,873

(1) *As of the Actuarial Valuation Date. GRS does not have the membership counts as of June 30, 2023. The City of Dearborn staff and auditors may decide that providing membership counts as of the valuation date is sufficient. Alternatively, the City may decide to update the membership counts to be as of the Plan's fiscal year end.*

(2) *Payroll provided separately by the employer.*

(3) *Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2024. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.*

Discussion

Accounting Standard

For Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,” replaces the requirements of GASB Statement No. 43, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” Similarly, GASB Statement No. 75 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose net OPEB liability, OPEB expense, and other information associated with providing OPEB to their employees (and former employees) on their financial statements.

GASB Statement Nos. 74 and 75 are effective for fiscal years beginning after June 15, 2016 and June 15, 2017, respectively.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report. As a result, the plan sponsor will be responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Financial Statements

GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The net OPEB liability is the difference between the total OPEB liability and the plan’s fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets.

GASB Statement No. 75 states the employer contributions made to the OPEB plan subsequent to the measurement date and before the end of the employer’s reporting period should be reported as a deferred outflow of resources. The information contained in this report does not incorporate any employer contributions made subsequent to the measurement date of June 30, 2024.

The OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

GASB Statement No. 74 requires defined benefit OPEB plans which are administered as trusts or equivalent arrangements to present two financial statements: a statement of fiduciary net position and a statement of changes in fiduciary net position. The statement of fiduciary net position presents the assets and liabilities of the OPEB plan at the end of the OPEB plan’s reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expense, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 75 requires the notes of the employer's financial statements to disclose the total OPEB expense, the OPEB plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to OPEB.

GASB Statement Nos. 74 and 75 require the notes of the financial statements for employers and OPEB plans to include certain additional information. The list of disclosure items should include:

- The name of the OPEB plan, the administrator of the OPEB plan, and the identification of whether the OPEB plan is a single-employer, agent, or cost-sharing OPEB plan;
- A description of the benefits provided by the plan;
- A brief description of changes in benefit terms or assumptions that affected the measurement of the total OPEB liability since the prior measurement date;
- The number of plan members by category and if the plan is closed;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The OPEB plan's investment policies;
- The OPEB plan's fiduciary net position and the net OPEB liability;
- The net OPEB liability using +/- 1% on the discount rate;
- The net OPEB liability using +/- 1% on the healthcare trend rate;
- Significant assumptions and methods used to calculate the total OPEB liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

OPEB plans that are administered through trusts or equivalent arrangements are required to disclose additional information in accordance with GASB Statement No. 74. This information includes:

- The composition of the OPEB plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 74 requires a 10-year fiscal history of:

- Sources of changes in the net OPEB liability;
- Information about the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the total OPEB liability, and the net OPEB liability as a percent of covered-employee payroll;
- Comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy; and
- For plans with an actuarially determined contribution, the schedule covering each of the 10 most recent fiscal years of the actuarially determined contribution, contributions to the OPEB plan and related ratios.

Frequency and Timing of the Actuarial Valuation

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net OPEB liability and OPEB expense should be measured as of the employer's "measurement date," which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total OPEB liability shown in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2024.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 3.97% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.00%.

Actuarial Assumptions

The actuarial assumptions used to value the liabilities are outlined in detail in Section H. The assumptions include details on the health care trend assumption, the aging factors, as well as the cost method used to develop the OPEB expense. The assumptions were based on the experience studies covering the five-year period ending June 30, 2018, as conducted for the retirement plan.

Future Uncertainty or Risk

Future results may differ from those anticipated in this valuation. Reasons include, but are not limited to:

- Actual medical trend differing from expected;
- Changes in the healthcare plan designs offered to active and retired members; and
- Participant behavior differing from expected; e.g.,
    - Elections at retirement;
    - One-person versus two-person coverage elections; and
    - Time of retirement or termination.

Benefits Valued

The benefit provisions that were valued are described in Section E. The valuation is required to be performed on the current benefit terms and existing legal agreements. Consideration is to be given to the written plan document as well as other communications between the employer and plan members and an established pattern of practice for cost sharing. The summary of major plan provisions is designed to outline principal plan benefits. If the plan summary is not in accordance with the actual provisions, please alert the actuaries immediately, so they can both be sure the proper provisions are valued.

SECTION B

FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Dearborn Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Statement of OPEB Expense under GASB Statement No. 75
Fiscal Year Ended June 30, 2024

A. Expense

1. Service Cost	$	1,871,702
2. Interest on the Total OPEB Liability		11,561,042
3. Current-Period Benefit Changes		0
4. Employee Contributions (made negative for addition here)		0
5. Projected Earnings on Plan Investments (made negative for addition here)		(8,602,981)
6. OPEB Plan Administrative Expense		21,290
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		2,533,427
9. Recognition of Outflow (Inflow) of Resources due to Assets		785,050
10. Total OPEB Expense	**$**	**8,169,530**

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2,234 years. Additionally, the total plan membership (active employees and inactive employees) was 1,110. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 2.0126 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2024

A. Outflows (Inflows) of Resources Due to Liabilities

1. Difference between expected and actual experience of the Total OPEB Liability (gains) or losses	$	(1,033,499)
2. Assumption Changes (gains) or losses	$	0
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		2.0126
4. Outflow (Inflow) of Resources to be recognized in the current OPEB expense for the difference between expected and actual experience of the Total OPEB Liability	$	(513,514)
5. Outflow (Inflow) of Resources to be recognized in the current OPEB expense for assumption changes	$	0
6. Outflow (Inflow) of Resources to be recognized in the current OPEB expense due to Liabilities	$	(513,514)
7. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses for the difference between expected and actual experience of the Total OPEB Liability	$	(519,985)
8. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses for assumption changes	$	0
9. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses due to Liabilities	$	(519,985)

B. Outflows (Inflows) of Resources Due to Assets

1. Net difference between projected and actual earnings on OPEB plan investments (gains) or losses	$	(9,616,787)
2. Recognition period for Assets {in years}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current OPEB expense due to Assets	$	(1,923,357)
4. Deferred Outflow (Inflow) of Resources to be recognized in future OPEB expenses due to Assets	$	(7,693,430)

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2024

A. Outflows and Inflows of Resources by Source to be Recognized in Current OPEB Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ 0	$ 1,117,598	$ (1,117,598)
2. Assumption changes	3,651,025	0	3,651,025
3. Net difference between projected and actual earnings on OPEB plan investments	8,798,629	8,013,579	785,050
4. Total	$ 12,449,654	$ 9,131,177	$ 3,318,477

B. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future OPEB Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ 0	$ 525,346	$ (525,346)
2. Assumption changes	46,002	0	46,002
3. Net difference between projected and actual earnings on OPEB plan investments	14,685,730	14,909,527	(223,797)
4. Total	$ 14,731,732	$ 15,434,873	$ (703,141)

C. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future OPEB Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2025	$ (1,143,586)
2026	4,850,098
2027	(2,486,294)
2028	(1,923,359)
2029	0
Thereafter	0
Total	$ (703,141)

Employer contributions that were made subsequent to the measurement date of the net OPEB liability and prior to the end of the employer's reporting period should be reported by the employer as a deferred outflow of resources related to OPEB. The information contained in this report does not incorporate any contributions made subsequent to the measurement date.

See paragraph 44 of GASB Statement No. 75 for single and agent employers with trusted plans.

Also, Question 4.32 of Implementation Guide No. 2017-1 provides additional guidance for trusted plans.

Recognition of Deferred Outflows and Inflows of Resources
Fiscal Year Ended June 30, 2024

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) Due to Differences between Expected and Actual Experience on Liabilities					
2020	$ (1,122,391)	3.3218	$ 0	$ 0	0.0000
2021	(25,283,748)	2.4414	0	0	0.0000
2022	(987,926)	2.4414	(178,614)	0	0.0000
2023	(856,301)	2.0126	(425,470)	(5,361)	0.0126
2024	(1,033,499)	2.0126	(513,514)	(519,985)	1.0126
Total			**$ (1,117,598)**	**$ (525,346)**	
Deferred Outflow (Inflow) Due to Assumption Changes					
2020	$ 20,331,126	3.3218	$ 0	$ 0	0.0000
2021	7,670,536	2.4414	0	0	0.0000
2022	0	2.4414	0	0	0.0000
2023	7,348,052	2.0126	3,651,025	46,002	0.0126
2024	0	2.0126	0	0	1.0126
Total			**$ 3,651,025**	**$ 46,002**	
Deferred Outflow (Inflow) Due to Differences between Projected and Actual Earnings on Plan Investments					
2020	$ 7,278,823	5.0000	$ 1,455,763	$ 0	0.0000
2021	(27,636,420)	5.0000	(5,527,284)	(5,527,284)	1.0000
2022	36,714,328	5.0000	7,342,866	14,685,730	2.0000
2023	(2,814,689)	5.0000	(562,938)	(1,688,813)	3.0000
2024	(9,616,787)	5.0000	(1,923,357)	(7,693,430)	4.0000
Total			**$ 785,050**	**$ (223,797)**	

Statement of Fiduciary Net Position
as of June 30, 2024

Assets		
Cash and Deposits	$	1,886,454
Receivables		
Accounts Receivable - Sale of Investments	$	0
Accrued Interest and Other Dividends		215,088
Contributions		0
Accounts Receivable - Other		126,721
Total Receivables	$	341,809
Investments		
Fixed Income	$	51,289,206
Domestic Equities		100,758,076
International Equities		0
Real Estate		5,963,285
Other		0
Total Investments	$	158,010,567
Total Assets	$	160,238,830
Liabilities		
Payables		
Accounts Payable - Purchase of Investments	$	0
Accrued Expenses		42,135
Accounts Payable - Other		0
Total Liabilities	$	42,135
Net Position Restricted for OPEB	$	160,196,695

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2024

Additions		
Contributions		
Employer	$	7,015,465
Nonemployer Contributing Entities		0
Active Employees		0
Other		0
Total Contributions	$	7,015,465
Investment Income		
Net Appreciation in Fair Value of Investments	$	15,133,343
Interest and Dividends		3,196,424
Less Investment Expense		(109,999)
Net Investment Income	$	18,219,768
Other	$	0
Total Additions	$	25,235,233
Deductions		
Benefit Payments	$	9,806,351
OPEB Plan Administrative Expense		21,290
Other		0
Total Deductions	$	9,827,641
Net Increase in Net Position	$	15,407,592
Net Position Restricted for OPEB		
Beginning of Year	$	144,789,103
End of Year	$	160,196,695

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Dearborn Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Schedule of Changes in Net OPEB Liability and Related Ratios
Current Reporting Period
Fiscal Year Ended June 30, 2024

A. Total OPEB liability		
1. Service cost	$	1,871,702
2. Interest on the total OPEB liability		11,561,042
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the total OPEB liability		(1,033,499)
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		(9,806,351)
7. Net change in total OPEB liability		2,592,894
8. Total OPEB liability – beginning		196,651,363
9. Total OPEB liability – ending	$	199,244,257
B. Plan fiduciary net position		
1. Contributions – employer	$	7,015,465
2. Contributions – nonemployer contributing entities		0
3. Contributions – employee		0
4. Net investment income		18,219,768
5. Benefit payments, including refunds of employee contributions		(9,806,351)
6. OPEB plan administrative expense		(21,290)
7. Other		0
8. Net change in plan fiduciary net position		15,407,592
9. Plan fiduciary net position – beginning		144,789,103
10. Plan fiduciary net position – ending	$	160,196,695
C. Net OPEB liability	$	39,047,562
D. Plan fiduciary net position as a percentage of the total OPEB liability		80.40 %
E. Covered-employee payroll[1]	$	24,938,909
F. Net OPEB liability as a percentage of covered-employee payroll		156.57 %

[1] *Payroll provided separately by the employer.*

Schedules of Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios Multiyear

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total OPEB liability										
Service cost	$ 1,871,702	$ 2,365,154	$ 2,612,892	$ 2,629,855	$ 2,650,160	$ 2,495,382	$ 2,625,312	$ 2,080,816		
Interest on the total OPEB liability	11,561,042	14,568,498	14,279,106	16,406,275	14,925,019	15,602,042	15,307,855	15,471,747		
Changes of benefit terms	0	(63,241,072)	0	(24,844,118)	0	(3,179,714)	0	0		
Difference between expected and actual experience	(1,033,499)	(856,301)	(987,926)	(25,283,748)	(1,122,391)	(31,430,792)	(1,212,420)	586,687		
Changes of assumptions	0	7,348,052	0	7,670,536	20,331,126	17,107,620	0	27,406,087		
Benefit payments, including refunds of employee contributions	(9,806,351)	(10,317,394)	(11,596,595)	(12,449,690)	(11,722,626)	(12,188,667)	(11,316,644)	(12,106,610)		
Net change in total OPEB liability	2,592,894	(50,133,063)	4,307,477	(35,870,890)	25,061,288	(11,594,129)	5,404,103	33,438,727		
Total OPEB liability - beginning	196,651,363	246,784,426	242,476,949	278,347,839	253,286,551	264,880,680	259,476,577	226,037,850		
Total OPEB liability - ending (a)	$ 199,244,257	$ 196,651,363	$ 246,784,426	$ 242,476,949	$ 278,347,839	$ 253,286,551	$ 264,880,680	$259,476,577		
Plan fiduciary net position										
Employer contributions[2]	$ 7,015,465	$ 6,074,676	$ 13,539,989	$ 13,747,986	$ 13,431,316	$ 48,714,670	$ 15,287,893	$ 15,095,027		
Nonemployer contributing entities contributions	0	10	199,808	207,079	4,924	336,628	373,996	623,636		
Employee contributions	0	0	0	0	0	0	0	0		
OPEB plan net investment income	18,219,768	10,972,102	(26,879,392)	35,249,954	227,469	5,417,155	4,776,465	4,883,607		
Benefit payments, including refunds of employee contributions	(9,806,351)	(10,317,394)	(11,596,595)	(12,449,690)	(11,722,626)	(12,188,667)	(11,316,644)	(12,106,610)		
OPEB plan administrative expense	(21,290)	(37,068)	(22,078)	(45,796)	(19,500)	(44,988)	(29,250)	(76,000)		
Other[3]	0	0	0	(33,875)	0	0	0	0		
Net change in plan fiduciary net position	15,407,592	6,692,326	(24,758,268)	36,675,658	1,921,583	42,234,798	9,092,460	8,419,660		
Plan fiduciary net position - beginning	144,789,103	138,096,777	162,855,045	126,179,387	124,257,804	82,023,006	72,930,546	64,510,886		
Plan fiduciary net position - ending (b)	$ 160,196,695	$ 144,789,103	$ 138,096,777	$ 162,855,045	$ 126,179,387	$ 124,257,804	$ 82,023,006	$ 72,930,546		
Net OPEB liability - ending (a) - (b)	$ 39,047,562	$ 51,862,260	$ 108,687,649	$ 79,621,904	$ 152,168,452	$ 129,028,747	$ 182,857,674	$186,546,031		
Plan fiduciary net position as a percentage of total OPEB liability	80.40 %	73.63 %	55.96 %	67.16 %	45.33 %	49.06 %	30.97 %	28.11 %		
Covered-employee payroll[1]	$ 24,938,909	$ 26,684,028	$ 29,293,604	$ 31,554,408	$ 33,138,699	$ 35,876,120	$ 36,427,775	$ 35,829,343		
Net OPEB liability as a percentage of covered-employee payroll	156.57 %	194.36 %	371.03 %	252.33 %	459.19 %	359.65 %	501.97 %	520.65 %		

Notes to Schedule:

[1] *Payroll provided separately by the employer.*

[2] *For fiscal year 2019, includes $34,785,000 in bond proceeds.*

[3] *For fiscal year 2021, includes an adjustment of $33,875 to account for differences between the ending net position used in last year's valuation and this year's beginning net position provided by the City.*

Schedules of Required Supplementary Information
Schedule of the Net OPEB Liability Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability	Plan Net Position as a % of Total OPEB Liability	Covered Payroll[1]	Net OPEB Liability as a % of Covered Payroll
2015						
2016						
2017	$ 259,476,577	$ 72,930,546	$ 186,546,031	28.11 %	$ 35,829,343	520.65 %
2018	264,880,680	82,023,006	182,857,674	30.97 %	36,427,775	501.97 %
2019	253,286,551	124,257,804	129,028,747	49.06 %	35,876,120	359.65 %
2020	278,347,839	126,179,387	152,168,452	45.33 %	33,138,699	459.19 %
2021	242,476,949	162,855,045	79,621,904	67.16 %	31,554,408	252.33 %
2022	246,784,426	138,096,777	108,687,649	55.96 %	29,293,604	371.03 %
2023	196,651,363	144,789,103	51,862,260	73.63 %	26,684,028	194.36 %
2024	199,244,257	160,196,695	39,047,562	80.40 %	24,938,909	156.57 %

(1) *Payroll provided separately by the employer.*

Schedule of Contributions Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution(2)	Contribution Deficiency (Excess)	Covered Payroll(1)	Actual Contribution as a % of Covered Payroll
2015					
2016					
2017	$ 17,123,897	$ 15,718,663	$ 1,405,234	$ 35,829,343	43.87 %
2018	16,817,839	15,661,889	1,155,950	36,427,775	42.99 %
2019	16,768,808	49,051,298	(32,282,490)	35,876,120	136.72 %
2020	15,762,276	13,436,240	2,326,036	33,138,699	40.55 %
2021	15,679,593	13,955,065	1,724,528	31,554,408	44.23 %
2022	13,513,581	13,739,797	(226,216)	29,293,604	46.90 %
2023	6,074,688	6,074,686	2	26,684,028	22.77 %
2024	6,742,595	7,015,465	(272,870)	24,938,909	28.13 %

(1) *Payroll provided separately by the employer.*

(2) *For fiscal year 2019, includes $34,785,000 in bond proceeds.*

Notes to Schedule of Contributions

Notes	Actuarially determined contribution amounts are calculated as of June 30 of even numbered years. The valuation date is 12 months prior to the fiscal year beginning of odd numbered fiscal years and 24 months prior to the fiscal year beginning of even numbered fiscal years.

Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending June 30, 2024*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	14 years, Closed
Asset Valuation Method	5-year smoothed market
Price Inflation	2.75%
Salary Increases	2.75% to 7.55%, including inflation
Investment Rate of Return	6.00% net of expenses, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to experience studies performed for the period 2013-2018 for non-MERS plans and 2014-2018 for MERS plans.
Mortality	General: A version of PubG-2010 with a base year of 2010 and future mortality improvements projected using scale MP-2019. Police & Fire: A version of PubS-2010 with a base year of 2010 and future mortality improvements projected using scale MP-2019. MERS: A version of PubG-2010 with a base year of 2010 and future mortality improvement projected using scale MP-2019.
Health Care Trend Rates	Initial trend of 7.50% for Pre-65, 6.25% for Post-65 gradually decreasing to an ultimate trend rate of 3.50%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."

Other Information:

Notes

** Based on Valuation Assumptions used in the June 30, 2022 valuation.*

Schedule of Investment Returns Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Annual Return[1]
2015	
2016	
2017	8.38 %
2018	6.96 %
2019	5.72 %
2020	0.17 %
2021	27.89 %
2022	(16.26)%
2023	8.05 %
2024	12.68 %

[1] *Annual money-weighted rate of return, net of investment expenses.*

SECTION D

NOTES TO FINANCIAL STATEMENTS

Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Dearborn Retiree Health Care Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Single Discount Rate

A Single Discount Rate of 6.00% was used to measure the total OPEB liability. This Single Discount Rate was based on the expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this Single Discount Rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Summary of Membership Information(1)

The following table provides a summary of the number of participants in the plan:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	840
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	5
Active Plan Members	265
Total Plan Members	1,110

(1) *As of the Actuarial Valuation Date. GRS does not have the membership counts as of June 30, 2023. The City of Dearborn staff and auditors may decide that providing membership counts as of the valuation date is sufficient. Alternatively, the City may decide to update the membership counts to be as of the Plan's fiscal year end.*

Sensitivity of Net OPEB Liability

Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate, the following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
$ 64,249,920	$ 39,047,562	$ 18,305,074

Regarding the sensitivity of the net OPEB liability to changes in the health care cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

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

1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
$ 15,919,804	$ 39,047,562	$ 67,215,404

SECTION E

SUMMARY OF BENEFITS

Summary of Benefits

This report complements the actuarial valuation report prepared as of June 30, 2022. Information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to benefit provisions.

SECTION F

DEVELOPMENT OF BASELINE CLAIMS COSTS

Development of Baseline Claims Costs

The City offers benefits on a fully-insured basis and on a self-insured basis. The fully-insured and self-insured rates are developed separately and then blended together at the end to create a single set of rates for use in the valuation.

The BCBS self-insured rates were calculated by using claims and exposure data incurred during the period of July 2019 to June 2022 adjusted for catastrophic claims, plus the load for administration, network access fee, and stop loss premiums. The Medical data was analyzed for the pre-65 and post-65 participants separately since Medicare is available for the post-65 participants and has a significant impact on the claim experience. Since very few Medicare retirees are self-funded for medical, their experience was utilized to allocate claims between pre-65 participants and post-65 participants, but the post-65 BCBS Medical rates were not incorporated into the blending described above. Prescription drug claims and the medical claims exhibit different trends and claim payment patterns; therefore, we analyzed these claims separately.

The HAP pre-65 self-insured rates were calculated by using claims and exposure data paid during the period of July 2019 to June 2022 adjusted for catastrophic claims, plus the load for administration, network access fee, and stop loss premiums. Prescription drug claims and the medical claims exhibit different trends and claim payment patterns; therefore, these claims were analyzed separately.

Fully-insured Medicare Advantage plans are used for medical for BCBSM and for medical and prescription drugs for HAP. The fully-insured rates provided by the City were utilized to determine the appropriate premium rates. The fully-insured premium rates for the post-65 retirees are used as the basis of the initial per capita cost without adjustments since the rates reflect the demographics post-65 retiree group. For the BCBS Medicare Advantage, Rx coverage is provided through a self-insured prescription drug benefit that corresponds to their BCBS suffix.

In a Medicare Advantage Program, the liability is based on the difference between the present value of future claims minus the present value of future reimbursements from CMS. CMS' reimbursement is based on a very competitive bid process and has resulted in recent Medicare Advantage premiums trending at low rates of increase. Previously, a margin has been added to Medicare Advantage rates to recognize that increases in CMS reimbursements may lag behind the trends for health care costs. For the near term, we believe this margin is no longer necessary and we will monitor the Medicare Advantage environment and revisit the need for an additional margin at the time of the next valuation.

For the current active employees, different benefits are available upon retirement since some plans are closed to future retirees. We have developed separate premium rates for future retirees in order to reflect the benefit differences.

Age-graded and sex-distinct premiums are utilized by this valuation. The premiums developed by the preceding process are appropriate for the unique age and sex distribution currently existing. Over the future years covered by this valuation, the age and sex distribution will most likely change. Therefore, our process "distributes" the average premium over all age/sex combinations and assigns a unique premium for each combination. The age/sex specific premiums more accurately reflect the health care utilization and cost at that age.

Development of Baseline Claims Costs

The combined monthly one-person medical, and drug premiums at select ages are shown below. These premiums are effective from July 1, 2022 to June 30, 2023.

For Those Not Eligible for Medicare (Pre-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
40	$ 401.69	$ 652.72	$ 401.69	$ 652.72
50	651.14	802.14	651.14	802.14
60	1,106.64	1,089.66	1,106.64	1,089.66
64	1,345.70	1,269.98	1,345.70	1,269.98

For Those Eligible for Medicare (Post-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
65	$ 432.22	$ 407.67	$ 461.58	$ 435.36
75	505.69	493.44	540.04	526.96
85	534.74	541.04	571.06	577.79

Effective January 1, 2023, the City began offering new retiree health care plan options to plan members. In general, the new plans have higher deductibles, coinsurance and copays than the previous plans. The current valuation reflects the impact of the new retiree health care plans and premiums at select ages and are shown below:

For Those Not Eligible for Medicare (Pre-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
40	$ 358.39	$ 582.36	$ 358.39	$ 582.36
50	580.95	715.67	580.95	715.67
60	987.34	972.19	987.34	972.19
64	1,200.64	1,133.08	1,200.64	1,133.08

For Those Eligible for Medicare (Post-65)				
	Future Retirees		Current Retirees	
Age	Male	Female	Male	Female
65	$ 347.59	$ 327.85	$ 371.20	$ 350.11
75	406.68	396.83	434.30	423.78
85	430.04	435.10	459.24	464.65

SECTION G

SUMMARY OF PARTICIPANT DATA

Summary of Participant Data

This report complements the actuarial valuation report prepared as of June 30, 2022, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to participant data.

SECTION H

VALUATION METHODS AND ACTUARIAL ASSUMPTIONS

Valuation Methods and Actuarial Assumptions

This report complements the actuarial valuation report prepared as of June 30, 2022, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to valuation methods and actuarial assumptions.

Assets. The Actuarial Value of Assets used for GASB Statement Nos. 74 and 75 reporting purposes was the fair market value of assets.

Miscellaneous and Technical Assumptions

This report complements the actuarial valuation report prepared as of June 30, 2022, and information herein should be considered along with the information from that report, especially for additional discussions of the nature of actuarial calculations and for more information related to miscellaneous and technical assumptions.

Experience Study

The rationale for the rates of merit and longevity salary increase, base wage inflation, retirement rates, rates of separation from active membership, and disability rates used in this valuation for General members is included in the City of Dearborn Chapter 22 Retirement System five-year experience study for the period July 1, 2013 through June 30, 2018 dated December 6, 2019.

The rationale for the rates of merit and longevity salary increase, base wage inflation, retirement rates, rates of separation from active membership, and disability rates used in this valuation for non-MERS Police/Fire members is included in the City of Dearborn Chapter 23 Retirement System five-year experience study for the period July 1, 2013 through June 30, 2018 dated December 6, 2019.

The rationale for the rates of merit and longevity salary increase, base wage inflation, retirement rates, rates of separation from active membership, and disability rates used in this valuation is included in the MERS five-year experience study for the period January 1, 2014 through December 31, 2018.

Roll-Forward Disclosure

The total OPEB liability shown in this report is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2024. The roll-forward procedure increases the June 30, 2022 actuarial accrued liability with normal cost and interest and decreases it with expected benefit payments.

SECTION I

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 74 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: (1) the long-term expected rate of return on OPEB plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.00%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.00%.

The tables in this section provide background for the development of the SDR.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the SDR. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

There may be cases when schedules do not add or where they do not exactly balance to other related schedules due to rounding.

The projection of cash flows used to determine this Single Discount Rate assumed the following:

- In all years, employer contributions will be made at amounts equal to the Actuarially Determined Contribution, based on level dollar amortization of unfunded liabilities;
- No explicit assumption has been made for administrative expenses; and
- Contributions and benefit payments occur halfway through the year.

Single Discount Rate Development
Projection of Contributions Ending June 30 for 2025 to 2124

Year	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
1	$ 0	$ 1,984,004	$ 4,697,946	$ 6,681,950
2	0	1,677,127	3,895,771	5,572,898
3	0	1,585,800	4,531,265	6,117,064
4	0	1,453,460	4,218,547	5,672,006
5	0	1,312,441	3,924,794	5,237,236
6	0	1,220,046	3,924,795	5,144,841
7	0	1,123,507	3,924,794	5,048,302
8	0	995,648	3,924,795	4,920,444
9	0	870,791	3,924,795	4,795,587
10	0	769,391	3,924,795	4,694,187
20	0	60,387	0	60,387
30	0	3,866	0	3,866
40	0	211	0	211
50	0	4	0	4
60	0	0	0	0
70	0	0	0	0
80	0	0	0	0
90	0	0	0	0
100	0	0	0	0

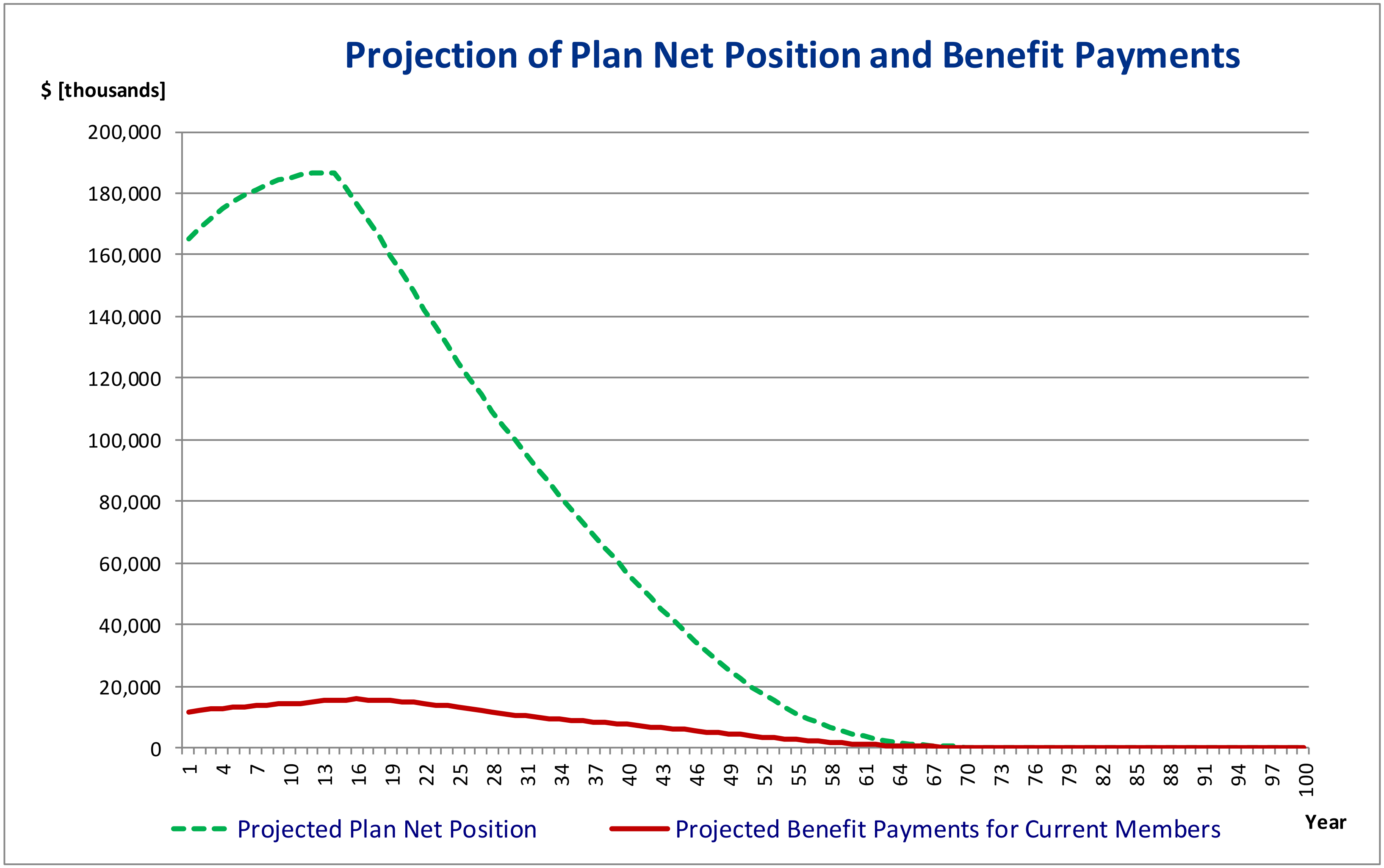
Single Discount Rate Development
Projection of Plan Net Position Ending June 30 for 2025 to 2124

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings at 6.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
1	$ 160,196,695	$ 6,681,950	$ 11,381,959	$ 9,472,855	$ 164,969,542
2	164,969,542	5,572,898	11,938,450	9,709,988	168,313,977
3	168,313,977	6,117,064	12,421,577	9,912,458	171,921,922
4	171,921,922	5,672,006	12,799,651	10,104,601	174,898,877
5	174,898,877	5,237,236	13,123,398	10,260,794	177,273,509
6	177,273,509	5,144,841	13,387,948	10,392,719	179,423,122
7	179,423,122	5,048,302	13,699,146	10,509,642	181,281,920
8	181,281,920	4,920,444	13,972,508	10,609,309	182,839,165
9	182,839,165	4,795,587	14,155,826	10,693,633	184,172,558
10	184,172,558	4,694,187	14,425,492	10,762,667	185,203,920
20	159,879,733	60,387	15,004,183	9,151,000	154,086,938
30	104,463,990	3,866	10,603,785	5,954,474	99,818,545
40	60,721,173	211	7,461,243	3,422,700	56,682,841
50	25,242,397	4	4,172,594	1,391,189	22,460,996
60	5,493,004	0	1,311,180	290,818	4,472,642
70	385,725	0	134,577	19,165	270,313
80	3,974	0	1,971	180	2,183
90	2	0	2	0	0
100	0	0	0	0	0

Single Discount Rate Development
Present Values of Projected Benefits Ending June 30 for 2025 to 2124

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^((a)-.5)	(g)=(e)*vf ^((a)-.5)	(h)=(c)/(1+SDR)^(a-.5)
1	$ 160,196,695	$ 11,381,959	$ 11,381,959	$ -	$ 11,055,135	$ -	$ 11,055,135
2	164,969,542	11,938,450	11,938,450	-	10,939,290	-	10,939,290
3	168,313,977	12,421,577	12,421,577	-	10,737,720	-	10,737,720
4	171,921,922	12,799,651	12,799,651	-	10,438,248	-	10,438,248
5	174,898,877	13,123,398	13,123,398	-	10,096,478	-	10,096,478
6	177,273,509	13,387,948	13,387,948	-	9,716,990	-	9,716,990
7	179,423,122	13,699,146	13,699,146	-	9,380,055	-	9,380,055
8	181,281,920	13,972,508	13,972,508	-	9,025,689	-	9,025,689
9	182,839,165	14,155,826	14,155,826	-	8,626,515	-	8,626,515
10	184,172,558	14,425,492	14,425,492	-	8,293,253	-	8,293,253
20	159,879,733	15,004,183	15,004,183	-	4,816,682	-	4,816,682
30	104,463,990	10,603,785	10,603,785	-	1,900,806	-	1,900,806
40	60,721,173	7,461,243	7,461,243	-	746,843	-	746,843
50	25,242,397	4,172,594	4,172,594	-	233,220	-	233,220
60	5,493,004	1,311,180	1,311,180	-	40,923	-	40,923
70	385,725	134,577	134,577	-	2,345	-	2,345
80	3,974	1,971	1,971	-	19	-	19
90	2	2	2	-	0	-	0
100	0	-	-	-	-	-	-
				Totals[1]	$ 210,946,083	$ 0	$ 210,946,083

[1] *These totals are values that are summed over a period of 100 years. However, only select values from this 100-year period are shown above.*


Projection of Plan Net Position and Benefit Payments
$ [thousands]
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
1 4 7 10 13 16 19 22 25 28 31 34 37 40 43 46 49 52 55 58 61 64 67 70 73 76 79 82 85 88 91 94 97 100
Year
Projected Plan Net Position
Projected Benefit Payments for Current Members

SECTION J

MICHIGAN PUBLIC ACT 202

State Reporting Assumptions as of June 30, 2024

The Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017 (PA 202), was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions, are denoted below. Additional discussion of PA 202 and uniform assumptions may be found on the State website in the *Public Act 202 of 2017: Selection of the Uniform Assumptions for Fiscal Year 2024* memo dated February 13, 2024.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return Discount Rate[(1)]	Maximum of 6.90%	6.00%	6.00%
Salary Increase	Minimum of 3.25% or based on experience study within last 5 years	General and Police & Fire: 2.75% (based on experience studies issued December 6, 2019) MERS: 3.00% (based on experience study issued by MERS Pension actuary)	General and Police & Fire: 2.75% (based on experience studies issued December 6, 2019) MERS: 3.00% (based on experience study issued by MERS Pension actuary)
Mortality	A version of Pub-2010 mortality tables with future mortality improvement projected generationally using scale MP-2021 or based on an experience study within last 5 years	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on the experience study issued by the MERS Pension actuary, and the experience studies issued December 6, 2019)	Version of Pub-2010 with generational mortality improvement using scale MP-2019 (based on the experience study issued by the MERS Pension actuary, and the experience studies issued December 6, 2019)
Healthcare Inflation (for Medical and Drug)	Non-Medicare: Initial rate of 7.25% decreasing 0.25% per year to a 4.50% long-term rate Medicare: Initial rate of 5.50% decreasing 0.25% per year to a 4.50% long-term rate	Non-Medicare: Initial rate of 7.50% gradually decreasing to a 3.50% long-term rate in year 12 Medicare: Initial rate of 6.25% gradually decreasing to a 3.50% long-term rate in year 12	**Non-Medicare: Initial rate of 7.25% decreasing 0.25% per year to a 4.50% long-term rate** **Medicare: Initial rate of 5.50% decreasing 0.25% per year to a 4.50% long-term rate**
Amortization of the Unfunded Accrued Actuarial Liability Period	Maximum Period of 25 Years	14 years[(2)]	14 years[(2)]
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll or Level Dollar	Level Dollar	Level Dollar
Type	Closed	Closed	Closed

(1) *A blended rate calculated using GASB Statement No. 75 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 6.90%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – maximum of 3.65%.*

(2) *For the fiscal year ending June 30, 2024.*

State Reporting
as of June 30, 2024

The following information has been prepared to provide some of the information necessary to complete the OPEB reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). The local unit of government is required to complete/develop all of the remaining reporting requirements necessary for Form 5572. Additional resources are available on the State website.

Line	Descriptive Information	
19	**Actuarial Assumptions**[(1)]	
20	Assumed Rate of Investment Return	6.00%
21	Enter discount rate	6.00%
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Dollar
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any[(2)]	14
24	Is each division within the system closed to new employees?	No
25	Health care inflation assumption for the next year	See Below[(3)]
26	Health care inflation assumption - Long-Term Trend Rate	3.50%
27	**Uniform Assumptions**[(4)]	
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	$ 153,684,953
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	$ 204,749,430
30	Funded ratio using uniform assumptions	75.1%
31	Actuarially Determined Contribution (ADC) using uniform assumptions[(5)]	$ 8,155,450
32	All systems combined ADC/Governmental fund revenues	Auto[(6)]

(1) *Information on lines 20-26 can be found in the June 30, 2022 funding valuation report, dated April 21, 2023.*

(2) *For the fiscal year ending June 30, 2024.*

(3) *7.50% Non-Medicare age; 6.25% Medicare age.*

(4) *Information on lines 28-32 is based on the Uniform Assumptions Used, listed on the prior page, as of the most recent valuation date, June 30, 2022.*

(5) *For the fiscal year ending June 30, 2024.*

(6) *Automatically calculated by State of Michigan Form 5572.*

SECTION K

GLOSSARY OF TERMS

Glossary of Terms

Accrued Service	Service credited under the system that was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
Actuarial Assumptions	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the OPEB trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
Actuarial Equivalent	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
Actuarial Gain (Loss)	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
Actuarial Present Value (APV)	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
Actuarial Valuation	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total OPEB liability, and related actuarial present value of projected benefit payments for OPEB.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.

Glossary of Terms

Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	A calculated contribution into an OPEB plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.
Amortization Method	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year).
Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit OPEB Plan (cost-sharing OPEB plan)	A multiple-employer defined benefit OPEB plan in which the OPEB obligations to the employees of more than one employer are pooled and OPEB plan assets can be used to pay the benefits of the employees of any employer that provides benefits through the OPEB plan.
Covered-Employee Payroll	The payroll of employees that are provided with benefits through the OPEB plan.
Deferred Inflows and Outflows	The deferred inflows and outflows of OPEB resources are amounts used under GASB Statement No. 75 in developing the annual OPEB expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in the OPEB expense should be included in the deferred inflows or outflows of resources.
Discount Rate	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the OPEB plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

Entry Age Actuarial Cost Method (EAN)	The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
Fiduciary Net Position	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
GASB	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
Long-Term Expected Rate of Return	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
Money-Weighted Rate of Return	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 74, the money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense.
Multiple-Employer Defined Benefit OPEB Plan	A multiple-employer plan is a defined benefit OPEB plan that is used to provide OPEB payments to the employees of more than one employer.
Municipal Bond Rate	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
Net OPEB Liability (NOL)	The NOL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan.
Non-Employer Contributing Entities	Non-employer contributing entities are entities that make contributions to an OPEB plan that is used to provide OPEB payments to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.

Glossary of Terms

Normal Cost — The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

Other Postemployment Benefits (OPEB) — All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.

Real Rate of Return — The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.

Service Cost — The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Total OPEB Expense — The total OPEB expense is the sum of the following items that are recognized at the end of the employer's fiscal year:

1. Service Cost
2. Interest on the Total OPEB Liability
3. Current-Period Benefit Changes
4. Employee Contributions (made negative for addition here)
5. Projected Earnings on Plan Investments (made negative for addition here)
6. OPEB Plan Administrative Expense
7. Other Changes in Plan Fiduciary Net Position
8. Recognition of Outflow (Inflow) of Resources due to Liabilities
9. Recognition of Outflow (Inflow) of Resources due to Assets

Total OPEB Liability (TOL) — The TOL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

Unfunded Actuarial Accrued Liability (UAAL) — The UAAL is the difference between actuarial accrued liability and valuation assets.

Valuation Assets — The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 74 and 75, the valuation assets are equal to the market value of assets.

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

August 28, 2024

Mr. Michael Kennedy
Finance Director/Treasurer
City of Dearborn Retiree Health Care Plan
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Dear Mr. Kennedy:

Please find enclosed 15 copies of the GASB Statements Nos. 74 and 75 report of the City of Dearborn Retiree Health Care Plan.

GASB Statement No. 74 is the accounting standard, which applies to Other Postemployment Benefits (OPEB) plans that are administered through trusts or equivalent arrangements. GASB Statement No. 75 establishes accounting and financial reporting requirements for OPEB that are provided to employees of state and local governments.

Sincerely,
Gabriel, Roeder, Smith & Company

Francois Pieterse, ASA, FCA, MAAA

FP:dj
Enclosures

cc: Mark Buis, GRS

One Towne Square | Suite 800 | Southfield, Michigan 48076-3723

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Receipt and File of the 2024 Property Tax Waiver Appeals Report

DEPARTMENT: The Finance Department

BRIEF DESCRIPTION: This report submittal summarizes the 2024 data for the Mayor and City Council and is presented for Receipt and Filing.

PRIOR COUNCIL ACTION: 6-323-15 established as an appeal process to review requests from property owners seeking relief from interest on overdue taxes, under certain conditions.

BACKGROUND: Pursuant to the council resolution, the Tax Penalty Waiver Committee compiles information on the property tax appeals it reviews in a calendar year. This report submittal summarizes the 2024 data for the Mayor and City Council and is presented for Receipt and Filing.

FISCAL & COMMUNITY IMPACT: In 2024, a total of 61 tax penalty appeals were submitted to the Tax Penalty Waiver Committee. Of the appeals heard by the Committee in 2024 a total of 14% $2,315.07 (8) was granted, (86%) $7,514.52 (53) was denied. Total $9,829.59

IMPLEMENTATION TIMELINE: Completed in 2024

COMPLIANCE/PERFORMANCE METRICS: Pursuant to the council resolution, the Tax Penalty Waiver Committee compiles information on the property tax appeals it reviews in a calendar year.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Property Tax Waiver Appeals Report 2024

DATE: January 15, 2025

Dearborn City Council resolution 6-323-15 established as an appeal process to review requests from property owners seeking relief from interest on overdue taxes, under certain conditions. Pursuant to the council resolution, the Tax Penalty Waiver Committee compiles information on the property tax appeals it reviews in a calendar year. This report submittal summarizes the 2024 data for the Mayor and City Council and is presented for Receipt and Filing.

The Tax Penalty Waiver Committee may only grant relief when at least one of the following criteria is met:
1) the invoice was generated in error; 2) an error was made by the City or the City's contractor; 3) the property owner has shown the existence of extraordinary circumstances not of the property owner's making, such as serious illness or accident, a death in the family, or other circumstance that could not have been avoided by reasonable action

Summer Due Dates

Summer Taxes may be paid in full on or before September 14th or in three payments as follows

(1) First Payment – Due on or before September 14th to be eligible to use the payment plan, (Special assessments and administrative fee must be paid in full with the first payment)
(2) Second Payment – Due on or before November 14th,
(3) Third Payment – Due on or before January 14th

Summer Interest & Penalty

Summer taxes are payable July 1- September 14. If full payment or the first plan payment is not made by September 14, penalty will be calculated from July 1 at the rate of 1% per month through February.

FINANCE **EXECUTIVE SUMMARY AND MEMORANDUM**

Winter Due Dates
Winter tax payments are only payable December 1 through February 14th, without interest. After February 14, an additional 4% is incurred.

In 2024, a total of 61 tax penalty appeals were submitted to the Tax Penalty Waiver Committee. Of the appeals heard by the Committee in 2024 a total of 14% $2,315.07 (8) was granted, (86%) $7,514.52 (53) was denied. Total (61) $9,829.59.

TAX WAIVER COMMITTEE ANNUAL REPORT

CALENDAR YEAR 2024

March

Waiver Requests – (14) $2,809.64

Waiver Approved – (1) $1,402.07

Waiver Denied – (13) $1,407.57

`

June

Waiver Requests – (2) $462.00

Waiver Approved – (0)

Waiver Denied – (2) $462.00

August

Waiver Requests – (2) $ 503.29

Waiver Approved – (1) $264.48

Waiver Denied – (1) $238.81

October

Waiver Requests – (24) $3,805.75

Waiver Approved – (3) $437.49

Waiver Denied – (21) $3,368.26

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

December

Waiver Requests – (19) $2,248.91

Waiver Approved – (3) $211.03

Waiver Denied – (16) $2,037.88

Total

Waiver Requests – (61) $9,829.59

Waiver Approved – (8) $2,315.07

Waiver Denied – (53) $7,514.52

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Michael Kennedy, Finance Director/ Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer, Corporation Counsel

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Authorization for the Finance Director or designee to recognize and appropriate final payment of the Brownfield Cleanup Revolving Loan and Gun Range Agreement Loan.

DEPARTMENT: Finance Department

BRIEF DESCRIPTION: The City of Dearborn received final payment from Artspace for the Brownfield Cleanup Revolving Loan and the Gun Range Agreement Loan in the amount of $71,014 and $123,925, respectively.

PRIOR COUNCIL ACTION: CR # 3-128-14 – The City of Dearborn Council authorized the Mayor to execute a 0% interest, 15 year loan with the EDDDA and the Downriver Community Conference to borrow up to $400,000 to Artspace.

12-663-15 – Requesting the Finance Director to be appropriate $233,168 from East Dearborn Downtown Development Authority fund as a loan to Artspace and to recognize the incremental repayment from Artspace to be repaid by 2028 and for the Legal Department to amend the Loan agreements accordingly. Reflecting only the use of $166,832 of the original loan.

BACKGROUND: Artspace requested to enter into a loan agreement with City of Dearborn and the East Dearborn Downtown Development Authority. Purpose of the loan is to assist in cleanup efforts of the former City Hall buildings.

FISCAL IMPACT: Payment received from Artspace is to pay off the outstanding loan balances totaling $194,939.

COMMUNITY IMPACT: Environmental remediation of the City Hall Complex

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IMPLEMENTATION TIMELINE: Requesting Immediate effect

COMPLIANCE/PERFORMANCE METRICS: N/A

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Authorization for the Finance Director or designee to recognize and appropriate final payment of the Brownfield Cleanup Revolving Loan and Gun Range Agreement Loan.

DATE: January 10, 2025

Budget Information

Adopted Budget:	$31,906
Amended Budget:	$
Requested Amount:	$71,014
Funding Source:	East Dearborn Downtown Development Authority, Miscellaneous Revenues, Miscellaneous, Other
Supplemental Budget:	N/A

Summary of Request

The City of Dearborn received final payment from Artspace for the Brownfield Cleanup Revolving Loan and the Gun Range Agreement Loan in the amount of $71,014 and $123,925, respectively.

Requesting Council to authorization for the Finance Director or designee to recognize and appropriate final payment of the Brownfield Cleanup Revolving Loan and Gun Range Agreement Loan Agreement.

Immediate effect is requested.

Background and Justification

Artspace requested to enter into a loan agreement with City of Dearborn and the East Dearborn Downtown Development Authority. Purpose of the loan is to assist in cleanup efforts of the former City Hall buildings.

FINANCE **EXECUTIVE SUMMARY AND MEMORANDUM**

Signature Page

Prepared By:

DocuSigned by:
Laura Aceves-Sanchez
D4E839D504AA420...

Laura Aceves-Sanchez, Economic Development

Department Approval:

DocuSigned by:
1C7ADC7466A843C...

Jordan Twardy, Economic Development Director

Budget Approval:

DocuSigned by:
Michael Kennedy
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Initial
CS

Michael Kennedy, Finance Director/ Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J Romer, Corporation Counsel

EXECUTIVE SUMMARY FOR CITY COUNCIL

REQUEST: Acknowledgment and recognition of Floyd and Mary Dietrich Haight Charitable Trust Donation

DEPARTMENT: Historical Commission

BRIEF DESCRIPTION: Recognize and appropriate receipt of $9,487.60 donation from the Floyd L. & Mary Dietrich Haight Charitable Trust to the Dearborn Historical Museum. The donation is stipulated to be used for the Museum's archives.

PRIOR COUNCIL ACTION: This is a recurring contribution that is acknowledged by City Council annually.

BACKGROUND:

- Floyd Haight (1897-1986) was chairman of the Dearborn Historical Commission from 1939-1951, and 1956-1975.
- The Floyd and Mary Dietrich Haight Charitable Trust was created in the 1980s and provides an annual contribution that is specified to be used toward the Dearborn Historical Museum archives.
- We request that the donation be recognized in account 271-5000-365.90-00 (Donations from Private Sources) and that it be appropriated toward archival expenditures in account 271-5000-711.10-20 (Wages, Part Time/Seasonal). The Dearborn Historical Museum has two part-time employees who work in the archives.

FISCAL IMPACT:

- Donation of $9,487.60

IMPACT TO COMMUNITY:

- Dearborn Historical Museum fields an estimated 250 archival research requests annually on homes, families, businesses, and historical topics of interest
- The archival collection at the historic McFadden-Ross House comprises hundreds of thousands of photographs, documents, books, maps, and more.

Finance Department

To: City Council

From: Jack Tate, Curator

Via: Mayor Abdullah Hammoud

Subject: Floyd & Mary Dietrich Haight Charitable Trust Donation

Date: 07 January 2025

This memo is a request to acknowledge the receipt of $9,487.60 from the Floyd L. & Mary Dietrich Haight Charitable Trust to the Dearborn Historical Museum.

We further request that the City Council authorize the Finance Department to acknowledge and recognize the donation in account 271-5000-365.90-00 (Donations from Private Sources) and appropriate the donation toward archival expenditures in account 271-5000-711.10-20 (Wages, Part Time/Seasonal).

Respectfully Submitted,

Jack Tate

Jack Tate
Curator, Dearborn Historical Museum

DocuSigned by:
Michael Kennedy
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Michael Kennedy
Director of Finance

OFFICE OF THE MAYOR

TO: CITY COUNCIL

FROM: MAYOR ABDULLAH H. HAMMOUD

SUBJECT: NEW APPOINTMENT - PLANNING COMMISSION

DATE: JANUARY 16, 2025

In accordance with City of Dearborn Charter Section 10.21, the Mayor shall appoint members of the Planning Commission, subject to approval by the City Council. Recommendation for the approval of this appointment is made to serve:

Name: Khaled Abdulla

Status: New Appointment

Current Term Ending: N/A

Filling a Vacancy for: N/A

Term Duration: 3 Years

Appointment Term Ending: June 30, 2028

Attendance: N/A

Phone: (313) 920-0228

Email: abdullak.edu@gmail.com

Mailing Address: 3532 Eastham Road, Dearborn, MI 48120

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development

cc: Law Department

OFFICE OF THE MAYOR

TO: **CITY CLERK**

FROM: **MAYOR ABDULLAH H. HAMMOUD**

SUBJECT: **REAPPOINTMENT - PLANNING COMMISSION**

DATE: **JANUARY 16, 2025**

I hereby certify that the following appointment has been made to the Planning Commission pursuant to City of Dearborn Charter Section 10.21.

See C.R. ___ *Insert the CR that confirmed this appointment* _______

Name: Khaled Abdulla

Status: New Appointment

Current Term Ending: N/A

Filling a Vacancy for: N/A

Term Duration: 3 Years

Appointment Term Ending: June 30, 2028

Attendance: N/A

Phone: (313) 920-0228

Email: abdullak.edu@gmail.com

Mailing Address: 3532 Eastham Road, Dearborn, MI 48120

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development

cc: Law Department

Dearborn Commissions Application

Submission Date

January 20 2025

First Name

Khaled

Last Name

Abdulla

Phone

+13139200228

Email

abdullak.edu@gmail.com

Home Address

3532 Eastham Rd, Dearborn, MI, USA

Years of Residency in Dearborn

5

Occupation

Education

Company

Dearborn Public Schools

Length of Service

14

Business Address

18700 Audette St. Dearborn

Business Telephone Number

313-827-3000

Level of Education

Master Degree

Name of Educational Institution & Graduation Year

Wayne State University

Commissions & Boards

Planning Commission

Why do you want to join this commission?

[This question was not answered]

Are you a veteran?

No

Which Branch Did You Serve?

[This question was not answered]

What Was Your Rank?

[This question was not answered]

Years of Service?

[This question was not answered]

Memberships, Civic Activities, and Awards Received

schedule, chair meetings, coordinate meetings with community organizations family Interventionist – teen and academic issues Organize community events 13 years-Lead fundraiser for children's mentoring and summer athletic programs – solicited funds from major contributors and local businesses Liaison for Community issues with local educational, religious, and municipalities issues relating to families Work with various partners (residents, city, local businesses, etc) to address various community issues Youth Sports and Recreation Coordinate youth basketball tournaments for the past 13 years Oversee winter recreation program (Salina Intermediate School) Recruit volunteers as role models for various community sports programs

Do you Have a Resume?

Yes

Description of Professional History

[This question was not answered]

Resume

PAGES Khaled Resume.pages

Submitted on January 20 2025

Khaled M. Abdulla

3532 Eastham Street Dearborn, Michigan 48120 313- 920-0228 abdullak.edu@gmail.com

Education

- 2015 SCHOOL ADMINISTRATOR CERTIFICATE
- 2010 *Masters of Education, Bilingual-Bicultural Education*

English as a Second Language (ESL) K-8

Wayne State University, Detroit, MI

- 2000 *Bachelors Degree in Elementary Education,* Wayne State University Detroit, MI
- 2003 Professional Teaching Certificate K-5, Social Studies 6-8

Professional Teaching/Administrative Experience

- **2016 – Present** Assistant Principal, Edsel Ford High School

Dearborn Public Schools

- **2011 – 2016** Assistant Principal, Salina Intermediate

Dearborn Public Schools

- **2008-2011** *Student Services Coordinator (Assistant Principal)*

Athletic Director

Frontier International Academy, Hamtramck, MI

Global Educational Excellence

- **2004-2010** *Middle School Basketball Coach*

Frontier International Academy, Hamtramck, MI

Global Educational Excellence

- **2007-2009** *High School Basketball Coach*

Frontier International Academy, Hamtramck, MI

Global Educational Excellence

- **2004-2008** *Third Grade Teacher*

Bridge Academy, Hamtramck MI

Global Educational Excellence

Additional Honors/Skills/Leadership Roles

- District PTSA Award
- 2006 MAPSA Teacher of the Year Award Finalist
- 2007, 2008 MAPSA Conference Presenter
- Completion of the Michigan Leadership Improvement Framework Enhancement program (MI-LIFE)
- Increased student attendance by 23%
- Reduced student discipline by 30%
- Created the Athletic program
- 2010 District and Regional Soccer Champions
- Chaired School Improvement Plan at Bridge Academy
- Created the "Jedi" Math Program

Admin Duties

Volunteer/Community Work

- 2001-2019 President - Concerned Residents for South Dearborn

(Neighborhood organization)

1. Schedule, chair meetings, coordinate meetings with community organizations
2. Family Interventionist – teen and academic issues
3. Organize community events:
4. Youth Sports and Recreation:
   - Coordinate youth basketball tournaments for the past 13 years
   - Oversee winter recreation program (Salina Intermediate School)
   - Recruit volunteers as role models for various community sports programs
5. 13 years-Lead fundraiser for children's mentoring and summer athletic programs – solicited funds from major contributors and local businesses
6. Liaison for Community issues with local educational, religious, and municipalities issues relating to families
7. Work with various partners (residents, city, local businesses, etc) to address various community issues.

References

- Dr. Luay Shalibi, Principal, Central Academy: 734.216.0411
- Kaid Omar, Assistant Principal, EFHS: 313.549.5575
- Jamal Aljahmi, Board Member, Bridge Academy: 313.377.7088

MAYOR'S OFFICE

TO: City Council

FROM: Mayor Abdullah H. Hammoud

SUBJECT: Michigan Municipal League membership

DATE: January 13, 2025

The Mayor's Office requests authorization to renew a city-wide membership with the Michigan Municipal League (MML) for the period of 12/01/2024 - 11/30/2025. The cost of this citywide membership is $19,405.00.

Membership provides the City of Dearborn with a collective voice in the state's capital on issues that concern the City. Membership also networks the City's elected and top appointed officials with the experience and ability of municipal leaders statewide and provides access to resources used to manage common issues.

Additionally, the MML advocates funding critical services via the use of tax dollars; works with policymakers to focus on economic development initiatives and resources toward built-out communities; works with elected officials to ensure the effective funding of transportation and infrastructure systems; promotes environmental quality and encourages frugal tax dollar usage for environmental protection initiatives; provides publications and online assistance; provides online access to databases and assists cities with the collection, analysis, and interpretation of raw data for use in creating strategies toward future success; provides access to the League's annual wage and salary survey; and offers elected officials the tools needed to make responsible decisions affecting their community via the Elected Officials Academy.

The membership dues for FY25 are budgeted in city-wide account 101-1299-421-65.00.

Immediate effect is requested.

michigan
municipal
league

1675 Green Road
Ann Arbor, MI 48105
T734.662.3246
800.653.2483
F734.662.8083
mml.org

George Darany
City Clerk
City of Dearborn

Dear George Darany,

The League was founded in 1899 so this marks the 125th anniversary of serving Michigan communities. Across three centuries and two peninsulas, we have continued the spirit of collaboration, innovation, and advocacy as a member-driven organization. In the upcoming year, we look forward to enhancing your membership benefits from programs and services to advocacy. This includes:

Women's Elected Leadership Intensive. This transformative program is dedicated to equipping elected women with the essential resources, tools, and skills needed for impactful leadership. The intensive fosters a supportive environment and builds a robust network to ensure women excel in their local elected positions.

League Portal. Launching in 2024, the League Portal will improve your access to the League and all services by allowing you to view your certifications and Elected Officials Academy (EOA) credits, register for events, search the League directory and Business Alliance Program contacts, change your municipality staff roster, pay your dues, and more.

Revenue Sharing. Continuing our support of Michigan's revenue sharing trust fund. This past March, John LaMacchia II, Director of State & Federal Affairs testified before the Appropriations Subcommittee and showed, as evidence of local government support, the committee cards of support filled out by hundreds of you, our members, from our 2024 CapCon.

MI Funding Hub. This hub will provide resources, technical assistance, grants and funding opportunities in one place. It will help navigate state and federal programs and plan for your community's future. Learn more at mifundinghub.org

Our members are our largest stakeholders, and without your ongoing support we would not be the organization we are today. To continue providing excellent service, representation in Lansing and D.C., and innovative and educational programming, we are adhering to the Headlee Inflationary Index and increasing membership dues by 5 percent beginning July 1, 2024.

We hope you will maximize your membership by participating in a variety of League services, initiatives, and programs. If you have questions related to your dues, please contact Katie Farver at kfarver@mml.org. All other questions can go to info@mml.org Thank you for your support and for your leadership. Because of you, we are confident in our journey to a brighter future together.

Sincerely,

Daniel P. Gilmartin
Executive Director & CEO

Don Gerrie
President, 2024-2025

We love where you live.

michigan municipal league

Notice

Michigan Municipal League
1675 Green Road
Ann Arbor, MI 48105
Phone: 734-669-6371
Website: https://www.mml.org

Renewal Number	0003683
Document Date	10/1/2024
Due Date	60 Days

City of Dearborn
16901 Michigan Ave., Suite 20
Dearborn, MI 48126-2967

Membership Renewal for Dearborn
Membership Type: MML Full Member
Membership Term: 12/01/2024 - 11/30/2025

Item	Quantity	Price	Total
MML Full Member Dues	1	$17,641.00	$17,641.00
Legal Defense Fund Member Dues	1	$1,764.00	$1,764.00

Please make checks payable to:

Michigan Municipal League
PO Box 7409
Ann Arbor, MI 48107-7409

Total:	**$19,405.00**
Grand Total:	**$19,405.00**
Payment:	**$0.00**
Balance:	**$19,405.00**

Please sign, date, and return with your payment.

____
(Signature)

____
(Date)

MML dues include annual digital or print subscriptions to the Review for your officials valued at $12.00 per copy.

The Legal Defense Fund is an optional charge. The purpose of the fund is to provide specialized legal assistance to member municipalities in cases that have significant statewide impact.

We love where you live.

OFFICE OF THE MAYOR

TO: CITY COUNCIL

FROM: MAYOR ABDULLAH H. HAMMOUD

SUBJECT: NEW APPOINTMENT - BOARD OF REVIEW ALTERNATE MEMBER

DATE: JANUARY 16, 2025

Pursuant to Dearborn City Charter Section 13.8, the Mayor shall appoint an alternate member of the Board of Review, subject to approval by the City Council. Recommendation for the approval of this appointment is made to serve:

Name: Senan Saleh

Status: New Appointment of an Alternate Member

Filling a Vacancy for: Alan Berry, resigned on January 13, 2025

Current Term Ending: January 1, 2026

Term Duration: 3 Years

Appointment Term Ending: January 1, 2026 (1 year to complete Alan Berry's term. Then to be reappointed to complete his own term ending January 1, 2028)

Attendance: N/A

Phone: (248) 635-2880

Email: RealSenan@gmail.com

Mailing Address: 24613 Chicago Street, Dearborn, MI 48126

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Assessor Department
cc: Law Department

OFFICE OF THE MAYOR

TO: CITY CLERK

FROM: MAYOR ABDULLAH H. HAMMOUD

SUBJECT: NEW APPOINTMENT - BOARD OF REVIEW ALTERNATE MEMBER

DATE: JANUARY 16, 2025

I hereby certify that the following appointment has been made to the Board of Review in accordance with City Charter Section 13.8.

See C.R. ___ *Insert the CR that confirmed this appointment* _______

Name: Senan Saleh

Status: New Appointment of an Alternate Member

Filling a Vacancy for: Alan Berry, resigned on January 13, 2025

Current Term Ending: January 1, 2026

Term Duration: 3 Years

Appointment Term Ending: January 1, 2026 (1 year to complete Alan Berry's term. Then to be reappointed to complete his own term ending January 1, 2028)

Attendance: N/A

Phone: (248) 635-2880

Email: RealSenan@gmail.com

Mailing Address: 24613 Chicago Street, Dearborn, MI 48126

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Assessor Department
cc: Law Department

Dearborn Commissions Application

Submission Date

January 16 2025

First Name

Senan

Last Name

Saleh

Phone

+12486352880

Email

realsenan@gmail.com

Home Address

15505 Pheasant Run, Southgate, MI, USA

Years of Residency in Dearborn

13 Years

Occupation

Real Estate Broker

Company

Simon & Associates Real Estate

Length of Service

3

Business Address

3200 Greenfield Rd Ste 300, Dearborn, MI 48126

Business Telephone Number

248-635-2880

Level of Education

College Degree

Name of Educational Institution & Graduation Year

Henry Ford College

Commissions & Boards

Board of Review

Why do you want to join this commission?

[This question was not answered]

Are you a veteran?

No

Which Branch Did You Serve?

[This question was not answered]

What Was Your Rank?

[This question was not answered]

Years of Service?

[This question was not answered]

Memberships, Civic Activities, and Awards Received

COMMUNITY INVOLVEMENT & MEMBERSHIPS Founder, Student Career Services Foundation (2016 – 2019) Helps community members with disabilities find job opportunities. Provides career counseling and workforce training. Elected Chairman, Student Career Services Foundation (2018 – 2019) Member, Local Real Estate & Business Associations AWARDS & RECOGNITIONS Association Health Patient Care Award – Voted by Patients (2018) Oakwood Hospital Top Volunteer Award (2016) 2020 Top Producing Sales Agent, North Florida Advertising

Do you Have a Resume?

Yes

Description of Professional History

[This question was not answered]

Resume

PDF Senan Resume 2023.pdf

Submitted on January 16 2025

SENAN SALEH (SIMON)

24613 Chicago St, Dearborn, MI 48126
Cell: (248) 635-2880 | Email: RealSenan@gmail.com

PROFESSIONAL SUMMARY: Experienced real estate broker, marketing specialist, and business leader with a strong background in property valuation, sales, and digital marketing. Skilled in developing targeted marketing campaigns, managing social media strategies, and analyzing market trends. Passionate about community service, and helping businesses grow through innovative marketing solutions.

SKILLS & EXPERTISE

- Property Valuation & Market Analysis
- Real Estate Sales & Brokerage
- Marketing & Business Development
- Social Media Strategy & Content Creation
- Special Campaign Marketing & Branding
- Negotiation & Customer Relations
- Leadership & Team Management
- Data Analysis & Market Research

PROFESSIONAL EXPERIENCE

Broker & Owner
Simon & Associates Real Estate | 09/23/2023 – Present

- Oversee daily operations, marketing strategies, and sales growth.
- Develop and execute digital marketing campaigns to promote listings.
- Lead a team of agents, providing training and mentorship.

Real Estate Agent & Team Leader
KW Legacy - Dearborn | 07/29/2021 – 09/18/2023

- Assisted clients in buying, selling, and investing in real estate.
- Created social media marketing campaigns to attract buyers and sellers.
- Conducted property evaluations and market research to drive sales.

Marketing Manager & Specialist
North Advertising LLC | 01/2019 – 03/01/2021

- Designed and implemented special marketing campaigns for various industries.
- Managed social media platforms, increasing engagement and brand visibility.
- Developed promotional materials and executed targeted advertising strategies.
- Analyzed market trends to optimize campaign performance.

EDUCATION

- **Henry Ford College** – Associate Degree, 2017
- **Dearborn High School** – High School Diploma, 2015

TECHNOLOGY & MARKETING TOOLS

- MLS & Real Estate Platforms
- Social Media Marketing (Facebook, Instagram, LinkedIn, TikTok

OFFICE OF THE MAYOR

TO: **CITY COUNCIL**

FROM: **MAYOR ABDULLAH H. HAMMOUD**

SUBJECT: **NEW APPOINTMENT - PLANNING COMMISSION**

DATE: **JANUARY 16, 2025**

In accordance with City of Dearborn Charter Section 10.21, the Mayor shall appoint members of the Planning Commission, subject to approval by the City Council. Recommendation for the approval of this appointment is made to serve:

Name: Yousaf Mohamed

Status: New Appointment

Filling a Vacancy for: Jamal Aljahmi, resigned on January 4, 2025.

Current Term Ending: June 30, 2025

Term Duration: 3 Years

Appointment Term Ending: June 30, 2025 (1 year to complete Jamal Aljahmi's term. Then to be reappointed to complete his own term ending June 30, 2028)

Attendance: N/A

Phone: (313) 333-5790

Email: usafconstruction@gmail.com

Mailing Address: 9 Turnberry Lane, Dearborn, MI 48120

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development

cc: Law Department

OFFICE OF THE MAYOR

TO: **CITY CLERK**

FROM: **MAYOR ABDULLAH H. HAMMOUD**

SUBJECT: **REAPPOINTMENT - PLANNING COMMISSION**

DATE: **JANUARY 16, 2025**

I hereby certify that the following appointment has been made to the Planning Commission pursuant to City of Dearborn Charter Section 10.21.

See C.R. ___ *Insert the CR that confirmed this appointment* _______

Name: Yousaf Mohamed

Status: New Appointment

Filling a Vacancy for: Jamal Aljahmi, resigned on January 4, 2025.

Current Term Ending: June 30, 2025

Term Duration: 3 Years

Appointment Term Ending: June 30, 2025 (1 year to complete Jamal Aljahmi's term. Then to be reappointed to complete his own term ending June 30, 2028)

Attendance: N/A

Phone: (313) 333-5790

Email: usafconstruction@gmail.com

Mailing Address: 9 Turnberry Lane, Dearborn, MI 48120

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development

cc: Law Department

The Form Response Viewer will no longer be supported in 2025. Please add the WorkForms S... Learn more

Dearborn Commissions Application

Submission Date

January 21 2025

First Name

Yousaf

Last Name

Mohamed

Phone

+13133335790

Email

usafconstruction@gmail.com

Home Address

9 Turnberry Lane, Dearborn, MI, USA

Years of Residency in Dearborn

35

Occupation

Builder

Company

USAF CONSTRUCTION LLC

Length of Service

15 years

Business Address

13744 Michigan Ave Dearborn Michigan 48126

Business Telephone Number

313-333-5790

Level of Education

University Degree

Name of Educational Institution & Graduation Year

Wayne State University 2008

Commissions & Boards

Planning Commission

Why do you want to join the environmental commission? What environmental issues are of greatest concern for you?

[This question was not answered]

Are you a veteran?

No

Which Branch Did You Serve?

[This question was not answered]

What Was Your Rank?

[This question was not answered]

Years of Service?

[This question was not answered]

Memberships, Civic Activities, and Awards Received

American Moslem Society Board member HOA The Residences at the TPC Board member

Do you Have a Resume?

No

Description of Professional History

Bachelor's Degree in Mechanical Engineering Associates degree in Construction Management 30 years of construction field experience

Resume

[This question was not answered]

Submitted on January 21 2025

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Award of contract for Pickleball Courts at Ford Woods Park

DEPARTMENT: Parks & Recreation Department, in conjunction with Purchasing

BRIEF DESCRIPTION: The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Laser Striping and Sport Surfacing, for the installation of seven new pickleball courts at Ford Woods Park.

It is also request that the Finance Director be authorized to transfer the $100,000 in current funding from the Facility Fund to the General Capital Improvement Fund, project I50725, and to recognize and appropriate the transfer.

PRIOR COUNCIL ACTION:

None

BACKGROUND:

The Parks & Recreation Department is excited to expand its pickleball offerings in the city by converting the inline rink at Ford Woods park into seven new regulation sized pickleball courts. The location was carefully chosen as it has existing fencing and lights, a close proximity to seasonal restrooms and it is away from residential homes. Benches will also be added. Upon completion of this project, the City of Dearborn will have 11 pickleball courts in total.

FISCAL IMPACT:

- $90,900

COMMUNITY IMPACT:

Thousands of residents will have more options should they desire to play the increasingly popular sport of pickleball.

IMPLEMENTATION TIMELINE:

Construction of the new courts will begin in the Spring of 2025

COMPLIANCE/PERFORMANCE METRICS:

The Parks & Recreation team, along with DPW staff, will confirm adherence to the contract scope of work.

FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Award of Contract for Pickleball Courts at Ford Woods Park

DATE: January 14, 2024

Budget Information

Projects:	I50725 – Ford Woods Pickleball Crt
Total Approved Project Budget:	$100,000
Available Project Budget:	$100,000
Requested Amount:	$90,900
Funding Source:	General Capital Improvement, Parks, Capital Project Support
Supplemental Budget:	N/A

Summary of Request

The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Laser Striping and Sport Surfacing, for the development of seven pickleball courts at Ford Woods Park.

It is also request that the Finance Director be authorized to transfer the $100,000 in current funding from the Facility Fund to the General Capital Improvement Fund, project I50725, and to recognize and appropriate the transfer.

It is respectfully requested that City Council authorize the award. The resulting contracts shall not be binding until fully executed.

Background and Justification

The Parks & Recreation Department is excited to expand its pickleball offerings in the city by converting the inline rink at Ford Woods park into seven brand new, regulation size pickleball courts. The location was carefully chosen as it has existing fencing and lights, a close proximity to seasonal restrooms and it is away from residential homes. Benches will also be added. Upon completion of this project, the City of Dearborn will have 11 pickleball courts in total. In June of 2024, Laser Striping and Sport Surfacing renovated 16 tennis courts located at Ford Woods and Levagood Parks.

Procurement Process

The procurement process was in accordance with Section 2-568 (6)e, Continuity of Professional Services, of the Procurement Ordinance, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE **EXECUTIVE SUMMARY AND MEMORANDUM**

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...

Sean Fletcher, Parks & Rec Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

DS
CJ

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A673BA26E3460...

Jeremy Romer, Corporation Counsel

P:\Solicitations\FY25\Competitionexception\fordwoodspickleballcourts

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Approve Contract for Purchase of two Toro Mowers for Dearborn Hills Golf Course (DHGC)

DEPARTMENT: Department of Parks & Recreation, in conjunction with Purchasing

BRIEF DESCRIPTION:

Purchasing, on behalf of the Department of Parks & Recreation, recommends the Cooperative Contract purchase of a Toro 3150-Q Greens Mower, and a Toro 5410 – D Fairway Mower. The pricing for the mowers is based on the Omnia contract #2023261.

PRIOR COUNCIL ACTION:

C.R 2-87-23

BACKGROUND:

Dearborn Hills golf course is seeking council approval to purchase a new Toro 3150-Q greens mower as well as a new Toro 5410-D fairway mower. The new equipment will replace 20+ year old mowers that are well past their prime with over 7,000 and 8,000 hours respectively. The old equipment has become unreliable, constantly breaking down and becoming increasingly difficult to find replacement parts for.

The lead time for the new mowers is roughly 12-18 months. The arrival of new equipment will be immediately impactful on the day-to-day operation of Dearborn Hills golf course and have an extremely positive long-term effect.

FISCAL IMPACT:

- $131,267

COMMUNITY IMPACT:

Allowing Dearborn Hills Golf Course to continue offering the best possible playing conditions for residents and guests.

IMPLEMENTATION TIMELINE:

Leadtime for delivery is 12 – 18 months.

COMPLIANCE/PERFORMANCE METRICS: Department of Parks & Recreation staff will confirm delivery and verify content and performance of the purchased mower.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Approve Contract for Purchase of two Toro Mowers for DHGC

DATE: January 14, 2025

Budget Information

Adopted Budget:	$90,839
Amended Budget:	$131,268
Requested Amount:	$131,267
Funding Source:	Fleet & Eqpt Replacement, Recreation, Dbn Hills Golf Course, Recreation, Capital Equipment, Operating Equip Machin & Equip
Supplemental Budget:	N/A

Summary of Request

Purchasing, on behalf of the Department of Parks & Recreation, recommends the Cooperative Contract purchase of a Toro 3150-Q Greens Mower, and a Toro 5410 – D Fairway Mower. The pricing for the mowers is based on the Omnia contract #2023261.

Background and Justification

Dearborn Hills golf course is seeking council approval to purchase a new Toro 3150-Q greens mower as well as a new Toro 5410-D fairway mower. The new equipment will replace 20+ year old mowers that are well past their prime with over 7,000 and 8,000 hours respectively. The old equipment has become unreliable, constantly breaking down and becoming increasingly difficult to find replacement parts for.

The lead time for the new mowers is roughly 12-18 months. The arrival of new equipment will be immediately impactful on the day-to-day operation of Dearborn Hills golf course and have an extremely positive long-term effect.

It is respectfully requested that Council authorize the award with immediate effect due to the long lead time for delivery of the mowers. The resulting contract shall not be binding until fully executed.

Procurement Process

The procurement process was in accordance with the Procurement Ordinance Section 2-568A (c)(3) State of Michigan Extended Purchasing Program, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...

Sean Fletcher, Parks & Rec Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
MD

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

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FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Award of contract for the Creation of an Inclusive Playground at Lapeer Park

DEPARTMENT: Parks & Recreation Department, in conjunction with Purchasing

BRIEF DESCRIPTION: The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Penchura LLC for the Creation of an Inclusive Playground at Lapeer Park

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PRIOR COUNCIL ACTION:

None

BACKGROUND: The Parks & Recreation Department is excited to bring forward an inclusive playground for Lapeer Park through Community Development Block Grant funding. The Volo Aire soars to an exciting three-story tower that's accessible to the very top thanks to a winding path made of a revolutionary L.S.I. Flexx steel-reinforced net. The Volo Aire is also packed with events to keep kids engaged and delighted at every turn. Pricing for the playground is based on a Sourcewell Cooperative Contract.

FISCAL IMPACT:

- $998,886

COMMUNITY IMPACT:
Thousands of residents and guests will have access to this all-inclusive playground in the City of Dearborn annually.

IMPLEMENTATION TIMELINE:

Construction will begin in the spring of 2025, and will be completed by July 1, 2025.

COMPLIANCE/PERFORMANCE METRICS:

The Parks & Recreation team, along with DPW staff, will confirm adherence to the contract scope of work.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Award of Contract for Creation of an Inclusive Playground at Lapeer Park

DATE: January 14, 2024

Budget Information

Projects:	I26724 – Lapeer Inclusive Playground
Total Approved Project Budget:	$ 0
Available Project Budget:	$ 0
Requested Amount:	$998,886
Funding Source:	CDBG Reprogrammed FY2023-2024 Unexpended Funds
Supplemental Budget:	$1,000,000

Summary of Request

The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Penchura LLC for the Creation of an Inclusive Playground at Lapeer Park.

It is respectfully requested that City Council authorize the award. The resulting contracts shall not be binding until fully executed.

Background and Justification

The Parks & Recreation Department is excited to bring forward an inclusive playground for Lapeer Park through Community Development Block Grant funding. The Volo Aire soars to an exciting three-story tower that's accessible to the very top thanks to a winding path made of a revolutionary L.S.I. Flexx steel-reinforced net. The Volo Aire is also packed with events to keep kids engaged and delighted at every turn. Pricing for the playground is based on a Sourcewell Cooperative Contract.

As thrilling as it is visually stunning, the tower features perforated panels at the mid-level and vertical slats at the top, creating safe but heart-racing views as kids climb, and excellent visibility into the activity from the ground.

The Salina school color themed playground will also include strategically placed shade sails, a sensory play center with 3 panels, a communication board, a variety of benches, a we-go-round, a Salina school themed wildcat digi rider and of course, everyone's favorite; a bank of swings! Children of all ages, abilities and skill levels will have hours of fun playing together at the Volo Aire structure at Lapeer Park.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Procurement Process

The procurement process was in accordance with Section 2-568 (3), of the Procurement Ordinance, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...

Sean Fletcher, Parks & Rec Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Approve Contract for Purchase of two, John Deere Mowers for Mystic Creek

DEPARTMENT: Department of Parks & Recreation, in conjunction with Purchasing

BRIEF DESCRIPTION:

Purchasing, on behalf of the Department of Parks & Recreation, recommends the Cooperative Contract purchase of one John Deere 6500A Fairway Mower; and one John Deere 9009A Rough Mower, from Revels Turf & Tractor. The pricing for the two mowers is based on the MiDeals Contract # Grounds and Roadside, 240000000161 (PG 3W CG 22), for use at Mystic Creek Golf Course.

PRIOR COUNCIL ACTION:

C.R 9-460-24

BACKGROUND:

The existing mowers at Mystic Creek have exceeded their useful life, and have the equivalent, in operational hours, of over million miles of use. These mowers are requiring more frequent and costly repairs, and incurring more down time.

FISCAL IMPACT:

- $168,296.86

COMMUNITY IMPACT:

- To provide Recreation & Parks staff an additional resource to help maintain the appearance, condition and playability of Mystic Creek Golf Course.

IMPLEMENTATION TIMELINE: Lead time for the mowers is six months, after receipt of order.

COMPLIANCE/PERFORMANCE METRICS: Members of the Department of Parks & Recreation will confirm delivery and verify content and performance of the purchased mower.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Approve Contract for Purchase of two, John Deere Mowers

DATE: January 14, 2025

Budget Information

Adopted Budget:	$195,845
Amended Budget:	$279,212
Requested Amount:	$168,296.86
Funding Source:	Fleet & Equipment, Recreation, Mystic Creek, Sports Field Maintenance, Capital Equipment
Supplemental Budget:	N/A

Summary of Request

Purchasing, on behalf of the Department of Parks & Recreation, recommends the Cooperative Contract purchase of one John Deere 6500A Fairway Mower; and one John Deere 9009A Rough Mower, from Revels Turf & Tractor. The pricing for the two mowers is based on the MiDeals Contract # Grounds and Roadside, 240000000161 (PG 3W CG 22), for use at Mystic Creek Golf Course.

Background and Justification

The existing mowers at Mystic Creek have exceeded their useful life, and have the equivalent, in operational hours, of over million miles of use. These mowers are requiring more frequent and costly repairs, and incurring more down time

Procurement Process

The procurement process was in accordance with the Procurement Ordinance Section 2-568A (c)(3) State of Michigan Extended Purchasing Program, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...

Sean Fletcher, Parks & Rec Director

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
MD

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

P:\Solicitations\FY24\COOP\twolawnmowers

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Award of contract for Inspections of Camp Dearborn Trailers and Sites

DEPARTMENT: Parks & Recreation Department, in conjunction with Purchasing

BRIEF DESCRIPTION: The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Servpro, to conduct inspections of Camp Dearborn trailers and camp sites, as required by EGLE.

PRIOR COUNCIL ACTION:

None

BACKGROUND:

In 2023 and prior years it has been the practice of Camp Dearborn Administrative Staff to perform and document inspections of mobile homes and trailers in the seasonal campground section (TV2) of Camp Dearborn. The responsibility includes inspections for safety issues, compliance with EGLE laws and regulations, as well as documenting any site appearance issues. In the summer of 2024, at the direction of the City Administration, Recreation worked with the Purchasing Department to obtain a third-party provider to complete the site inspections in TV2. The new company would assume the responsibility starting in the off-season transition from 2024 to 2025.

FISCAL IMPACT:

- $45,000

COMMUNITY IMPACT:
The inspections will identify potential areas of safety concern that will be addressed by Camp Staff.

IMPLEMENTATION TIMELINE:

Work will begin immediately and continue until completed before spring of 2025.

COMPLIANCE/PERFORMANCE METRICS:

The Parks & Recreation staff will confirm adherence to the terms and conditions of the contracted scope of work.

FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Award of Contract for Inspections of Camp Dearborn Trailers and Sites

DATE: January 14, 2024

Budget Information

Adopted Budget:	$441,200
Amended Budget:	$689,672
Requested Amount:	$45,000
Funding Source:	General Fund, Camp Dearborn, Contractual Services
Supplemental Budget:	N/A

Summary of Request

The Parks & Recreation Department, in conjunction with Purchasing, recommends awarding a contract to Servpro, to conduct inspections of Camp Dearborn trailers and camp sites, as required by EGLE.

It is respectfully requested that City Council authorize the award. The resulting contracts shall not be binding until fully executed.

Background and Justification

In 2023 and prior years it has been the practice of Camp Dearborn Administrative Staff to perform and document inspections of mobile homes and trailers in the seasonal campground section (TV2) of Camp Dearborn. The responsibility includes inspections for safety issues, compliance with EGLE laws and regulations, as well as documenting any site appearance issues. In the summer of 2024, at the direction of the City Administration, Recreation worked with the Purchasing Department to obtain a third-party provider to complete the site inspections in TV2. The new company would assume the responsibility starting in the off-season transition from 2024 to 2025.

Procurement Process

The procurement process was in accordance with Section 2-568 (6)c, Single Source Procurement, of the Procurement Ordinance, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...

Sean Fletcher, Parks & Rec Director

Budget Approval:

DocuSigned by:
Michael Kennedy
E77919D1421447F...

DS
CJ

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

Philanthropy and Grants

EXECUTIVE SUMMARY

REQUEST: Request to accept and recognize $20,000 in grant funding from the National Endowment for the Arts (NEA) to support theater programming tailored for Arab American youth through the Dearborn Youth Theatre (DYT).

DEPARTMENTS: Parks and Recreation, Philanthropy & Grants

BRIEF DESCRIPTION: This grant will fund three program team members to develop and implement three theater sessions specifically designed to empower Arab American youth in Dearborn and Dearborn Heights by addressing cultural, economic, and social barriers to performing arts education.

PRIOR COUNCIL ACTION: N/A

BACKGROUND: The Dearborn Youth Theatre (DYT), a non-profit established in 2016, fosters creative growth and development among young people in Dearborn and Dearborn Heights. With a focus on inclusivity, DYT provides theater and performing arts opportunities regardless of socioeconomic status or prior experience. This funding from the NEA will enable DYT to ensure cultural and religious considerations are met, and provide vital resources such as translations, cultural adaptations, and dietary accommodations.

FISCAL IMPACT: This will be used to hire three program team members and execute three tailored theater sessions, offsetting the cost of some operational and programmatic expenses. No local match.

COMMUNITY IMPACT: These funds will support our efforts to make the performing arts more affordable and accessible to Dearborn residents while sparking creativity and community engagement.

IMPLEMENTATION TIMELINE: The project begins with a planning phase in May 2025 and continues through three sessions: Summer, Fall, and Winter.

COMPLIANCE/PERFORMANCE METRICS: Success will be measured by participant enrollment and engagement, attendance at performances and outreach events, and feedback from post-show discussions used to improve future sessions.

Philanthropy and Grants

MEMORANDUM

TO: Dearborn City Council

FROM: Parks & Recreation Department, Philanthropy and Grants Department

SUBJECT: 2025 NEA Grant

DATE: 1/13/24

Budget Information

Adopted Budget:	$0
Amended Budget:	$0
Requested Amount:	$20,000
Funding Source:	National Endowment for the Arts' Office
Supplemental Budget:	N/A

Summary of Request

Approval is requested to utilize $20,000 in NEA grant funding to support three theater sessions for the Dearborn Youth Theatre.

Background and Justification

The Dearborn Youth Theatre (DYT), a non-profit established in 2016, fosters creative growth and development among young people in Dearborn and Dearborn Heights. With a focus on inclusivity, DYT provides theater and performing arts opportunities regardless of socioeconomic status or prior experience. This funding from the NEA will enable DYT to ensure cultural and religious considerations are met, and providing vital resources such as translations, cultural adaptations, and dietary accommodations.

Immediate effect is requested.

Prepared by:

Signed by:
Maria Willett
5F7C82870E294AB...
Maria Willett – Philanthropy & Grants Director

Department Approval:

DocuSigned by:
Sean R Fletcher
503098961A7C461...
Sean Fletcher - Parks & Recreation Director

Budget Approval: DS CJ

Corporation Counsel:

Philanthropy and Grants

MEMORANDUM

DocuSigned by:
Michael Kennedy
E77919D1421447E...

Michael Kennedy – Finance Director/Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer – Corporation Counsel

Philanthropy and Grants

EXECUTIVE SUMMARY

REQUEST: Approve TAP Grant Application with Friends of the Rouge (FOTR) for Rouge River Gateway Greenway Phase 3

DEPARTMENTS: Philanthropy & Grants, Economic Development

BRIEF DESCRIPTION: The Rouge River Gateway Greenway Phase 3 project proposes a 0.9-mile nonmotorized, shared-use path connecting Phase 2 west of Southfield Road to a new trailhead at Rotunda Drive. The Transportation Alternatives Program (TAP) grant, administered by SEMCOG and MDOT, will fund 80% of the total project cost of $1,805,807.50, with Friends of the Rouge providing the 20% match through a grant from the Ralph C. Wilson Foundation.

The City of Dearborn's role is limited to serving as the fiduciary and applicant for the grant. Upon approval of the grant application, the City will enter into an agreement with FOTR and formalize their responsibility for project management and execution.

The attached proposed Council resolution will approve our application to the grant, contingent on funding award from MDOT, and contingent on the execution of agreement between FOTR and City of Dearborn.

PRIOR COUNCIL ACTION: Approval of prior phases of the Rouge River Gateway Greenway project, including master planning and Phase 1 implementation.

BACKGROUND: The Rouge River Gateway Greenway project aims to create a regional network of nonmotorized pathways, enhancing recreation, connectivity, and economic development while preserving natural habitats. Phase 3 extends the pathway under the Southfield Road and M-39 Southfield Freeway MDOT bridge, providing safe passage and improved trail access. The project aligns with SEMCOG's Bicycle and Pedestrian Plan, Wayne County Park's Strategic Master Plan, and Dearborn's Recreation Master Plan. The City's collaboration with FOTR, Wayne County Parks, and other stakeholders ensures the project's success and long-term maintenance.

FISCAL IMPACT: Total project cost is $1,805,807.50. TAP Grant will provide $1,444,646.00 (80%), with $361,161.50 (20% match) provided by FOTR.

COMMUNITY IMPACT: Phase 3 enhances community connectivity and quality of life by providing safe, accessible nonmotorized transportation options. It connects neighborhoods to key destinations and links to regional trail networks such as the Iron Belle Trail and Joe Louis Greenway, fostering recreation and economic development.

IMPLEMENTATION TIMELINE:

- February 2025: Submission of grant application
- June 2025: The project receives final approvals and certifications to move forward.
- August 2025: The final plans and cost estimates are completed.
- November 2025: The project is advertised for contractors to bid on it.
- January 2026: Bids are reviewed, and a contractor is selected to handle the construction.
- March 2026: Construction begins.
- September 2026: Construction is finished, and the project is complete.

COMPLIANCE/PERFORMANCE METRICS: Metrics include the completion of the project, effective project management by FOTR, and compliance with MDOT and SEMCOG grant requirements. Ongoing maintenance will be managed by Wayne County Parks and FOTR.

Philanthropy and Grants

MEMORANDUM

TO: Dearborn City Council

FROM: Philanthropy & Grants, Economic Development

SUBJECT: 2025 TAP Grant Application

DATE: January 13, 2025

Summary of Request

The Department of Philanthropy & Grants, in conjunction with the Economic Development Department, recommends the City approve the attached proposed Council resolution supporting our application to the Transportation Alternatives Program (TAP) grant. This grant would fund Phase 3 of Rouge River Gateway Greenway. This is a 0.9-mile nonmotorized, shared-use path connecting Phase 2 west of Southfield Road to a new trailhead at Rotunda Drive.

The City of Dearborn's role is limited to serving as the fiduciary and applicant for the grant. Upon approval of the grant application, the City will enter into an agreement with the Friends of the Rouge (FOTR) and formalize their responsibility for project management and execution. The City will provide up to $6,300 to support the cost of third-party preparation and submission of the grant application.

The city will apply for up to $1,805,807.50 provided by the TAP Grant, with the required matching $361,161.50 (20% match) provided by FOTR.

Background and Justification

The Rouge River Gateway Greenway Phase 3 is part of a multi-phase initiative to develop a regional network of nonmotorized pathways. This phase includes a 0.9-mile shared-use path, a trailhead with amenities at Rotunda Drive, and connections to broader regional trail networks. The project reflects a strong commitment to enhancing recreational opportunities, promoting environmental stewardship, and fostering economic growth. The City's limited financial and administrative role ensures efficient use of resources while supporting this transformative project.

Immediate effect is requested.

Philanthropy and Grants

MEMORANDUM

Prepared by:

Signed by:
Maria Willett
5F7C82870E294AB...

Maria Willett – Philanthropy & Grants Director

Department Approval:

Signed by:
1C7ABC7466A843C...

Jordan Twardy - Economic Development

Budget Approval: DS MHA

DocuSigned by:
Michael Kennedy
E77919D1421447F...

Michael Kennedy – Finance Director/Treasurer

Corporation Counsel:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer – Corporation Counsel

COUNCIL RESOLUTION

WHEREAS: The Rouge River Gateway Greenway Master Plan provides a vision for a greenway along the Rouge River to enhance connectivity, preserve natural habitats, and support recreational opportunities; and,

WHEREAS: The City of Dearborn is committed to advancing Phase 3 of the Rouge River Gateway Greenway, a 0.9-mile nonmotorized, shared-use path connecting Phase 2 of the path west of Southfield Road to a proposed trailhead at Rotunda Drive; and,

WHEREAS: This project aligns with SEMCOG's Bicycle and Pedestrian Plan for Southeast Michigan (2020), Wayne County Park's Strategic Master Plan (2017-2022), and the City of Dearborn's Recreation Master Plan (2016-2021), promoting health, recreation, environmental stewardship, and economic development; and,

WHEREAS: The City of Dearborn recognizes the importance of regional connectivity, with the Rouge River Gateway Greenway integrating into significant networks such as the Iron Belle Trail, Joe Louis Greenway, and Downriver Linked Greenway; and,

WHEREAS: The Friends of the Rouge (FOTR) and the City of Dearborn have collaborated to ensure the successful design, construction, and maintenance of this project; be it

RESOLVED: The Economic Development Director be authorized to submit the Transportation Alternatives Program (TAP) application for the Rouge River Gateway Greenway Phase 3 project; be it further

RESOLVED: That this resolution be given immediate effect.

WARREN C. EVANS | Public Services | Wayne County parks EXPLORE EVEN MORE

December 23, 2024

Mr. Brian Pawlik
Plan Implementation; Bicycle and Pedestrian Travel
SEMCOG
1001 Woodward Avenue, Suite 1400
Detroit, MI 48226

Dear Mr. Pawlik:

Wayne County Parks is pleased to offer support for the City of Dearborn TAP Grant Application for construction of Rouge Gateway Greenway Phase III. This proposal would build on the success in developing both the Lower Rouge Greenway and Rouge Gateway Greenway by advancing construction of .09 miles of new asphalt trail. The construction of the new trail will connect Rouge Gateway Greenway Phase II, from the Henry Ford Museum and extending downstream to Rotunda Drive. Wayne County's Connecting the Rouge Framework envisions a trails system that will provide non-motorized connectivity from Hines Park to Fort Street Bridge Park in Detroit.

Blueway and greenway trails can provide important access to the Rouge River for recreation and enjoyment. We are committed to initiatives that increase opportunities for individuals to live in healthy thriving communities. It is essential that public spaces are safe, welcoming, and accessible and that individuals have options for diverse activities to incorporate into their lifestyle. Through our Wayne County Parks Strategic Master Plan, we have learned there is a strong interest in trails both on land and water. The Rouge Gateway Greenway and Lower Rouge River Water Trail have both generated excitement among residents of all ages, races, ethnicities, interests, and abilities.

The Rouge River plays an important role in our community's history. However, more work needs to be done to ensure that it is available for public recreational use. If funded, Wayne County Parks will collaborate with the City of Dearborn and Friends of the Rouge on the greenway and trailhead designs. We look forward to continuing our partnership on the Friends of the Rouge Lower Rouge Water Trail Leadership Committee to promote opportunities for community engagement, paddling events, and health fairs. We will participate in the trailhead workgroup to provide feedback on how the trailhead and kayak launch can fit the recreational needs of the community and Wayne County Parks.

The FOTR is in a unique position to create long-lasting change in supporting healthy lifestyles through their proven track record of collaboration, strong community engagement, and in promoting lifelong leisure recreational opportunities.

I wholeheartedly encourage funding this proposal and look forward to continuing our partnership with them in this work.

Sincerely,

Alicia C. Bradford,
Wayne County Parks Director

DEPARTMENT OF PUBLIC SERVICES • DIVISION OF PARKS
33175 ANN ARBOR TRAIL, WESTLAND, MICHIGAN 48185 • (734) 261-1990 • FAX (734) 261-0195

CITY OF DEARBORN

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:

Requesting to recognize and appropriate award from MCOLES for Academy Assistance of $24,000

DEPARTMENT:

Police Department

BRIEF DESCRIPTION:

This is a request to accept funds from the Michigan Commission on Law Enforcement Standards Public Safety Academy Assistance Program in the amount of $24,000 with no local match.

PRIOR COUNCIL ACTION:

N/A

BACKGROUND:

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Public Safety Academy Assistance Program. The funding amount is for $24,000. Local match is not needed.

The Police Department will utilize the $24,000 to offset the costs of one police officer who attended the Oakland Police Academy in 2024. We received the maximum amount of reimbursement available from MCOLES. This is a reimbursement grant and requires no local match.

FISCAL IMPACT:

No cost

COMMUNITY IMPACT:

Improved community relations by saving taxpayer money.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

IMPLEMENTATION TIMELINE:

Immediately upon approval.

COMPLIANCE/PERFORMANCE METRICS:

Finance Department reporting will ensure funds are used to pay approved expenses.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

TO: City Council

FROM: Issa Shahin, Chief of Police

VIA: Mayor Abdullah H. Hammoud

SUBJECT: MCOLES Funds

DATE: January 14, 2025

Budget Information

Adopted Budget:	0
Amended Budget:	$24,000
Requested Amount:	$24,000
Funding Source:	State of Michigan MCOLES
Supplemental Budget:	N/A

Summary of Request

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Public Safety Academy Assistance Program. The funding amount is for $24,000. Local match is not needed.

The Police Department will utilize the $24,000 to offset the costs of one police officer who attended the Oakland Police Academy in 2024. We received the maximum amount of reimbursement available from MCOLES. This is a reimbursement grant and requires no local match.

Immediate effect is requested.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

Background and Justification

The Dearborn Police Department has been awarded a grant from the Michigan Commission on Law Enforcement Standards (MCOLES). The grant amount is for $24,000. Local match is not needed. The Dearborn Police Department will utilize the $24,000 to offset the costs of the one police officer who attended and completed the Oakland Police Academy in 2024.

We request that the Finance Director be authorized to recognize the $24,000 in 101-2410-330-0490 General Fund Police Administration Intergovernmental Revenue State and appropriate the same in 101-2410-515-58-10 General Fund Police Administration Training. This letter is submitted for your consideration.

We request immediate effect, as the police academy has completed, and funds will be used to process invoices.

Immediate effect is requested.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

Signature Page

DocuSigned by:
B77EEAE8226C4A0...
Dan Bartok

Corporal

DocuSigned by:
1053E1C7585A436...
Issa Shahin

Police Chief

DocuSigned by:
F77919D1421447F...
Michael Kennedy

Finance Director / Treasurer

DocuSigned by:
E7A573BA25E3460...
Jeremy Romer

Corporation Counsel

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

Background and Justification

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards (MCOLES). The amount is for $93,000. The funds are dedicated to offset the costs of the new Continuing Professional Education training requirements for police officers set by the State of Michigan. Local match is not needed.

The Dearborn Police Department will utilize the $93,000 to offset the costs of Continuing Professional Education training required by the state of Michigan for all police officers to maintain their certification.

We request that the Finance Director be authorized to recognize the $93,000 in 101-2410-330.04-15 General Fund Police Administration Intergovernmental Revenue State and appropriate the same in 101-2410-515.58-15 General Fund Police Training. This letter is submitted for your consideration.

We request immediate effect to allow these funds will be used to process pending invoices.

Immediate effect is requested.

CITY OF DEARBORN

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

DocuSigned by:
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Dan Bartok

Corporal

DocuSigned by:
Issa Shahin
1053E1C7585A436...
Issa Shahin

Police Chief

DocuSigned by:
Michael Kennedy
F77919D1421447F...
Michael Kennedy

Finance Director / Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
Jeremy Romer

Corporation Counsel

CITY OF DEARBORN

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:

Requesting recognition and appropriation of MCOLES Law Enforcement Standards $93,000 award.

DEPARTMENT:

Police Department

BRIEF DESCRIPTION:

The Police Department is requesting to accept funds from the Michigan Commission on Law Enforcement Standards, Continuing Professional Education (CPE) program in the amount of $93,000 with no local match.

PRIOR COUNCIL ACTION:

N/A

BACKGROUND:

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Continuing Professional Education (CPE) program. The funding amount is for $93,000. A local match is not needed.

The Dearborn Police Department will utilize the $93,000 to offset the costs of Continuing Professional Education training required by the state of Michigan for all police officers to maintain their certification.

FISCAL IMPACT:

No cost to the city.

COMMUNITY IMPACT:

Improved community relations by saving taxpayer money.

Additional Police Officer training

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

IMPLEMENTATION TIMELINE:

Immediately upon approval.

COMPLIANCE/PERFORMANCE METRICS:

Finance Department reporting will ensure funds are used to pay approved expenses. Police Department Training Office will maintain training records of all officers who utilize these funds to attend training classes.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

TO:	**City Council**
FROM:	**Issa Shahin, Chief of Police**
VIA:	**Mayor Abdullah H. Hammoud**
SUBJECT:	**MCOLES CPE**
DATE:	**January 14, 2025**

Budget Information

Adopted Budget:	0
Amended Budget:	$93,000
Requested Amount:	$93,000
Funding Source:	State of Michigan MCOLES
Supplemental Budget:	N/A

Summary of Request

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Continuing Professional Education (CPE) program. The funding amount is for $93,000. A local match is not needed.

The Dearborn Police Department will utilize the $93,000 to offset the costs of Continuing Professional Education training required by the state of Michigan for all police officers to maintain their certification.

Immediate effect is requested.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

Signature Page

DocuSigned by:
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Dan Bartok

Corporal

DocuSigned by:
Issa Shahin
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Issa Shahin

Police Chief

DocuSigned by:
Michael Kennedy
F77919D1421447F...
Michael Kennedy

Finance Director / Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
Jeremy Romer

Corporation Counsel

CITY OF DEARBORN

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:
Requesting to recognize and appropriate funds from MCOLES (CPE) award of $186,000

DEPARTMENT:
Police Department

BRIEF DESCRIPTION:
The Police Department is requesting to accept funds from the Michigan Commission on Law Enforcement Standards, Continuing Education (CPE) program in the amount of $186,000 with no local match.

PRIOR COUNCIL ACTION:
N/A

BACKGROUND:
The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Continuing Professional Education (CPE) program. The funding is for $186,000. A local match is not needed.

The Dearborn Police Department will utilize the $186,000 to offset the cost of Continuing Professional Education training, which is required by the state of Michigan for all police officers to maintain their certification.

FISCAL IMPACT:
No cost to the city.

COMMUNITY IMPACT:
Improved community relations by saving taxpayer money.
Additional police officer training.

IMPLEMENTATION TIMELINE:

Immediately upon approval.

COMPLIANCE/PERFORMANCE METRICS:

Finance Department reporting will ensure funds are used to pay approved expenses. Police Department Training Office will maintain training records of all officers who utilize these funds to attend training classes.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

TO: City Council

FROM: Issa Shahin, Chief of Police

VIA: Mayor Abdullah H. Hammoud

SUBJECT: MCOLES CPE

DATE: January 14, 2025

Budget Information

Adopted Budget:	0
Amended Budget:	$186,000
Requested Amount:	186,000
Funding Source:	State of Michigan MCOLES
Supplemental Budget:	N/A

Summary of Request

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards Continuing Professional Education (CPE) program. The funding is for $186,000. A local match is not needed.

The Dearborn Police Department will utilize the $186,000 to offset the cost of Continuing Professional Education training, which is required by the state of Michigan for all police officers to maintain their certification.

Immediate effect is requested.

EXECUTIVE SUMMARY AND MEMORANDUM

CITY OF DEARBORN

Background and Justification

The Dearborn Police Department has been awarded funds from the Michigan Commission on Law Enforcement Standards (MCOLES). The amount is for &186,000. These funds are dedicated to offset the costs related to the new Continuing Professional Education training requirements for all police officers in the State of Michigan. Local match is not needed.

The Dearborn Police Department will utilize the $186,000 to offset the Continuing Professional Education training costs, which the State of Michigan requires for all police officers to maintain their certification.

We request that the Finance Director be authorized to recognize the $186,000 in account 101-2410-330-04-15, general Fund Police Administration Intergovernmental Revenue State and appropriate the same in account 101-2410-515-58-15 General Fuind Police Training. This letter is submitted for your consideration.

We request immediate effect to allow these funds to be used to process pending invoices.

Immediate effect is requested.

CITY OF DEARBORN

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

DocuSigned by:
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Dan Bartok

Corporal

DocuSigned by:
Issa Shahin
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Issa Shahin

Police Chief

DocuSigned by:
Michael Kennedy
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Michael Kennedy

Finance Director / Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
Jeremy Romer

Corporation Counsel

PUBLIC HEALTH

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:

Approval for the Finance Director to recognize & appropriate grant from the Michigan Arts and Culture Council.

DEPARTMENT:

Public Health

BRIEF DESCRIPTION:

The Michigan Arts and Culture Council has awarded the City of Dearborn Department of Public Health grant funds in the amount of $12,000 to host programming that promotes public health, art, and culture. This is part of the Michigan Arts and Culture Council's greater mission to ensure that communities can enjoy the civic, economic and educational benefits of arts and culture.

PRIOR COUNCIL ACTION:

N/A

BACKGROUND:

The Michigan Arts and Culture Council was founded on the belief that arts and culture enriches our communities and economy, and are vital to the well-being of society. The Council's efforts focus on civic engagement, economic development, and education, with an emphasis on equity, diversity, access, collaboration, and inclusion. With this funding, the Council is empowering communities like Dearborn to host programming that weaves public health education into engaging, inclusive, and accessible activities. Participants will enjoy opportunities that foster community growth, combat social isolation, and stimulate creativity and learning.

FISCAL IMPACT:

The City of Dearborn Public Health Department will receive a grant in the amount of $12,000.

COMMUNITY IMPACT:

This grant from the Michigan Arts and Culture Council will allow the Department of Public Health to collaborate with other city departments and community partners to host engaging, informative, and accessible programming that promotes public health, arts, and culture. Events and activities will be geared toward the general Dearborn population, as well as populations including children and families, older adults, and individuals with disabilities. These programs will provide a space for learning, creativity, and community building. Intersecting public health, arts, and culture is known to benefit mental health, increase senses of belonging, and serve as an innovative path for health communications.

PUBLIC HEALTH

EXECUTIVE SUMMARY AND MEMORANDUM

IMPLEMENTATION TIMELINE:

Immediate effect requested. Award period goes through September 30, 2025

COMPLIANCE/PERFORMANCE METRICS:

The Department of Public Health is responsible for submitting a final report covering the term, which is due within 30 days the End Date (Award Period: October 1, 2024 - September 30, 2025). The final report shall indicate the following information: 1.) Project revenues and expenditures, 2.) Number of individuals attending or engaged during the Term, and 3.) A narrative summary of the Project and its outcome.

PUBLIC HEALTH

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Ali Abazeed, Director of Public Health**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **DPH Grant**

DATE: **January 14, 2025**

Budget Information

Adopted Budget:	N/A
Amended Budget:	N/A
Requested Amount:	$12,000
Funding Source:	$12,000 Michigan Arts and Culture Council - General Fund, Public Health
Supplemental Budget:	N/A

Summary of Request

The Michigan Arts and Culture Council has awarded the City of Dearborn Department of Public Health grant funds in the amount of $12,000 to host programming that promotes public health, art, and culture. This is part of the Michigan Arts and Culture Council's greater mission to ensure that communities can enjoy the civic, economic and educational benefits of arts and culture.

Immediate effect is requested.

PUBLIC HEALTH

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate effect is requested.

Background and Justification

The Michigan Arts and Culture Council was founded on the belief that arts and culture enriches our communities and economy, and are vital to the well-being of society. The Council's efforts focus on civic engagement, economic development, and education, with an emphasis on equity, diversity, access, collaboration, and inclusion. With this funding, the Council is empowering communities like Dearborn to host programming that weaves public health education into engaging, inclusive, and accessible activities. Participants will enjoy opportunities that foster community growth, combat social isolation, and stimulate creativity and learning.

It is requested that the Finance Director be authorized to recognize and appropriate these funds in the amount of $12,000.

Immediate effect is requested.

PUBLIC HEALTH

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

DocuSigned by:
Ali Abazeed
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Ali Abazeed

Director of Public Health

DocuSigned by:
Ali Abazeed
073F90321C414C7...
Ali Abazeed

Director of Public Health

DocuSigned by:
Michael Kennedy
F77919D1421447F...
Michael Kennedy

Finance Director / Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
Jeremy Romer

Corporation Counsel

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Approve Contract for Purchase of two Caterpillar Loaders

DEPARTMENT: Department of Public Works, in conjunction with Purchasing

BRIEF DESCRIPTION:

Purchasing, on behalf of the Department of Public Works, recommends the Cooperative Contract purchase of a Model 938 Wheel Loader and a Model 938 High Lift Loader from Caterpillar. The pricing for the loaders is based on Sourcewell Contract # 017723-CAT Sell Price.

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PRIOR COUNCIL ACTION:

N/A

BACKGROUND:

The Department of Public Works (DPW) is responsible for maintaining critical city infrastructure, including roads, water and sewer systems, public parks, and waste management. To effectively execute these responsibilities, DPW relies on a fleet of specialized vehicles.

FISCAL IMPACT: $550,188

COMMUNITY IMPACT:

Purchasing a fleet vehicle for city services involves careful consideration of various factors to ensure efficiency, cost-effectiveness, and suitability for the specific needs of the department of Public Works operations.

Front-end loaders play a crucial role in public works operations due to their versatility, efficiency, and ability to handle heavy materials in various tasks.

Efficiency: Speeds up operations by handling large volumes of material at once.

Versatility: Can be used for multiple purposes with different attachments.

Safety: Reduces manual labor and the risk of injury for workers.

Reliability: Operates in challenging conditions, including adverse weather and rough terrains.

Front-end loaders are a valuable asset for any public works department, supporting both routine maintenance and emergency response efforts effectively.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

IMPLEMENTATION TIMELINE:

Immediate Effect is requested, as the lead time for the loaders is up to four months

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COMPLIANCE/PERFORMANCE METRICS:

Members of the DPW Staff will confirm delivery and verify content and performance of the purchased vehicles.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **City Administration**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Award of Contract for Purchase of two Caterpillar Loaders**

DATE: **January 14, 2025**

Budget Information

Adopted Budget:	$532,790
Amended Budget:	$576,912
Requested Amount:	$269,603
Funding Source:	Fleet & Eqpt Replacement, Public Works, Parks, Recreation, Park Maintenance, Capital Equipment
Supplemental Budget:	N/A

Adopted Budget:	$389,271
Amended Budget:	$1,126,725
Requested Amount:	$280,585
Funding Source:	Fleet & Eqpt Replacement, Public Works, Public Services, Public Works, Maintenance Rds & Streets, Capital Equipment
Supplemental Budget:	N/A

Total Requested Amount: $550,188

Summary of Request

Purchasing, on behalf of the Department of Public Works, recommends the Cooperative Contract purchase of a Model 938 Wheel Loader and a Model 938 High Lift Loader from Caterpillar. The pricing for the loaders is based on Sourcewell Contract # 017723-CAT Sell Price.

It is respectfully requested that Council authorize the purchase of these vehicles. Immediate effect is requested, as the lead time for these vehicles is up to four months.

Background and Justification

The Department of Public Works (DPW) is responsible for maintaining critical city infrastructure, including roads, water and sewer systems, public parks, and waste management. To effectively execute these responsibilities, DPW relies on a fleet of specialized vehicles.

1. Loose Leaf Collection

Front-end loaders are used to scoop and transport large piles of loose leaves that are raked or blown to the curb.

Their large buckets make it efficient to load leaves into dump trucks or composting facilities, reducing manual labor and increasing productivity.

2. Special Pickups

Special pickups often involve oversized or heavy items such as furniture, appliances, or yard debris.

Front-end loaders can quickly lift and transport these items, especially when they are too large or cumbersome for smaller equipment.

3. Snow Removal

During winter operations, front-end loaders are essential for clearing large accumulations of snow from streets, parking lots, and other areas.

They are also used to load snow into trucks for transportation to designated disposal sites, ensuring roads and public spaces remain safe and navigable.

4. Special Projects

Front-end loaders are invaluable for a variety of special projects, such as clearing debris after storms, grading land, or assisting in construction and excavation tasks.

Their adaptability to different attachments makes them suitable for diverse needs, from digging to lifting.

5. Trash Removal

For large-scale trash removal efforts, such as after community cleanups or events, front-end loaders efficiently gather and load waste into collection vehicles.

This speeds up the cleanup process and reduces manual handling of waste materials.

6. Salt Barn and Sand Barn Operations

Front-end loaders are critical for managing materials in salt and sand barns, particularly during winter operations.

They are used to load salt and sand into spreaders for road treatment, ensuring quick response during icy or snowy conditions.

They also assist in organizing and redistributing materials within storage facilities to optimize space and maintain accessibility.

Procurement Process

The procurement process was in accordance with the Procurement Ordinance Section 2-568A (c)(3) State of Michigan extended purchasing program, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Tim Hawkins
35BABCB5BED3455...

Tim Hawkins, Director, DPW

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
MD

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Renewal of Traffic Engineering Services with Colliers Engineering & Design – Formerly Bergmann Associates

DEPARTMENT: Department of Public Works and Facilities, In conjunction with Purchasing

BRIEF DESCRIPTION: The Department of Public Works and Facilities, in conjunction with Purchasing, requests authorization for the first renewal of the Traffic Engineering Services Contract to Colliers Engineering & Design. – Formerly Bergmann Associates

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PRIOR COUNCIL ACTION: N/A

BACKGROUND: The previous contract began in November of 2022, expired in November of 2024, and has (2) one-year renewals available.

The primary services will include studies on traffic control (including traffic signals and signs, pavement markings, and construction zone traffic control), transportation planning (including neighborhood design and traffic calming studies, accident analysis, site plan review, and traffic impact analysis report/review), and school safety studies. Traffic services like these are needed and benefit the community in several ways including but not limited to increasing safety, improving traffic flow, and improving emergency response efficiency

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FISCAL IMPACT: $50,000

COMMUNITY IMPACT: The traffic study is an analysis of existing and future conditions based on projected traffic and how it is assigned. The primary services will include studies on traffic control (including traffic signals and signs, pavement markings, and construction zone traffic control), transportation planning (including neighborhood design and traffic calming studies, accident analysis, site plan review, and traffic impact analysis report/review), and school safety studies to best service the public's health, safety, and welfare.

Traffic studies benefit the community in several ways including increasing safety, improving traffic flow, and emergency response efficiency.

IMPLEMENTATION TIMELINE: Services to be used on an as-needed basis.

COMPLIANCE/PERFORMANCE METRICS: DPWF staff will monitor Collier's performance to the contract scope of work.

FINANCE **EXECUTIVE SUMMARY AND MEMORANDUM**

TO: **City Council**

FROM: **City Administration**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Renewal of Contract for Traffic Engineering Services**

DATE: **January 13, 2025**

Budget Information

Project:	Q57209 Traffic Engineering Serv
Adopted Budget:	$0
Amended Budget:	$16,200
Requested Amount:	$50,000
Funding Source:	Major Street and Trunkline, Public Works, Engineering, Administration, Construction Services, Engineering Services
Supplemental Budget:	Q99999, Street Infrastructure Reserve, Major Street and Trunkline, Undistributed Appropriations

Summary of Request

Purchasing, on behalf of the Department of Public Works & Facilities, recommends the renewal of a contract for Traffic Engineering Services from Colliers Engineering & Design for the period of January 31, 2025, through February 1, 2026, which has provided this service for the City in the past. This will be the first of two available renewal options.

It is respectfully requested that Council authorize the renewal. Immediate effect is requested to avoid any lapse in service.

Background and Justification

The previous contract began in November of 2022, expired in November of 2024, and has (2) one-year renewals available.

The primary services will include studies on traffic control (including traffic signals and signs, pavement markings, and construction zone traffic control), transportation planning (including neighborhood design and traffic calming studies, accident analysis, site plan review, and traffic impact analysis report/review), and school safety studies. Traffic services like these are needed and benefit the community in several ways including but not limited to increasing safety, improving traffic flow, and improving emergency response efficiency

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Process

The procurement process was in accordance with Section 2-568A (6)e Continuity of Professional Services, of the Procurement Ordinance and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

Prepared By:

DocuSigned by:
Mark Rozinsky
D17FF0C142E34C3...

Mark Rozinsky, Purchasing Manager

Department Approval:

DocuSigned by:
Tim Hawkins
35BABCB5BED3455...

Tim Hawkins, Director, DPWF

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
MD

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer, Corporation Counsel

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST:

Approve Contract for Purchase of eleven vehicles for DPW from Lunghamer Ford

DEPARTMENT: Department of Public Works, in conjunction with Purchasing

BRIEF DESCRIPTION:

Purchasing, on behalf of the Department of Public Works, recommends the Cooperative Contract purchase of eleven vehicles, from Lunghamer Ford. The pricing for the vehicles is based on 2024 Vehicle State of Michigan Contract # 071B7700180 and Macomb Contact # 21-18 P.2 Alternate.

PRIOR COUNCIL ACTION:

C.R 1-06-23, 1-27-23

BACKGROUND:

The Department of Public Works (DPW) is responsible for maintaining critical city infrastructure, including roads, water and sewer systems, public parks, and waste management. To effectively execute these responsibilities, DPW relies on a fleet of specialized vehicles.

FISCAL IMPACT: $592,600

COMMUNITY IMPACT:

Purchasing a fleet vehicle for city services involves careful consideration of various factors to ensure efficiency, cost-effectiveness, and suitability for the specific needs of the department of Public Works operations.

IMPLEMENTATION TIMELINE:

Immediate Effect is requested, as the lead time for these vehicles is up to four months

COMPLIANCE/PERFORMANCE METRICS:

Members of the DPW Staff will confirm delivery and verify content and performance of the purchased vehicles.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **City Administration**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Award of Contract for Purchase of eleven DPW Vehicles**

DATE: **January 14, 2025**

Budget Information

Adopted Budget: $ 42,759
Amended Budget: $ 42,759
Requested Amount: $ 36,606
Funding Source: Fleet & Eqpt Replacement, Public Works, Powerhouse, Capital Equipment, Vehicles
Supplemental Budget: N/A

Adopted Budget: $ 104,027
Amended Budget: $ 104,027
Requested Amount: $ 101,715
Funding Source: Fleet & Eqpt Replacement, Public Works, Bldg Svc & Maint, Facilities Maintenance, Capital Equipment, Vehicles
Supplemental Budget: N/A

Adopted Budget: $ 389,271
Amended Budget: $ 1,126,725
Requested Amount: $ 169,540
Funding Source: Fleet & Eqpt Replacement, Public Works, Public Services, Maintenance Rds & Streets, Capital Equipment, Vehicles
Supplemental Budget: N/A

Adopted Budget: $ 91,914
Amended Budget: $ 283,842
Requested Amount: $ 128,360
Funding Source: Fleet & Eqpt Replacement, Public Works, Fleet R&M Operations, Fleet Maintenance, Capital Equipment, Vehicles
Supplemental Budget: N/A

Adopted Budget: $ 98,823
Amended Budget: $ 98,823
Requested Amount: $ 44,670
Funding Source: Fleet & Eqpt Replacement, Prop Maint & Dev Services, Sanitation, Rubbish Pickup & Disposal, Capital Equipment, Vehicles
Supplemental Budget: N/A

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Adopted Budget: $117,972
Amended Budget: $219,772
Requested Amount: $111,709
Funding Source: Water Fund, Water & Backflow Divisions, Capital Equipment, Vehicles
Supplemental Budget: N/A

Total Requested Amount: $592,600

Summary of Request

Purchasing, on behalf of the Department of Public Works, recommends the Cooperative Contract purchase of eleven vehicles from Lunghamer Ford. The pricing for the vehicles is based on 2024 Vehicle State of Michigan Contract # 071B7700180 and Macomb Contact # 21-18 P.2 Alternate.

Department	Vehicle	Color	Quantity	Price	Total Price	Vendor
DPW - Highways	Ford Explorer	Carbonized Grey	1	$ 44,670	$ 44,670	Lunghamer Ford
DPW - Sanitation	Ford Explorer	Carbonized Grey	1	$ 44,670	$ 44,670	Lunghamer Ford
DPW - CG	F-250 Crew Cab / Knapheide	White	1	$ 76,574	$ 76,574	Lunghamer Ford
DPW - Building Services	F-150 Super Cab	Carbonized Grey	1	$ 52,441	$ 52,441	Lunghamer Ford
DPW - Building Services	Transit Van	Carbonized Grey	1	$ 49,274	$ 49,274	Lunghamer Ford
DPW - Central Garage	F-250 Crew Cab	Carbonized Grey	1	$ 51,786	$ 51,786	Lunghamer Ford
DPW - Powerhouse	Ranger	Carbonized Grey	1	$ 36,606	$ 36,606	Lunghamer Ford
DPW - Highways	F-550 Dump Truck	Yellow	2	$ 62,435	$ 124,870	Lunghamer Ford
DPW - Water	F-550 Dump Truck	Yellow	1	$ 62,435	$ 62,435	Lunghamer Ford
DPW - Backflow	Transit Cargo Van	Blue	1	$ 49,274	$ 49,274	Lunghamer Ford

It is respectfully requested that Council authorize the purchase of these vehicles. Immediate effect is requested, as the lead time for these vehicles is up to four months.

Background and Justification

The Department of Public Works (DPW) is responsible for maintaining critical city infrastructure, including roads, water and sewer systems, public parks, and waste management. To effectively execute these responsibilities, DPW relies on a fleet of specialized vehicles.

Over time, the department's fleet has experienced wear and tear due to extensive use in challenging environments. Many vehicles have reached or exceeded their expected service life, resulting in increased maintenance costs, reduced efficiency, and occasional disruptions in service delivery.

Procurement Process

The procurement process was in accordance with the Procurement Ordinance Section 2-568A (c)(3) State of Michigan extended purchasing program, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...

Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Tim Hawkins
35BABCB5BED3455...

Tim Hawkins, Director, DPW

Budget Approval:

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Initial
MD

DS
CJ

Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy Romer, Corporation Counsel

PUBLIC WORKS

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Approve Contract No. 24-5576 with Michigan Department of Transportation (MDOT) between the City of Dearborn and MDOT (Dearborn Job No. 2025-016)

DEPARTMENT: Public Works & Facilities/Engineering Division and Philanthropy & Grants

BRIEF DESCRIPTION: In accordance with the Public Act 121 of 2024 Grant, State Representative Alabas Farhat has sponsored a grant in the amount of $500,000 for the City of Dearborn for the purpose of citywide pedestrian safety improvements including raised crosswalks, increased signage, and visibility striping.

PRIOR COUNCIL ACTION: N/A

BACKGROUND:

State Representative Alabas Farhat has sponsored a grant in the amount of $500,000 for the City of Dearborn for pedestrian pathway improvements. (Dearborn meets the criteria of a city with a combined population between 109,000 and 110,000 according to the latest federal decennial census in a county with a population greater than 1.7 million according to the latest federal decennial census.)

The grant in the amount of $500,000 to the City of Dearborn is for the purpose of citywide pedestrian safety improvements including raised crosswalks, increased signage, and visibility striping.

FISCAL IMPACT:

There are no local match requirements.

COMMUNITY IMPACT:

This grant will provide citywide pedestrian safety improvements including raised crosswalks, increased signage, and visibility striping.

IMPLEMENTATION TIMELINE:

With immediate effect.

COMPLIANCE/PERFORMANCE METRICS:

The Engineering Division will prepare the plans for raised crosswalk locations citywide as well as inspection of the project to comply with MDOT contract specifications (attached). The project will involve removing and replacing concrete pavement, sidewalks, and sidewalk ramps.

PUBLIC WORKS

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Department of Public Works and Facilities/Engineering Division and Department of Philanthropy & Grants.**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Approve Contract No. 24-5576 with Michigan Department of Transportation (MDOT) between the City of Dearborn and MDOT (Dearborn Job No. 2025-016)**

DATE: **January 10, 2025**

Summary of Request

It is requested that Council approve the attached MDOT Contract No. 24-5576 with the City of Dearborn regarding a grant in the amount of $500,000 for the purpose of citywide pedestrian safety improvements including raised crosswalks, increased signage, and visibility striping and authorize the Mayor to execute the contract on behalf of the City (subject to review by the Legal Department).

It is further requested that the Finance Director be authorized to accept the grant when received and authorize the corresponding revenue budget and appropriation. The initial payment of $250,000 (50%) will be paid upon MDOT's receipt of Exhibit A of the contract. The final payment of $250,000 (50%) will be paid once the initial payment has been fully expended.

It is also respectfully request that the Council Resolution be given *IMMEDIATE EFFECT*.

Background and Justification

State Representative Alabas Farhat has sponsored the grant in the amount of $500,000 to the City of Dearborn for pedestrian pathway improvements. (Dearborn meets the criteria of a city with a combined population between 109,000 and 100,000 according to the lates federal decennial census in a county with a population greater than 1.7 million according to the lates federal decennial census.)

There are no local match requirements.

Department Approval:

DocuSigned by:
Tim Hawkins
35BABCB5BED3455...
Tim Hawkins, Director of Public Works & Facilities

DocuSigned by:
Soud El-Jamaly
8FDE4113B37F442...
Soud El-Jamaly, City Engineer

Signed by:
Maria Willett
5F7C82870E294AB...
Maria Willett, Director of Philanthropy & Grants

PUBLIC WORKS

EXECUTIVE SUMMARY AND MEMORANDUM

Budget Approval:

DocuSigned by:
Corey Jarocki
3923DB0ED71E40A...

Corey Jarocki, Deputy Finance Director

DocuSigned by:
Michael Kennedy
F77919D1421447F...

Michael Kennedy, Finance Director/Treasurer

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...

Jeremy J. Romer, Corporation Counsel

CONTRACT NO. 24-5576

MICHIGAN DEPARTMENT OF TRANSPORTATION

CITY OF DEARBORN

CONTRACT

This Contract is made and entered into between the Michigan Department of Transportation (MDOT), of 425 West Ottawa Street, P.O. Box 30050, Lansing, Michigan 48909, and the City of Dearborn (AGENCY) of 16901 Michigan Avenue, Dearborn, Michigan 48126 in accordance with 2024 Public Act 121, Sections 250 and 1111, effective July 24, 2024, for the purpose of establishing the amount of the Legislative Earmark (EARMARK) to the AGENCY, and setting forth the services to be provided as a result of such earmark. The sponsor of this EARMARK is State Representative Alabas A. Farhat as shown in Appendix B.

The EARMARK is to be expended on approved projects. MDOT is responsible for administering these funds.

MDOT and the AGENCY recognize and affirm that the funds provided under this Contract shall not be used for any purpose other than those provided in 2024 Public Act 121, and as provided herein. No funds may be expended prior to October 1, 2024, unless approved by the State Budget Office, and no expenditures shall be reimbursed outside of the PROJECT purpose. All funds shall be awarded and project completed by September 30, 2029, any unspent funds will be returned to the state treasury at that time. This Contract must be executed by June 1, 2025 or the grant funds will be returned to the state treasury. An extension may be granted by the state budget director.

This Contract sets forth a grant from MDOT to the AGENCY for the completion of citywide pedestrian safety improvements including raised crosswalks, increased signage, and high-visibility striping (PROJECT).

The Parties agree that:

The AGENCY will:

1. Undertake and complete the PROJECT in accordance with the terms and conditions of this Contract.

2. The PROJECT cost will be paid for by EARMARK funds. EARMARK funds will be applied to the PROJECT costs at a participation ratio of 100 percent up to an amount not

to exceed $500,000. The AGENCY will be responsible for all costs in excess of the funds shown above.

3. The AGENCY must request payment by submitting a Request for Payment Form (Exhibit A) and a Project Cost Reporting & Certification Form (Exhibit B) to MDOT annually and upon completion of the PROJECT.

   The AGENCY agrees that the costs reported to MDOT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The AGENCY also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

4. Certify that the PROJECT shall be in compliance with all applicable laws, ordinances, and codes of the United States, the State of Michigan, and the local government(s) in the area(s) in which the PROJECT is performed and obtain all permits, licenses, and other authorizations that are required for the performance of the PROJECT.

5. Ensure that any unspent or misused above-mentioned funds at PROJECT completion are lapsed back to the EARMARK Fund.

6. For auditing processes, all records, including executed contracts, are to be maintained for seven years from the date of the project completion date. MDOT, or its representative, may inspect, copy, or audit the records at any reasonable time after giving reasonable notice. The AGENCY shall respond to all reasonable information requests from MDOT related to PROJECT expenditures and retain PROJECT records for a period of not less than seven years, and the PROJECT may be subject to monitoring, site visits, and audits as determined by MDOT.

7. If the construction of the PROJECT is to be contracted, certify that the contracting procedures followed in connection with the administration of the construction contract for the PROJECT were based on an open competitive bid process and that the construction contract for the PROJECT was publicly advertised and awarded on the basis of the lowest responsive and responsible bid in accordance with applicable State and local statutes, regulations, and ordinances. Selection of Consultants and subcontracts will be in conformance with the AGENCY's contracting process.

8. If the construction of the PROJECT is to be contracted, ensure the contractor who is awarded the contract for the construction of the PROJECT has the appropriate bonds/liability insurance.

9. MDOT will make payments on a milestone basis, with lump sum payments to be made upon the accomplishment of defined milestones, as set forth below, and will not exceed the maximum amount in Section 2.

	Milestones		
	Receipt of Exhibit A (Initial Payment)	$250,000	50%
	Initial Payment has been fully expended (Final Payment)	$250,000	50%
	Total	$500,000	100%

10. MDOT may conduct a follow-up review of work activity.

IT IS FURTHER AGREED THAT:

11. 2004 Public Act 533 requires that payments under this Contract be processed by electronic funds transfer (EFT). The AGENCY is required to register to receive payments by EFT at SIGMA Vendor Self Service (VSS) website (www.michigan.gov/SIGMAVSS).

12. Each party to this Contract will remain responsible for any claims arising out of the performance of this Contract, as provided by this Contract or by law.

    This Contract is not intended to increase or decrease either party's liability for or immunity from tort claims.

    This Contract is not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this Contract.

    MDOT will not be subject to any obligations or liabilities by contractors of the AGENCY or their subcontractors or any other person not a party to the Contract without its specific consent and notwithstanding its concurrence with or approval of the award of any contract or subcontract or the solicitation thereof.

13. The parties will consider the PROJECT to be complete when certified by the agency. This certification is not intended to nor does it relieve the AGENCY of any of its obligations and responsibilities herein.

14. This Contract will be in effect from the date of award through the estimated construction completion date on Exhibit A. All documented costs associated with this project are eligible for reimbursement, not to exceed the amount shown in Section 2 of this Contract.

15. Prior to expiration, the time for completion of performance under this Contract may be extended by MDOT upon written request and justification from the AGENCY. Upon approval and authorization by MDOT, a written time extension amendment will be prepared and issued by MDOT. Any such extension will not operate as a waiver by MDOT of any of its rights herein set forth.

16. In connection with the performance of SERVICES under this Contract, the AGENCY (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011. This provision will be included in all subcontracts relating to this Contract.

17. This Contract may be terminated at such time as may be agreed upon by both parties or by either party giving thirty (30) days written notice to the other party. Furthermore, it may be modified at any time as agreed upon by both parties. In the event, the AGENCY terminates this Contract; it will make full repayment to MDOT.

18. Failure to submit all required forms and/or failure to comply with Contract terms may result in withholding of future Act 51 funds.

19. In case of any discrepancies between the body of this Contract and any exhibits hereto, the body of this Contract will govern.

20. This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the AGENCY and MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the AGENCY, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

CITY OF DEARBORN

By: ____________________________________
Title:

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: ____________________________________
for Title: Department Director

REVIEWED

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.

2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.

3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.

5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.

6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.

8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.

9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B

3RD DISTRICT
STATE CAPITOL
P.O. BOX 30014
LANSING, MI 48909-7514

MICHIGAN HOUSE OF REPRESENTATIVES

ALABAS A. FARHAT

STATE REPRESENTATIVE

PHONE: (517) 373-0144
FAX: (517) 373-8929
AlabasFarhat@house.mi.gov

November 13, 2024

Jennifer L. Flood
State Budget Director
111 South Capitol Avenue
Lansing, MI 48912

Director Wieferich
Department of
Transportation

Dear Directors:

SUBJECT: Legislative Sponsorship of Public Act 121 of 2024 Grant

In accordance with Public Act 121 of 2024, Article 15, Section 1111, I am pleased to sponsor the grant identified below and I certify that this grant is for a public purpose.

The following information summarizes the grant I am sponsoring:

GRANT SUMMARY

Grant Recipient:	City of Dearborn
Grant Amount:	$500,000
Boilerplate Section:	Article 15, Sec. 1111(2)(y)
Authorizing Grant Boilerplate Language:	(y) $500,000 for pedestrian pathway improvements to a city with a combined population between 109,000 and 110,000 according to the latest federal decennial census in a county with a population greater than 1,700,000 according to the latest federal decennial census.
Public Purpose:	Safety improvements for crosswalks including raised sidewalks, increased signage, and visibility striping.

Please see attachments for completed grant application form and grant project budget which provide additional detail and contact information for the grant recipient. My office is available for questions should they arise.

Sincerely,

Representative Alabas A. Farhat
Michigan's 3rd District

Michigan Department
of Transportation
0380 (11/2023)

REQUEST FOR PAYMENT - EXHIBIT A
LOCAL AGENCY PROGRAMS

In order to receive payment, this form must be completed and returned to MDOT Local Agency Programs. E-mail completed form to Kristen Sullivan at SullivanK4@Michigan.gov.

CONTRACT NUMBER	
GRANTEE	
ROUTE NAME	
LOCATION DESCRIPTION	
ESTIMATED CONSTRUCTION COMPLETION DATE	
APPROVED GRANT AMOUNT	
ESTIMATED PROJECT BUDGET	
SPONSOR NAME	

AMOUNT OF PAYMENT REQUEST	

CERTIFICATIONS

I certify that the PROJECT complies with all applicable laws, ordinances, and codes of the United States, the State of Michigan, and the local government(s) in the area(s) in which the PROJECT is performed; and further, that all permits, licenses, and other authorizations required for the performance of the PROJECT will be obtained.

FOR CONTRACTED PROJECTS: I certify that the construction contracting procedures followed for the PROJECT will be based on an open competitive bid process; and further, that the construction contract for the PROJECT will be publicly advertised and awarded based on the lowest responsive and responsible bid, in accordance with applicable State and local statutes, regulations, and ordinances.

If this PROJECT will be contracted, initial here ______.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		PRINTED NAME AND TITLE	
AGENCY FEDERAL ID NUMBER	E-MAIL ADDRESS	PHONE NUMBER	DATE
AGENCY ADDRESS			
VENDOR NUMBER IN SIGMA VSS *(If known)*			

- ☐ INITIAL PAYMENT
- ☐ FINAL PAYMENT - If the initial 50% of the payment has been fully expended, initial here ______.
- ☐ TIME EXTENSION *(Requested SBO approval, if applicable)*

FOR MDOT USE ONLY

RECEIVED AND REVIEWED BY MDOT LOCAL AGENCY ANALYST	DATE

Michigan Department
of Transportation
0381 (08/2022)

PROJECT COST REPORTING AND CERTIFICATION - EXHIBIT B
LOCAL AGENCY PROGRAMS

Complete and return this form annually by November 1st AND within 30 days of completion of the project and final payment of construction costs. E-mail completed form to Kristen Sullivan at SullivanK4@Michigan.gov.

CONTRACT NUMBER	
GRANTEE	
ROUTE NAME	
LOCATION DESCRIPTION	

(1) Total Eligible Project Costs	$
(2) Total Grant Amount	$
(3) Unspent Balance of Grant	$
(1) Total Eligible Project Costs	$
(2) Total Grant Amount	$
(3) Total Unspent Funds To Be Returned To MDOT (*Total original grant amount minus the total eligible costs.*)	$

D. PROJECT DESCRIPTION (Provide a detailed description of services completed)

CERTIFICATIONS

(1) I certify that the PROJECT is being or has been constructed in accordance with the PROJECT plans, specifications, and construction contract.

(2) I certify that the final costs reported with this form are accurate and that all items for which payment has been requested are eligible for payment with the grant funds.

(3) If construction of the project was contracted, I certify that the contracting procedures followed in connection with the administration of the construction contract for the PROJECT were based on an open competitive bid process and that the construction contract for the PROJECT was publicly advertised and awarded on the basis of the lowest responsive and responsible bid in accordance with applicable State and local statutes, regulations, and ordinances.

If this project was constructed by force account, initial here ______.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		PRINTED NAME & TITLE	
AGENCY FEDERAL ID NUMBER	E-MAIL	PHONE NUMBER	DATE

FOR MDOT USE ONLY

RECEIVED BY MDOT LOCAL AGENCY PROGRAM ENGINEER	DATE

***COPIES:** MDOT Transportation Service Center and MDOT Contract Services Division.*

EXECUTIVE SUMMARY

REQUEST: Purchase of an E-550 CUES TV Truck

DEPARTMENT: Department of Public Works & Facilities- Sewer Division, in conjunction with Purchasing

BRIEF DESCRIPTION: This request is for the authorization to purchase of an E-550 CUES TV Truck

PRIOR COUNCIL ACTION: N/A

BACKGROUND: The Sewer Division uses the department camera trucks on a daily basis as part of the continued efforts to maintain the City's sewer infrastructure. Camera trucks are used to assist the Engineering Department in assessing the condition of the pipes within the City as well as assisting with identifying causes of sewer backups within the system.

FISCAL IMPACT:

- $324,989

IMPACT TO COMMUNITY:
The new truck will provide a more effective tool to assist with the City's continued efforts to maintain the City's sewer infrastructure

IMPLEMENTATION TIMELINE:
Lead time is approximately 3-4 months.

COMPLIANCE/PERFORMANCE METRICS:

Department of Public Works & Facilities- Sewer Division staff will inspect the new vehicle and accept delivery.

FINANCE DEPARTMENT - PURCHASING DIVISION

TO: City Council

FROM: City Administration

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Sole Source Purchase of a E-450 CUES TV Truck

DATE: January 14, 2025

Budget Information

Adopted Budget:	$571,140
Amended Budget:	$571,140
Requested Amount:	$ 324,989
Funding Source:	Sewer Fund, Sewage Division, Capital Equipment, Vehicles
Supplemental Budget:	N/A

Summary of Request

Purchasing, on behalf of the Department of Public Works & Facilities, Sewer Division recommends the sole source purchase of an E-450 CUES TV truck from MTech Company, which has provided vehicles/equipment for DPW in the past. Pricing for this purchase is supported by CoPro+ Contract 2023-JC-060-M.

It is respectfully requested that Council authorize the purchase with immediate effect due to the lengthy build time. The resulting purchase order shall not be binding until fully executed.

Background and Justification

The Sewer Division uses the department camera trucks on a daily basis as part of the continued efforts to maintain the City's sewer infrastructure. Camera trucks are used to assist the Engineering Department in assessing the condition of the pipes within the City as well as assisting with identifying causes of sewer backups within the system.

This purchase will replace equipment that is at the end of its service life, as well as consolidating equipment under one manufacturer and camera system. Both camera trucks will now be using a CUES Pipe Ranger camera chassis and software. The pan and tilt camera system allows for more flexibility in uses within the sewer system and consolidating under one manufacturer allows for easier servicing and stocking of spare/replacement parts.

Process

This procurement is in accordance with Section 2-568A(c)(3), of the Code of the City of Dearborn.

Signature Page

Prepared By:

DocuSigned by:
Jay Andrews
A06626461858403...
Jay Andrews, Sr. Buyer, Purchasing

Department Approval:

DocuSigned by:
Tim Hawkins
35BABCB5BED3455...
Tim Hawkins, Director of Public Works

Budget Approval:

DocuSigned by:
Michael Kennedy
E77919D1421447F...
DS
CJ
Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
Jeremy J. Romer, Corporation Counsel

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Zoning Language Amendment: Permitting Indoor Recreation in the IA District – Amending Article 18.00.

DEPARTMENT: Economic Development

BRIEF DESCRIPTION:

- The IA (Light Industrial) district has primarily been a warehousing district which has been difficult to repurpose for other uses.
- Structures that are best suited for indoor recreational facilities are designed as open, expansive, warehouses. These types of buildings are common in the IA district.
- Indoor recreation facilities are currently only permitted as a special land use in the BB and BC District, but it has been challenging to find appropriate locations.
- The Planning Commission recommended approval of the request at the December 10th, 2024 meeting.
- The Planning & Zoning Division recommended approval to the Planning Commission.

PRIOR COUNCIL ACTION: N/A

BACKGROUND:

- Many IA (Light Industrial) zoned properties have lost their former purpose due to recent economic shifts.
- It is common in other municipalities for their lighter industrial/manufacturing districts to permits a wider diversity of uses.
- Indoor recreation facilities have site development standards, and would be considered a special land use, to help ensure appropriate sites are selected.

FISCAL IMPACT: N/A

COMMUNITY IMPACT:

Adopting this amending can help facilitate adaptive reuse of existing buildings and reduce the amount of vacant buildings.

IMPLEMENTATION TIMELINE:

Requires two readings by City Council.

COMPLIANCE/PERFORMANCE METRICS: N/A

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Planning Commission**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Zoning Language Amendment:**

DATE: **January 9th, 2025 (COW)**

Background:

Many IA- Light Industrial zoned properties throughout the City have lost their former purpose due to economic shifts over the past several decades. It has been challenging to get these buildings re-purposed due to the limited amount of uses that are permitted in IA district.

In some municipalities the lighter industrial/manufacturing district permits a wider diversity of uses. While it is intended for Dearborn's IA district to go through a more comprehensive overhaul after the completion of the Master Plan, it is recommended at this time that the ordinance be modified to allow indoor recreation as a Special Land Use in the IA district. Structures that are best suited for indoor recreational facilities are those are designed as an open, expansive, warehouse. These types of buildings are common in the IA district. Additionally, it can be challenging to fit this type of use in the commercial zoning districts due to the amount of square footage that is needed.

In addition to being a Special Land Use, there are also specific site development standards that apply to indoor recreational facilities that would help ensure appropriate sites are selected. Those standards are as follows:

Indoor recreation facilities: Indoor recreation facilities such as, but not limited to, bowling establishments, indoor archery ranges, indoor tennis courts, indoor skating rinks, and similar indoor recreation uses shall comply with the following regulations:

- Indoor recreation uses shall be set back a minimum of fifty (50) feet from any property line that abuts a residential district.

- The location, design, and operation of an indoor recreation use shall not adversely affect the continued use, enjoyment, and development of adjacent properties. In considering this requirement, particular attention shall be focused on the adverse impact resulting from loitering on the premises.

- Indoor recreation uses shall have direct access onto a major thoroughfare

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

Recommendation:

After due consideration and a public hearing on December 10th, 2024 the following recommendation was made by the Planning Commission:

A motion was made by Commissioner Abdallah, supported by Commissioner Saymuah to approve the ordinance amendment for Section 18.00. Upon roll call the following vote was taken: Ayes: (6) (Commissioners Abdallah, Easterly, Fadlallah, Kadouh, King, and Saymuah). Absent: (2) (Commissioner Aljahmi & Phillips). The motion was adopted.

Signature Page

Prepared by:

Kaileigh Bianchini

KAILEIGH BIANCHINI, AICP
Planning and Zoning Manager

Approved:

JORDAN TWARDY
Economic Development Director

DocuSigned by:
Jeremy Romer
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JEREMY ROMER
Corporation Counsel

Exhibit B-2

ORDINANCE NO. xx-xx
AN ORDINANCE TO AMEND THE ZONING ORDINANCE
OF THE CITY OF DEARBORN BY AMENDING
ARTICLE 18.00, ENTITLED
"I-A, LIGHT INDUSTRIAL DISTRICT"

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 18.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 18.00: IA, Light Industrial District

Sec. 18.02. - Permitted uses and structures.

A. **Principal uses and structures.** In all areas zoned I-A, Light Industrial District, no building shall be erected, used, or structurally altered, nor shall the land or premises be used in whole or in part, except for one (1) or more of the following principal permitted uses:

1. Any use charged with the principal function of basic research, design and pilot or experimental product development when conducted within a completely enclosed building. The growing of any vegetation requisite to the conducting of basic research shall be excluded from the requirement of enclosure.

2. Any use as permitted and regulated in the T-R, Technology and Research District and O-S, Business Office District as long as it primarily services the employees of the principal I-A use.

3. Research and office uses related to permitted industrial operations.

4. Any of the following uses when conducted wholly within a completely enclosed building:

(a) Warehousing and wholesale establishments, tool, die, gauge and machine shops.

(b) The manufacture, compounding, processing, packaging or treatment of such products as: cosmetics, pharmaceutical, toiletries, food products, hardware and household supplies.

(c) The manufacture, compounding, assembling or treatment of articles or merchandise from the following previously prepared materials: bone, canvas, cellophane, cloth, cork, feathers, felt, fiber, fur, glass, hair, horn, leather, paper, plastics, precious or semi-precious metals or stones, sheet metal (excluding large stampings such as automobile fenders or bodies), ferrous and nonferrous metals (excluding large castings and fabrications), shell, textiles, tobacco, wax, wire, wood (excluding saw and planing mills), and yams.

(d) The manufacture of pottery and figures or other similar ceramic products using only previously pulverized clay and kilns fired only by electricity or gas.

(e) Manufacture of musical instruments, toys, novelties, and metal or rubber stamps or other small molded rubber products (not including pneumatic tires).

(f) Manufacture or assembly of electrical appliances, electronic instruments and devices, radios and phonographs.

(g) Laboratories—Experimental, film or testing.

(h) Mini-warehouses subject to the provisions in Section 7.02K.

(i) Labs.

(j) Data processing.

5. Warehouse, storage and transfer uses and electric and gas service buildings, public utility buildings, telephone exchange buildings, electrical transformer stations and substations and gas regulator stations, provided that outside storage is not permitted for any of these uses.

6. The parking of trucks and truck trailers incidental to any of the above permitted uses, not to exceed seven (7) continuous days.

7. Commercial kennels subject to the provisions in Section 7.02J.

8. Uses and structures accessory to the above, subject to the provisions in Section 2.03. Accessory office and sales operations may be permitted where such activities are clearly incidental to the principal industrial use, subject to the provisions in Section 7.04.

9. Regional newspaper distribution centers, provided that loading and unloading area is provided on the site.

10. Tree trimming services.

B. **Uses prohibited.** Manufacturing development which creates unusual danger from fire, explosions, toxic and noxious matter, radiation and other hazards and which cause noxious, offensive, unhealthful and harmful odors, fumes, dust, smoke, light, waste, noise or vibration is prohibited.

C. **Special land uses.** The following uses may be permitted subject to the conditions specified for each use, review and approval of the site plan, any special conditions imposed during the course of review, and the provisions set forth in Article 32.00.

1. Automobile repair garages, including minor and major repair, subject to the provisions in Section 7.02B., and provided that all operations are carried on within a completely enclosed building.

2. Radio and television transmitting and receiving towers, subject to the provisions in Section 7.02P.

3. Metal plating, buffing, and polishing operations.

4. Construction equipment and related equipment sales, leasing, and storage, subject to the following conditions:

(a) Where feasible, equipment shall be stored inside. Open storage structures may be permitted by the plan commission, provided that such structures are enclosed on three (3) sides and have a roof.

(b) Storage yards shall be screened from any abutting public or private road in accordance with Section 5.02E.

5. Contractor's storage yards, provided that such yards are completely enclosed within an eight (8) foot masonry wall or screening, in accordance with Section 5.02(E).

6. Millwork, lumber, and planing mills when completely enclosed and located on the interior of the district so that no property line forms the exterior boundary of the I-A District.

7. Retail sales, gun ranges, commercial service, storage, or repair of any firearms, handguns, long guns, rifles, shotguns, ammunition, gun powder, explosives or blasting agents as partial or sole use of an individual structure or building subject to not being located closer than a seven-hundred-(700)-foot radius distance to the nearest residential zoning district, residential land use, church or place of worship, and public or private school.

8. Day laborer agencies.

9. Accessory retail or service uses that are intended to serve the occupants and patrons of the principal use, provided that any such use shall be an incidental use occupying no more than five percent (5%) of a building that accommodates a principal permitted use. Permitted accessory retail and service uses shall be limited to the following:

(a) Retail establishments that deal directly with the consumer and generally serve the convenience shopping needs of workers and visitors, such as convenience stores, drug stores, uniform supply stores, or similar retail businesses.

(b) Personal service establishments which are intended to serve workers or visitors in the district, such as dry cleaning establishments, travel agencies, tailor shops, or similar service establishments.

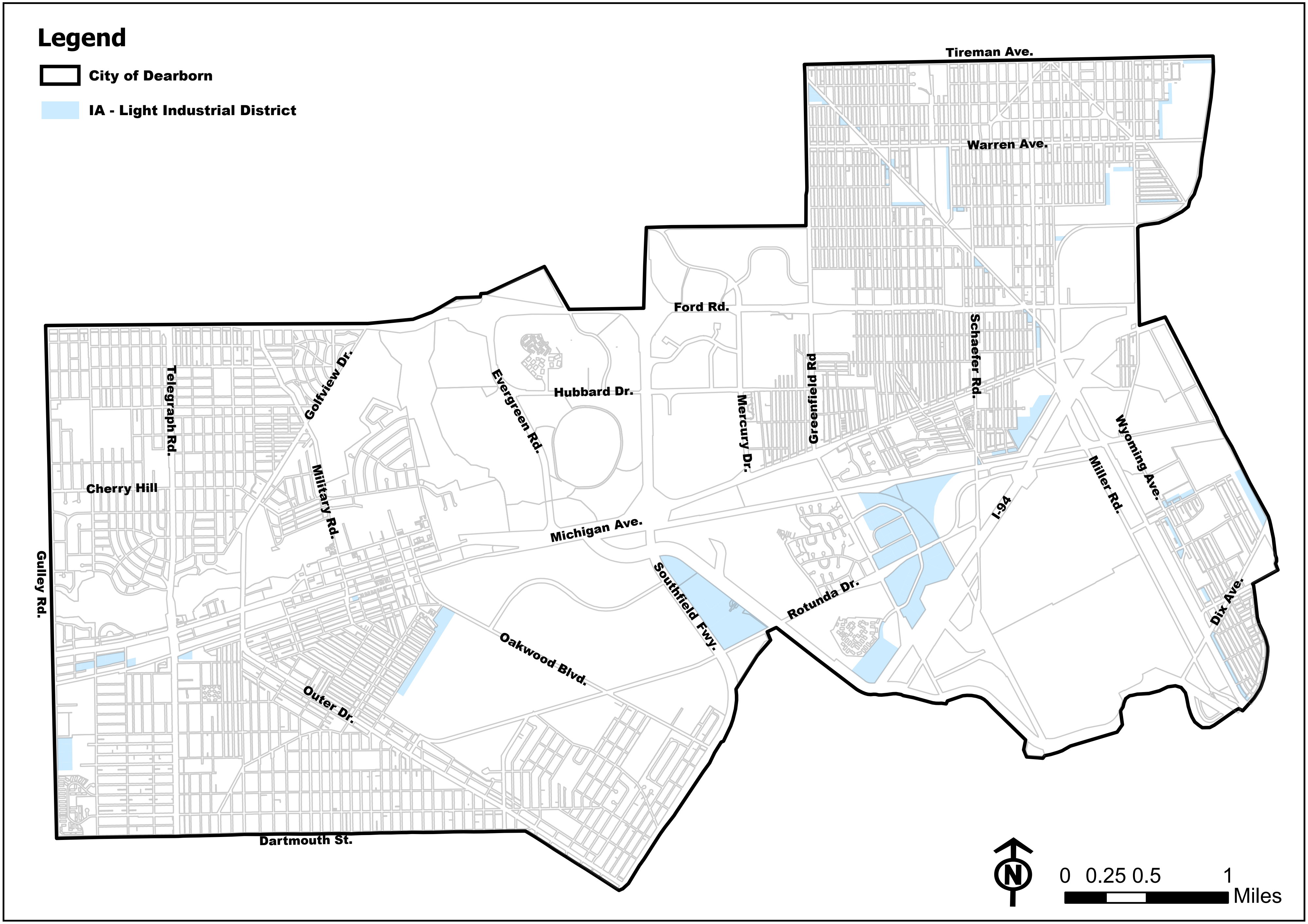
(c) Restaurants, cafeterias, or other places serving food and beverages for consumption within the building.

(d) Financial institutions, including banks, credit unions, and savings and loan associations.

10. Indoor Recreation Facilities, in the IA District only, subject to the provisions in Section 7.02 Q(2).

(Ord. No. 00-831, 11-8-2000; Ord. No. 15-1485, 9-22-2015; Ord. No. 16-1524, 3-15-2016)

Zoning Language Amendment - *IA-Zoned Properties*



LAW

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Amend Code of Ordinances Sec. 13-5.3, commonly referred to as the "Fugitive Dust Ordinance."

DEPARTMENT: Law and Economic Development

BRIEF DESCRIPTION: The proposed amendment corrects language that inadvertently ties enforcement to the issuance of a notice of violation (NOV). With the correction, any violation of the ordinance is punishable as an escalating civil infraction or misdemeanor, regardless of whether an NOV is issued.

PRIOR COUNCIL ACTION: Ordinance was originally adopted 8/25/2020 (Ord. 20-1680), and last amended 5/22/2021 (Ord. 21-1708).

BACKGROUND: The Fugitive Dust Ordinance is one of two ordinances that address fugitive dust, the other being the more recently adopted Bulk Storage Ordinance, and regulates track-out, fugitive dust and other airborne materials from paved, unpaved, partially paved and storage lots by:

1) Requiring vehicles transporting materials to cover the materials if they create dust, debris, smoke, odor, vapor or gaseous substance that interferes with traffic or obstructs the view of drivers;
2) Prohibiting trucks from causing track-out of materials onto the public way;
3) Requiring the owner/operator of any lot that uses vehicle transportation of materials to have all outgoing vehicles pass over rumble strips and through a wheel-wash station; and
4) Requiring the proper disposal of materials removed from vehicles in a manner that complies with all state and local code requirements.

Violations are punishable as a civil infraction with an escalating fine, beginning as $1,000 and increasing to $2,500 for repeat violations. A fourth violation within a 12-month period is punishable as a misdemeanor.

The Department of Economic Development is responsible for enforcement of the ordinance.

FISCAL IMPACT: N/A

COMMUNITY IMPACT: Fines collected through enforcement are maintained in an environmental fund, and used to fund projects and/or initiatives that address public health, pollution prevention and reduction, and environmental restoration and protection in the City.

IMPLEMENTATION TIMELINE: This is an ordinance amendment that requires two readings to go into effect.

COMPLIANCE/PERFORMANCE METRICS: N/A

LAW

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Corporation Counsel**

VIA: **Mayor Abdullah H. Hammoud**

SUBJECT: **Fugitive Dust Ordinance**

DATE: **December 30, 2024**

BACKGROUND:

The Fugitive Dust Ordinance is one of two ordinances that address fugitive dust in the City (the other being the more recently adopted Bulk Storage Ordinance), and regulates track-out, fugitive dust and other airborne materials from paved, unpaved, partially paved and storage lots by:

1) Requiring vehicles transporting materials to cover the materials if they create dust, debris, smoke, odor, vapor or gaseous substance that interferes with traffic or obstructs the view of drivers;
2) Prohibiting trucks from causing track-out of materials onto the public way;
3) Requiring the owner/operator of any lot that uses vehicle transportation of materials to have all outgoing vehicles pass over rumble strips and through a wheel-wash station; and
4) Requiring the proper disposal of materials removed from vehicles in a manner that complies with all state and local code requirements.

ISSUE AND PROPOSED RESOLUTION: The Ordinance currently makes the issuance of a notice of violation (NOV) discretionary, but requires that an NOV be issued before a violation can be assessed. This has led to confusion by enforcement officials and delays in enforcement.

The proposed amendment would remove the requirement that an NOV be issued *before* enforcement, and allow inspectors to issue citations for any violations of the ordinance. This is how nuisances are typically enforced under the Code.

Respectfully submitted,

DocuSigned by:
Bradley Mendelsohn
4FEFF229CD984BA...
BRADLEY J. MENDELSOHN
Deputy Corporation Counsel

APPROVAL/CONCURRENCE:

DocuSigned by:
Jeremy Romer
JEREMY J. ROMER
Corporation Counsel

JORDAN TWARDY
Director, Economic Development

ORDINANCE NO. ____________

AN ORDINANCE TO AMEND CHAPTER 13 BY AMENDING SECTION 13-5.3 OF THE CODE OF ORDINANCES OF THE CITY OF DEARBORN, ENTITLED "DUST CONTROL; PAVED, PARTIALLY PAVED, UNPAVED, AND STORAGE LOTS"

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 13, section 13-5.3 to read as follows:

Sec. 13-5.3 – Fugitive dust ~~Dust~~ control~~;~~ for paved, partially paved, unpaved~~,~~ and storage lots.

a) *Purpose and intent*. The purpose of this section is to regulate commercial parking and storage lots, including transportation to, from, and within these lots, in order to minimize the proliferation of dust, debris, odors, vapors, smoke, and vehicle track-out in the City.

The City finds that activities associated with these lots, including transportation, have the potential to create, or contribute to the creation of, dust, debris, odors, vapors, smoke, and vehicle track-out. The proliferation of dust, debris, odors, vapors, smoke, and vehicle track-out have the potential to create negative impacts on both residents and property. These include, but are not limited to, potential health hazards associated with inhaling fugitive dust, debris, odors, vapor, and smoke, which include pulmonary inflammation, asthma, and fibrosis. In addition, the accumulation of dust, debris, odors, vapors, smoke, and vehicle track-out negatively impacts the enjoyment of life and property, and tends to depreciate the value of the property of others near these lots.

This section prescribes reasonable regulations to minimize dust, debris, odors, vapors, smoke, and vehicle track-out from commercial parking and storage lots, and applies to any owner, operator, or other person who owns, manages, leases, rents, or occupies any commercial or storage lot, including any person that transports materials to, from, or within these lots.

b) *Nuisance prohibited*. It shall be unlawful for any person, including any partnership, corporation, association, or agent thereof who owns, manages, leases, rents, or occupies any paved, unpaved, or partially paved commercial parking or storage lot(s) to cause, permit, maintain, or allow any condition(s) to exist on said lots which creates or contributes to the creation of a nuisance as defined in section 13.1 above as a result of dust, debris, odors, vapors, smoke, or vehicle track-out.

(c) *Definitions*. For the purposes of this section, the following definitions shall apply:

(1) *Dust* means any solid particulate matter that becomes airborne or otherwise moves beyond the lot, facility, building, or structure property line or, if being transported by a vehicle, moves beyond the confines of the vehicle, by natural or human-made activities, excluding engine combustion exhaust and particulate matter emitted from a properly permitted exhaust stack equipped with a pollution control device.

(2) *Storage lot* shall mean any area in the City, whether publicly or privately owned, where any object, solid waste, industrial waste, scrap materials, industrial product or byproduct, containers, demolished building materials, Utter, or material of any kind that may be a detriment to the public health and safety or constitutes a nuisance is stored, placed, or kept for any amount of time. This shall include, but is not limited to, any roadway, highway, right-of-way, driveway, yard, building, structure, or other area where the aforementioned items are stored, placed, or kept.

(3) *Track-out* shall mean the carrying of mud, dirt, soil, or debris on vehicle wheels, slides, or undercarriages from a private, commercial, or industrial site onto a public road, right-of-way, or property of another.

(4) *Vapors* includes any gaseous substances emanating from the movement of materials by a vehicle. Vapors shall not include emissions or exhaust from a vehicle as long as the emissions or exhaust are within accepted guidelines under federal and state law.

(5) *Vehicle* is any car, truck, or railcar.

(d) *Notice of violation*. If a nuisance or condition(s) causing or contributing to a nuisance are discovered by an enforcement official, the enforcement official may issue a notice of violation to the person, including any partnership, corporation, association, or agent thereof who owns, manages, leases, rents, or occupies any paved, unpaved or partially paved commercial parking or storage lot(s), that requires elimination of the nuisance and/or condition(s) causing or contributing to the nuisance within 3 days of notification.

(1) Any steps taken to eliminate a nuisance and/or condition(s) causing or contributing to the nuisance must comply with all existing local, state, and federal laws.

(e) *Vehicles and transportation*.

(1) Any vehicle that is discovered to have dust, debris, smoke, odor, vapor, and/or gaseous substance coming from material(s) that it is carrying, hauling, or otherwise transporting, and that either causes or contributes to the creation of a nuisance or obstructs, impedes, or otherwise interferes with the normal flow of traffic or obstructs the view of a driver in a different vehicle, must cover the material(s) to eliminate the nuisance caused by said dust, debris, smoke, odor, vapor, or gaseous substance while traversing public rights of way.

(2) When transportation to, from, or within an unpaved or partially paved commercial or storage lot is done by truck, the owner or operator of the lot shall ensure the following:

a. That the trucks will not cause any unaddressed track-out of materials onto the public way.

b. That all outgoing material transport trucks, whether loaded or empty, are cleaned so that any part of any tractor, bed, trailer, or tire exterior surface, excluding the inside of the beds or trailer, are free of all loose materials.

c. All outgoing material transport trucks, whether loaded or empty, pass over rumble strips that will vibrate the trucks and shake off loose materials and dust, and pass through a wheel wash station.

d. That any material removed by the truck cleaning operation, rumble strips, or a wheel wash station must be collected and recycled or otherwise disposed of in a manner that complies with all applicable state and local code requirements related to waste disposal, including the Michigan Building and Plumbing Code, and does not result in fugitive dust emissions or negative impacts on applicable sewars and drains.

(f) *Violation and penalty*. ~~Penalties.~~ ~~Failure to correct a violation within 3 days of the issuance of the notice identified in subsection (d) of this section shall constitute a violation, which~~ A violation of any provision of this ordinance is a ~~is punishable as~~ a civil infraction punishable by a civil fine of $1,000, plus any costs imposed by the court. Each day ~~the~~ a violation continues shall constitute a separate and distinct violation.

(1) An increased fine schedule shall be imposed for repeat violations of this section.

(2) As used in this section, "repeat violation" means a violation committed within ninety (90) days of an admission or determination of responsibility for a violation of this section occurring upon the same property.

(3) The increased penalty for a repeat violation shall be a civil fine of $2,500, plus costs imposed by the court.

(4) If a fourth violation occurs within a 12-month period, violation shall be a 93-day misdemeanor.

(g) *Distribution of fines collected*. Fines collected through enforcement of this section shall be separated and kept in an environmental project maintained by the City. Fines collected from a particular community in the City will be used in the community of the City where the violation occurred to fund projects and/or initiatives designed to address public health, pollution prevention, pollution reduction, and environmental restoration and protection.

(1) For the purposes of this section, the following definitions shall apply:

a. *Community* shall mean those areas of the City as identified in the Community Boundaries map included with this section. These communities are identified as:

1. Cherry Hill

2. West Michigan Business

3. Princeton-Carlysie
4. Edison-Snow
5. Fairlane
6. Fordson West
7. Fordson East
8. Springwells
9. Salina

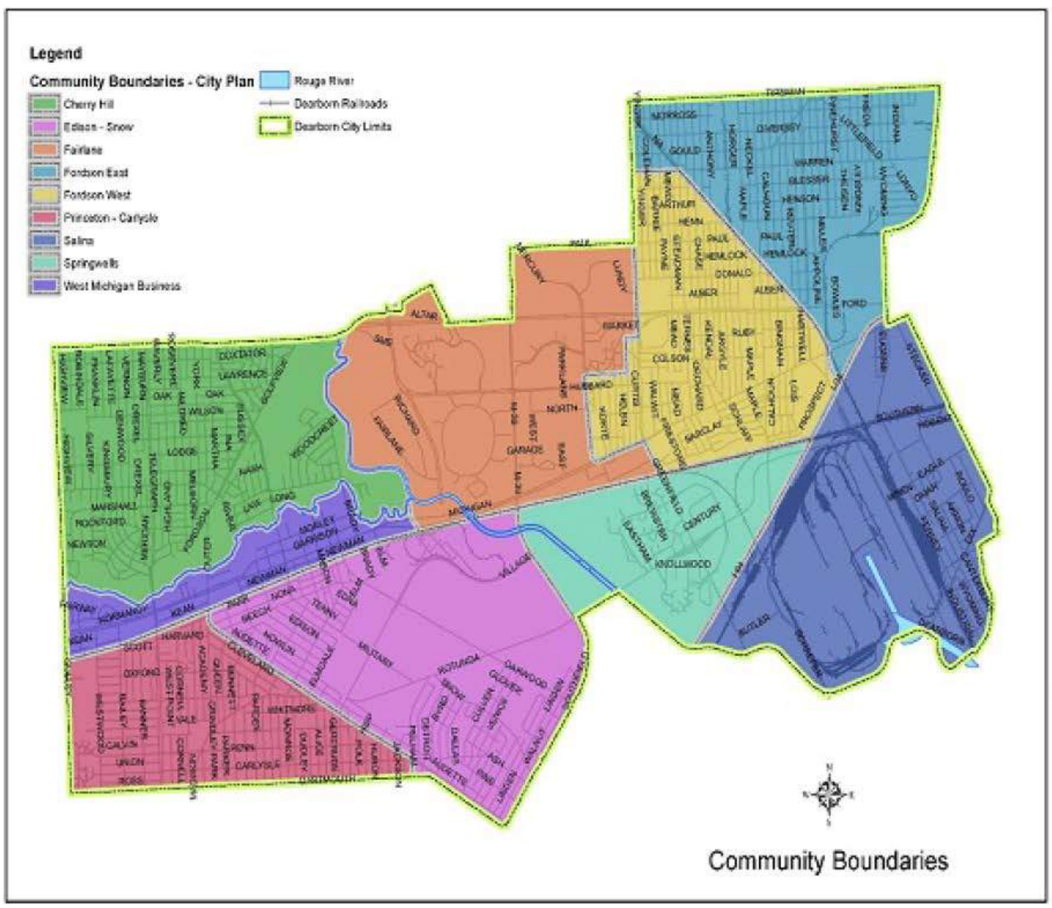
b. *Public health projects* shall include those that provide diagnostic, preventative and/or health care treatment related to the actual or potential harm to human health caused by the violation. This includes, but is not limited to, epidemiological data collection and analysis, medical examinations of potentially affected persons, collection and analysis of blood/fluid/tissue samples, medical treatment and rehabilitation therapy. Examples of qualifying projects include, but are not limited, blood level testing, asthma screening and treatment, mobile health clinics, and mosquito eradication programs.

c. *Pollution prevention projects* prevent pollution at its source before it is generated. They include any practice that reduces the quantity and/or toxicity of pollutants entering a waste stream prior to recycling, treatment, or disposal. After the pollutant or waste stream has been generated pollution prevention is no longer possible, and the waste must be handled by appropriate recycling, treatment, containment, or disposal methods (i.e., pollution reduction). Examples of qualifying projects include, but are not limited to, those that replace or reduce the use of traditional energy sources with alternative energy sources or that implement energy efficiency activities, potentially reducing air pollutants associated with electrical power generation and greenhouse gases that contribute to climate change. The goal of any pollution prevention project should be the overall decrease in the amount and/or toxicity of pollution produced and released into the environment, not merely a transfer of pollution among various environmental mediums such as air, water, or land.

d. *Pollution reduction projects* seek to recycle, treat, contain, or dispose of pollutants and/or waste streams that have already been generated and/or released. A pollution reduction project is one which results in a decrease in the amount and/or toxicity of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise being released into the environment by an operating business or facility by a means which does not qualify as pollution prevention. Examples of pollution reduction projects include, but are not limited to, installation of a more effective end-of-process control or treatment technology, improved containment, or safer disposal of an existing pollutant source, and out-of-process recycling, wherein industrial waste collected after the manufacturing process and/or consumer waste materials are used as raw materials for off-site production.

e. *Environmental restoration and protection projects* are those that enhance the condition of the ecosystem or immediate geographic area adversely affected by the violation. These projects may be used to restore or protect natural environments and address environmental contamination and similar issues in man-made environments, and may include any project that protects the ecosystem from actual or potential damage resulting from the violation or that improves the overall condition of the ecosystem. Examples of such projects include, but are not limited to: restoration of a wetland in the same ecosystem along the same avian flyway in which the facility is located, or purchase and management of a watershed area to protect a drinking water supply where a violation could potentially lead to damage due to unreported discharges.

(h) In addition to any civil fines, the City may seek other remedies permitted by law including, but not limited to, abatement of the condition as provided in sections 13-5, 13-5.1, 13-5.2, 13-8, and 13-9, imposition of restitution, or any other relief provided by law. The cost of abatement by the City, together with an amount of $75.00 per invoice to cover administrative costs and expenses, shall be charged against the owner or occupant of the property and the property itself where the nuisance is located or that is causing and/or contributing to the nuisance, in accordance with Chapter 13 of the Dearborn Code of Ordinances. Any and all costs incurred by the City in the abatement of a nuisance under the provisions of this section shall constitute a lien against the property upon which such nuisance existed



(Ord. 20-1680, 8-25-2020; Ord. 21-1708, 5-22-2021)

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Amend the Code of Ordinances to add Chapter 20, Secs. 20-1 to 20-6, titled "Transition Following an Election."

DEPARTMENT: Council Office

BRIEF DESCRIPTION: The proposed Ordinance establishes policies and procedures to help with the transition and preparation of a newly elected mayor, council member or clerk for their duties and responsibilities prior to formally assuming their office.

PRIOR COUNCIL ACTION: There has been no prior council action on this item.

BACKGROUND: The proposed ordinance creates a formal transition process for newly elected officials by:

1) Establishing a transition period beginning the day after the election canvass has been certified by the board of state canvassers, and lasting until January 1 of the year immediately following the election;
2) Creating a "transition officer" who is responsible for holding an orientation/information meeting for the mayor-elect, council members-elect and clerk-elect;
3) Establishing an office of the mayor-elect, council members-elect and clerk-elect;
4) Requiring that newly elected officials be provided: the budget and contact information for appointed positions; identification of appointed positions; contact information for current elected officials; conflict of interest and ethics rules applicable to elected officials; up-to-date and complete copies of the city budget and tax rates, city annual comprehensive financial report, city actuarial reports; a list of all city board and commission members; any other public information reasonably requested

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FISCAL IMPACT: N/A

COMMUNITY IMPACT: N/A

IMPLEMENTATION TIMELINE: This is an ordinance that requires two readings.

COMPLIANCE/PERFORMANCE METRICS:

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Council President

SUBJECT: Election Transition Ordinance

DATE: December 30, 2024

BACKGROUND: Currently, there is no established procedure in the City to prepare newly elected officials with the transition process to office following election.

PROPOSED ORDINANCE: The proposed ordinance creates a formal transition process that does the following:

1) Establishes a transition period that begins the day after the election canvass has been certified by the board of state canvassers, and lasts until January 1 of the year immediately following the election;

2) Creates a "transition officer" who is responsible for holding an orientation/information meeting for the mayor-elect, council members-elect and clerk-elect;

3) Establishes an office of the mayor-elect, council members-elect and clerk-elect;

4) Requires that newly elected officials be provided: the budget and contact information for appointed positions; identification of appointed positions; contact information for current elected officials; conflict of interest and ethics rules applicable to elected officials; up-to-date and complete copies of the city budget and tax rates, city annual comprehensive financial report, city actuarial reports; a list of all city board and commission members; any other public information reasonably requested

A copy of the Ordinance is attached.

Respectfully submitted,

MICHAEL T. SAREINI
Council President

ORDINANCE NO. 25-__________

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES BY ADDING CHAPTER 20, SECTIONS 20-1 to 20-6, TITLED "TRANSITION FOLLOWING AN ELECTION"

THE CITY OF DEARBORN ORDAINS TO:

Amend the Code of Ordinances as follows:

Chapter 20 – Transition Following an Election

ARTICLE I. - IN GENERAL

Sec. 20-1. - Purpose.

The purpose of this chapter is to establish policies and procedures to help prepare a newly elected mayor, council member, or clerk for their duties and responsibilities prior to formally assuming their offices.

Sec. 20-2. – Transition Period.

For the purpose of this chapter, the "transition period" referenced herein shall mean the period from the day after the election canvass has been certified by the board of state canvassers until twelve noon on January first of the year immediately following the election.

Sec. 20-3. – Transition Officer.

The "transition officer" shall be the chief of staff.

The transition officer shall notify current and incoming elected officials of such designation and shall provide the transition officer's name and contact information to all incoming city elected officials.

The transition officer shall, within ten (10) from the start of the transition period, set orientation and hold an information meeting for the mayor-elect, council members-elect, and clerk-elect. The transition officer shall notify current elected officials that the orientation process has been initiated.

Sec. 20-4. – Establishment of the Offices-Elect.

During the transition period there is hereby established an office of the mayor-elect (1), council members-elect (7), and clerk-elect (1). The offices-elect shall be afforded equal office space in the City's main administrative building to work and carry out its function at no cost. The scheduling of briefings with department directors and others as deemed appropriate shall be through the current mayor or their chief of staff.

Sec. 20-5. – Public Information for Newly Elected Officials.

The mayor-elect, council members-elect, and clerk-elect shall be provided the following information, including, but not limited to:

1. A list of appointed city positions, including:

    a. The budget for the appointed positions and associated details and the contact information for each incumbent serving in an appointed position, and

    b. Identification of appointed positions subject to the advice and consent of the city council.

2. Contact information for the current mayor, city council members, clerk and each department director;

3. Conflict of interest and ethics rules applicable to elected officials;

4. The most up-to-date and complete copies of the following:

    a. City budget and tax rates;

    b. City Annual Comprehensive Financial Report;

    c. City Actuarial Reports for:

        i. The Policemen's and Firemen's Retirement System ("Chapter 21")

        ii. The City of Dearborn Retirement System ("Chapter 22")

        iii. The Police and Fire Revised Retirement System ("Chapter 23")

        iv. The Poste Employment Healthcare Fund

        v. The Municipal Employees' Retirement System of Michigan ("MERS") for Police and Fire.

5. The most up-to-date and complete list of all city boards and commissions, a list of current board and commission members on each public body, the duration of each members appointment, and a list of those members who are appointed by the mayor and city council.

6. Any other public information reasonably requested by the mayor-elect, council members-elect, and/or clerk-elect.

Sec. 20-6. – Non-Interference.

The offices of the mayor-elect, council members-elect, and clerk-elect shall not interfere directly or indirectly with the conduct of any city department. This provision does not preclude the offices-elect from making requests in writing to the mayor or their chief of staff, council office, or clerk's office.

OFFICE OF THE 34TH CITY COUNCIL

IMMEDIATE EFFECT

To: City Clerk

From: 34th Dearborn City Council

Date: January 17, 2025

Subject: Request for extension to requesting an extension of time to submit initial plans.

REQUEST: First request for an extension of time to submit initial plans for 24720 Cherry, 2734 Hubbard, 24600 Calvin, 24705 Cooke, and 24622 Chicago. The request is being made by architect Bilal Hakim on behalf of property owner Mohammed Alysofi.

BACKGROUND:

On March 1, 2024, Council authorized the sale of 24720 Cherry, 2734 Hubbard, 24600 Calvin, 24705 Cooke, and 24622 Chicago to Mohammed Alysofi. Under the current Land Sale Guidelines, the deadline to submit initial plans was December 21, 2024.

The Department of Law sent letters and an email to Mr. Alysofi in advance of the deadline reminding Mr. Alysofi of the deadline, but received no reply.

On January 16, 2025, the Department of Law was contacted by Bilal Hakim, architect for Mr. Alysofi, requesting an extension of time to submit initial plans.

LAND SALE GUIDELINES:

Under the current Land Sale Guidelines, the purchaser may request one administrative extension of no greater than 90-days. The request must be submitted at least 30 days prior to the deadline to submit initial plans, and must be accompanied by payment of $250 for processing. In this case, the deadline for the administrative extension request was November 21, 2024.

Because Mr. Hakim missed the extension deadline, he must now seek Council approval for an extension of time to submit initial plans.

The Department of Law recommends that if Council approves Mr. Hakim's request, such grant be conditioned on the payment of $250 per property, for a total of $1,000, pursuant to the current Land Sale Guidelines.

Michael T. Sareini
Council President

OFFICE OF THE 34TH CITY COUNCIL

IMMEDIATE EFFECT

To: **City Clerk**

From: **34th Dearborn City Council**

Date: **January 17, 2025**

Subject: **Request for extension to commence construction located at 1810**

REQUEST: Third 6-month extension to commence construction at 1810 Canterbury by Alex Awad. The new deadline would be June 19, 2025.

BACKGROUND:

Council authorized the sale of 1810 Canterbury to Pureland Properties, LLC, by its president Aref Adnan Awad, for the construction of a single-family house. The closing took place on January 19, 2023, with a deadline to commence construction 12 months later on January 19, 2024. That deadline was controlled by the City's old Land Sale Guidelines.

In January 2024, Council granted Mr. Awad's first request for a 6-month extension to commence, which moved the deadline to July 19, 2024. This was done to align with the City's current Land Sale Guidelines. (C.R. 1-36-24).

In July 2024, Council granted Mr. Awads second request for a 6-month extension to commence construction, moving the deadline to January 19, 2025. (C.R. 8-418-24).

Mr. Awad is now requesting a third 6-month extension to commence construction, which move the deadline to June 19, 2025.

LAND SALE GUIDELINES:

According to the current Land Sale Guidelines, Council must consider the following factors in reviewing an extension request:

1) Does the applicant have good cause for the request?

2) Has the applicant purchased property from the City in the past? If so, how has the applicant performed in the past?

3) Have extensions been requested/granted in the past?

In addition, a processing fee of $500 plus an extension fee of 1% of the original property sale price per month of the requested extension must accompany Mr. Awad's request. Based on Mr. Awad's request, he owes a total of **$1,214.00** to process his request ($500 processing fee + $119/month x 6 months).

____

Michael T. Sareini
Council President

C.R. 1-16-25

EXECUTIVE SUMMARY AND MEMORANDUM

ORDINANCE NO. 25-1835

REQUEST: Amend the Code of Ordinances to add Chapter 20, Secs. 20-1 to 20-6, titled "Transition Following an Election."

DEPARTMENT: Council Office

BRIEF DESCRIPTION: The proposed Ordinance establishes policies and procedures to help with the transition and preparation of a newly elected mayor, council member or clerk for their duties and responsibilities prior to formally assuming their office.

PRIOR COUNCIL ACTION: There has been no prior council action on this item.

BACKGROUND: The proposed ordinance creates a formal transition process for newly elected officials by:

1) Establishing a transition period beginning the day after the election canvass has been certified by the board of state canvassers, and lasting until January 1 of the year immediately following the election;
2) Creating a "transition officer" who is responsible for holding an orientation/information meeting for the mayor-elect, council members-elect and clerk-elect;
3) Establishing an office of the mayor-elect, council members-elect and clerk-elect;
4) Requiring that newly elected officials be provided: the budget and contact information for appointed positions; identification of appointed positions; contact information for current elected officials; conflict of interest and ethics rules applicable to elected officials; up-to-date and complete copies of the city budget and tax rates, city annual comprehensive financial report, city actuarial reports; a list of all city board and commission members; any other public information reasonably requested

FISCAL IMPACT: N/A

COMMUNITY IMPACT: N/A

IMPLEMENTATION TIMELINE: This is an ordinance that requires two readings.

COMPLIANCE/PERFORMANCE METRICS:

1/14/25
Intro: HER
Table: ENOS/PAR

EXECUTIVE SUMMARY AND MEMORANDUM

TO: **City Council**

FROM: **Council President**

SUBJECT: **Election Transition Ordinance**

DATE: **December 30, 2024**

BACKGROUND: Currently, there is no established procedure in the City to prepare newly elected officials with the transition process to office following election.

PROPOSED ORDINANCE: The proposed ordinance creates a formal transition process that does the following:

1) Establishes a transition period that begins the day after the election canvass has been certified by the board of state canvassers, and lasts until January 1 of the year immediately following the election;

2) Creates a "transition officer" who is responsible for holding an orientation/information meeting for the mayor-elect, council members-elect and clerk-elect;

3) Establishes an office of the mayor-elect, council members-elect and clerk-elect;

4) Requires that newly elected officials be provided: the budget and contact information for appointed positions; identification of appointed positions; contact information for current elected officials; conflict of interest and ethics rules applicable to elected officials; up-to-date and complete copies of the city budget and tax rates, city annual comprehensive financial report, city actuarial reports; a list of all city board and commission members; any other public information reasonably requested

A copy of the Ordinance is attached.

Respectfully submitted,

MICHAEL T. SAREINI
Council President

AMENDED 1/10/25

Changes from 1/9/25 COW in BLUE

ORDINANCE NO. 25-1835

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES BY ADDING CHAPTER 20, SECTIONS 20-1 to 20-6, TITLED "TRANSITION FOLLOWING AN ELECTION"

THE CITY OF DEARBORN ORDAINS TO:

Amend the Code of Ordinances as follows:

Chapter 20 – Transition Following an Election

ARTICLE I. - IN GENERAL

Sec. 20-1. - Purpose.

The purpose of this chapter is to establish policies and procedures to help prepare a newly elected mayor, council member, or clerk for their duties and responsibilities prior to formally assuming their offices.

Sec. 20-2. – Transition Period.

For the purpose of this chapter, the "transition period" referenced herein shall mean the period from the day after the election canvass has been certified by the board of state canvassers until twelve noon on January first of the year immediately following the election.

Sec. 20-3. – Transition Officer.

The "transition officer" shall be the chief of staff.

The transition officer shall notify current and incoming elected officials of such designation and shall provide the transition officer's name and contact information to all incoming city elected officials.

The transition officer shall, within ten (10) days from the start of the transition period, set orientation and hold an information meeting for the mayor-elect, council members-elect, and clerk-elect. The transition officer shall notify current elected officials that the orientation process has been initiated.

Sec. 20-4. – Establishment of the Offices-Elect.

During the transition period there is hereby established an office of the mayor-elect (1), council members-elect (7), and clerk-elect (1). The offices-elect shall be afforded equal office space in the City's main administrative building to work and carry out its function at no cost. The scheduling of briefings with department directors and others as deemed appropriate shall be through the current mayor or their chief of staff.

Sec. 20-5. – Public Information for Newly Elected Officials.

The mayor-elect, council members-elect, and clerk-elect shall be provided the following information, including, but not limited to:

1. A list of appointed city positions, including:

    a. The budget for the appointed positions and associated details and the contact information for each incumbent serving in an appointed position, and

    b. Identification of appointed positions subject to the advice and consent of the city council.

2. Contact information for the current mayor, city council members, clerk and each department director;

3. Conflict of interest and ethics rules applicable to elected officials;

4. The most up-to-date and complete copies of the following:

    a. City budget and tax rates;

    b. City Annual Comprehensive Financial Report;

    c. City Actuarial Reports for:

        i. The Policemen's and Firemen's Retirement System ("Chapter 21")

        ii. The City of Dearborn Retirement System ("Chapter 22")

        iii. The Police and Fire Revised Retirement System ("Chapter 23")

        iv. The ~~Poste Employment~~ Post-Employment Healthcare Fund

        v. The Municipal Employees' Retirement System of Michigan ("MERS") for Police and Fire.

5. The most up-to-date and complete list of all city boards and commissions, a list of current board and commission members on each public body, the duration of each members appointment, and a list of those members who are appointed by the mayor and city council.

6. Any other public information reasonably requested by the mayor-elect, council members-elect, and/or clerk-elect.

Sec. 20-6. – Non-Interference.

The offices of the mayor-elect, council members-elect, and clerk-elect shall not interfere directly or indirectly with the conduct of any city department. This provision does not preclude the offices-elect from making requests in writing to the mayor or their chief of staff, council office, or clerk's office.

C.R. 1-17-25

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

ORDINANCE NO. 25-1836

REQUEST: Zoning Language Amendment: Permitting Indoor Recreation in the IA District – Amending Article 18.00.

DEPARTMENT: Economic Development

BRIEF DESCRIPTION:

- The IA (Light Industrial) district has primarily been a warehousing district which has been difficult to repurpose for other uses.
- Structures that are best suited for indoor recreational facilities are designed as open, expansive, warehouses. These types of buildings are common in the IA district.
- Indoor recreation facilities are currently only permitted as a special land use in the BB and BC District, but it has been challenging to find appropriate locations.
- The Planning Commission recommended approval of the request at the December 10th, 2024 meeting.
- The Planning & Zoning Division recommended approval to the Planning Commission.

PRIOR COUNCIL ACTION: N/A

BACKGROUND:

- Many IA (Light Industrial) zoned properties have lost their former purpose due to recent economic shifts.
- It is common in other municipalities for their lighter industrial/manufacturing districts to permits a wider diversity of uses.
- Indoor recreation facilities have site development standards, and would be considered a special land use, to help ensure appropriate sites are selected.

FISCAL IMPACT: N/A

COMMUNITY IMPACT:

Adopting this amending can help facilitate adaptive reuse of existing buildings and reduce the amount of vacant buildings.

IMPLEMENTATION TIMELINE:

Requires two readings by City Council.

COMPLIANCE/PERFORMANCE METRICS: N/A

1/14/25
Intro: HAM
Table: ENOS/ALS

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Planning Commission

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Zoning Language Amendment:

DATE: January 9th, 2025 (COW)

Background:

Many IA- Light Industrial zoned properties throughout the City have lost their former purpose due to economic shifts over the past several decades. It has been challenging to get these buildings re-purposed due to the limited amount of uses that are permitted in IA district.

In some municipalities the lighter industrial/manufacturing district permits a wider diversity of uses. While it is intended for Dearborn's IA district to go through a more comprehensive overhaul after the completion of the Master Plan, it is recommended at this time that the ordinance be modified to allow indoor recreation as a Special Land Use in the IA district. Structures that are best suited for indoor recreational facilities are those are designed as an open, expansive, warehouse. These types of buildings are common in the IA district. Additionally, it can be challenging to fit this type of use in the commercial zoning districts due to the amount of square footage that is needed.

In addition to being a Special Land Use, there are also specific site development standards that apply to indoor recreational facilities that would help ensure appropriate sites are selected. Those standards are as follows:

Indoor recreation facilities: Indoor recreation facilities such as, but not limited to, bowling establishments, indoor archery ranges, indoor tennis courts, indoor skating rinks, and similar indoor recreation uses shall comply with the following regulations:

- Indoor recreation uses shall be set back a minimum of fifty (50) feet from any property line that abuts a residential district.
- The location, design, and operation of an indoor recreation use shall not adversely affect the continued use, enjoyment, and development of adjacent properties. In considering this requirement, particular attention shall be focused on the adverse impact resulting from loitering on the premises.
- Indoor recreation uses shall have direct access onto a major thoroughfare

ECONOMIC DEVELOPMENT

EXECUTIVE SUMMARY AND MEMORANDUM

Recommendation:

After due consideration and a public hearing on December 10th, 2024 the following recommendation was made by the Planning Commission:

A motion was made by Commissioner Abdallah, supported by Commissioner Saymuah to approve the ordinance amendment for Section 18.00. Upon roll call the following vote was taken: Ayes: (6) (Commissioners Abdallah, Easterly, Fadlallah, Kadouh, King, and Saymuah). Absent: (2) (Commissioner Aljahmi & Phillips). The motion was adopted.

Signature Page

Prepared by:

Kaileigh Bianchini

KAILEIGH BIANCHINI, AICP
Planning and Zoning Manager

Approved:

JORDAN TWARDY
Economic Development Director

DocuSigned by:
Jeremy Romer
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JEREMY ROMER
Corporation Counsel

Exhibit B-2

ORDINANCE NO. 25-1836
AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF DEARBORN BY AMENDING ARTICLE 18.00, ENTITLED "I-A, LIGHT INDUSTRIAL DISTRICT"

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 18.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 18.00: IA, Light Industrial District

Sec. 18.02. - Permitted uses and structures.

A. **Principal uses and structures.** In all areas zoned I-A, Light Industrial District, no building shall be erected, used, or structurally altered, nor shall the land or premises be used in whole or in part, except for one (1) or more of the following principal permitted uses:

1. Any use charged with the principal function of basic research, design and pilot or experimental product development when conducted within a completely enclosed building. The growing of any vegetation requisite to the conducting of basic research shall be excluded from the requirement of enclosure.

2. Any use as permitted and regulated in the T-R, Technology and Research District and O-S, Business Office District as long as it primarily services the employees of the principal I-A use.

3. Research and office uses related to permitted industrial operations.

4. Any of the following uses when conducted wholly within a completely enclosed building:

(a) Warehousing and wholesale establishments, tool, die, gauge and machine shops.

(b) The manufacture, compounding, processing, packaging or treatment of such products as: cosmetics, pharmaceutical, toiletries, food products, hardware and household supplies.

(c) The manufacture, compounding, assembling or treatment of articles or merchandise from the following previously prepared materials: bone, canvas, cellophane, cloth, cork, feathers, felt, fiber, fur, glass, hair, horn, leather, paper, plastics, precious or semi-precious metals or stones, sheet metal (excluding large stampings such as automobile fenders or bodies), ferrous and nonferrous metals (excluding large castings and fabrications), shell, textiles, tobacco, wax, wire, wood (excluding saw and planing mills), and yams.

(d) The manufacture of pottery and figures or other similar ceramic products using only previously pulverized clay and kilns fired only by electricity or gas.

(e) Manufacture of musical instruments, toys, novelties, and metal or rubber stamps or other small molded rubber products (not including pneumatic tires).

(f) Manufacture or assembly of electrical appliances, electronic instruments and devices, radios and phonographs.

(g) Laboratories—Experimental, film or testing.

(h) Mini-warehouses subject to the provisions in Section 7.02K.

(i) Labs.

(j) Data processing.

5. Warehouse, storage and transfer uses and electric and gas service buildings, public utility buildings, telephone exchange buildings, electrical transformer stations and substations and gas regulator stations, provided that outside storage is not permitted for any of these uses.

6. The parking of trucks and truck trailers incidental to any of the above permitted uses, not to exceed seven (7) continuous days.

7. Commercial kennels subject to the provisions in Section 7.02J.

8. Uses and structures accessory to the above, subject to the provisions in Section 2.03. Accessory office and sales operations may be permitted where such activities are clearly incidental to the principal industrial use, subject to the provisions in Section 7.04.

9. Regional newspaper distribution centers, provided that loading and unloading area is provided on the site.

10. Tree trimming services.

B. **Uses prohibited.** Manufacturing development which creates unusual danger from fire, explosions, toxic and noxious matter, radiation and other hazards and which cause noxious, offensive, unhealthful and harmful odors, fumes, dust, smoke, light, waste, noise or vibration is prohibited.

C. **Special land uses.** The following uses may be permitted subject to the conditions specified for each use, review and approval of the site plan, any special conditions imposed during the course of review, and the provisions set forth in Article 32.00.

1. Automobile repair garages, including minor and major repair, subject to the provisions in Section 7.02B., and provided that all operations are carried on within a completely enclosed building.

2. Radio and television transmitting and receiving towers, subject to the provisions in Section 7.02P.

3. Metal plating, buffing, and polishing operations.

4. Construction equipment and related equipment sales, leasing, and storage, subject to the following conditions:

(a) Where feasible, equipment shall be stored inside. Open storage structures may be permitted by the plan commission, provided that such structures are enclosed on three (3) sides and have a roof.

(b) Storage yards shall be screened from any abutting public or private road in accordance with Section 5.02E.

5. Contractor's storage yards, provided that such yards are completely enclosed within an eight (8) foot masonry wall or screening, in accordance with Section 5.02(E).

6. Millwork, lumber, and planing mills when completely enclosed and located on the interior of the district so that no property line forms the exterior boundary of the I-A District.

7. Retail sales, gun ranges, commercial service, storage, or repair of any firearms, handguns, long guns, rifles, shotguns, ammunition, gun powder, explosives or blasting agents as partial or sole use of an individual structure or building subject to not being located closer than a seven-hundred-(700)-foot radius distance to the nearest residential zoning district, residential land use, church or place of worship, and public or private school.

8. Day laborer agencies.

9. Accessory retail or service uses that are intended to serve the occupants and patrons of the principal use, provided that any such use shall be an incidental use occupying no more than five percent (5%) of a building that accommodates a principal permitted use. Permitted accessory retail and service uses shall be limited to the following:

(a) Retail establishments that deal directly with the consumer and generally serve the convenience shopping needs of workers and visitors, such as convenience stores, drug stores, uniform supply stores, or similar retail businesses.

(b) Personal service establishments which are intended to serve workers or visitors in the district, such as dry cleaning establishments, travel agencies, tailor shops, or similar service establishments.

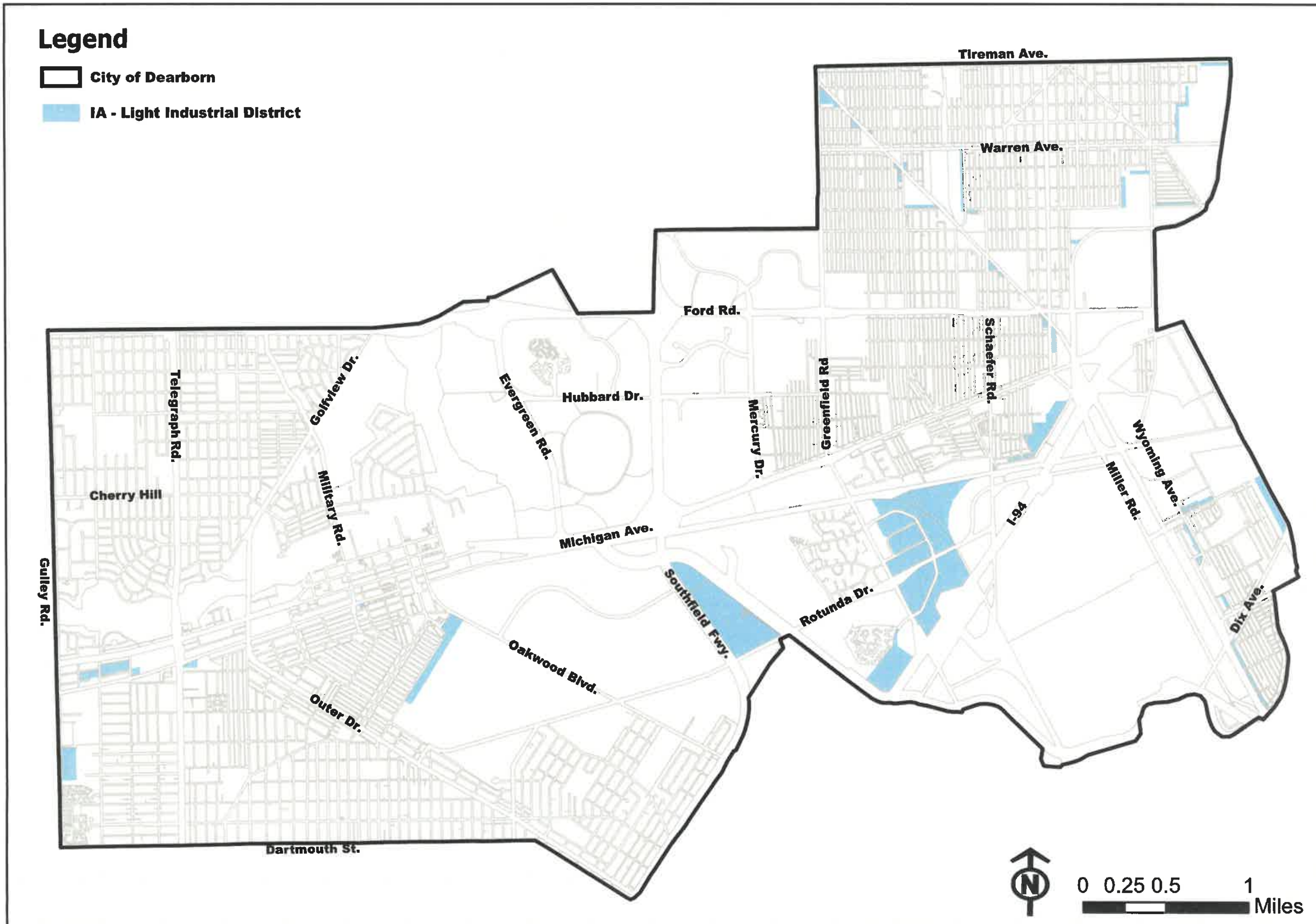
(c) Restaurants, cafeterias, or other places serving food and beverages for consumption within the building.

(d) Financial institutions, including banks, credit unions, and savings and loan associations.

10. Indoor Recreation Facilities, in the IA District only, subject to the provisions in Section 7.02 Q(2).

(Ord. No. 00-831, 11-8-2000; Ord. No. 15-1485, 9-22-2015; Ord. No. 16-1524, 3-15-2016)

Zoning Language Amendment - *IA-Zoned Properties*



DEARBORN PLANNING COMMISSION | Dec. 9, 2024 | CASE. NO. 24-20 | EXHIBIT B-3

C.R. 1-18-25

REVISED 1/9/25 COW

EXECUTIVE SUMMARY AND MEMORANDUM

LAW

ORDINANCE NO. 25-1837

REQUEST: Amend Code of Ordinances Sec. 13-5.3, commonly referred to as the "Fugitive Dust Ordinance."

DEPARTMENT: Law and Economic Development

BRIEF DESCRIPTION: The proposed amendment allows the city to issue a citation in lieu of a notice of violation (NOV) if the same violation for which the NOV was issued occurs again within 18 months of the original NOV.

PRIOR COUNCIL ACTION: Ordinance was originally adopted 8/25/2020 (Ord. 20-1680), and last amended 5/22/2021 (Ord. 21-1708).

BACKGROUND: The Fugitive Dust Ordinance is one of two ordinances that address fugitive dust, the other being the more recently adopted Bulk Storage Ordinance, and regulates track-out, fugitive dust and other airborne materials from paved, unpaved, partially paved and storage lots by:

1) Requiring vehicles transporting materials to cover the materials if they create dust, debris, smoke, odor, vapor or gaseous substance that interferes with traffic or obstructs the view of drivers;
2) Prohibiting trucks from causing track-out of materials onto the public way;
3) Requiring the owner/operator of any lot that uses vehicle transportation of materials to have all outgoing vehicles pass over rumble strips and through a wheel-wash station; and
4) Requiring the proper disposal of materials removed from vehicles in a manner that complies with all state and local code requirements.

Violations are punishable as a civil infraction with an escalating fine, beginning as $1,000 and increasing to $2,500 for repeat violations. A fourth violation within a 12-month period is punishable as a misdemeanor.

The Department of Economic Development is responsible for enforcement of the ordinance.

FISCAL IMPACT: N/A

COMMUNITY IMPACT: Fines collected through enforcement are maintained in an environmental fund, and used to fund projects and/or initiatives that address public health, pollution prevention and reduction, and environmental restoration and protection in the City.

IMPLEMENTATION TIMELINE: This is an ordinance amendment that requires two readings to go into effect.

COMPLIANCE/PERFORMANCE METRICS: N/A

1/14/25

Intro: HER
Table: ALS/ENOS

LAW

EXECUTIVE SUMMARY AND MEMORANDUM

REVISED 1/9/25 COW

TO:	**City Council**
FROM:	**Corporation Counsel**
VIA:	**Mayor Abdullah H. Hammoud**
SUBJECT:	**Fugitive Dust Ordinance**
DATE:	**January 10, 2025**

BACKGROUND:

The Fugitive Dust Ordinance is one of two ordinances that address fugitive dust in the City (the other being the more recently adopted Bulk Storage Ordinance), and regulates track-out, fugitive dust and other airborne materials from paved, unpaved, partially paved and storage lots by:

1) Requiring vehicles transporting materials to cover the materials if they create dust, debris, smoke, odor, vapor or gaseous substance that interferes with traffic or obstructs the view of drivers;
2) Prohibiting trucks from causing track-out of materials onto the public way;
3) Requiring the owner/operator of any lot that uses vehicle transportation of materials to have all outgoing vehicles pass over rumble strips and through a wheel-wash station; and
4) Requiring the proper disposal of materials removed from vehicles in a manner that complies with all state and local code requirements.

AMENDMENT: The proposed amendment modifies the notice of violation process in Sec.13-5.3(d), and allows the city to issue a citation in lieu of a notice of violation (NOV) if the same violation for which the NOV was originally issued occurs again within 18 months of the NOV being issued.

A copy of the amended ordinance is attached.

Respectfully submitted,

DocuSigned by:
Bradley Mendelsohn
4FEFF229CD984BA...
BRADLEY J. MENDELSOHN
Deputy Corporation Counsel

APPROVAL/CONCURRENCE:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460...
JEREMY J. ROMER
Corporation Counsel

AMENDED 1/10/25

Changes from 1/9/25 COW in BLUE

ORDINANCE NO. 25-1837

AN ORDINANCE TO AMEND CHAPTER 13 BY AMENDING SECTION 13-5.3 OF THE CODE OF ORDINANCES OF THE CITY OF DEARBORN, ENTITLED "DUST CONTROL; PAVED, PARTIALLY PAVED, UNPAVED, AND STORAGE LOTS"

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 13, section 13-5.3 to read as follows:

Sec. 13-5.3 – Fugitive dust ~~Dust~~ control~~;~~ for paved, partially paved, unpaved~~,~~ and storage lots.

a) *Purpose and intent*. The purpose of this section is to regulate commercial parking and storage lots, including transportation to, from, and within these lots, in order to minimize the proliferation of dust, debris, odors, vapors, smoke, and vehicle track-out in the City.

The City finds that activities associated with these lots, including transportation, have the potential to create, or contribute to the creation of, dust, debris, odors, vapors, smoke, and vehicle track-out. The proliferation of dust, debris, odors, vapors, smoke, and vehicle track-out have the potential to create negative impacts on both residents and property. These include, but are not limited to, potential health hazards associated with inhaling fugitive dust, debris, odors, vapor, and smoke, which include pulmonary inflammation, asthma, and fibrosis. In addition, the accumulation of dust, debris, odors, vapors, smoke, and vehicle track-out negatively impacts the enjoyment of life and property, and tends to depreciate the value of the property of others near these lots.

This section prescribes reasonable regulations to minimize dust, debris, odors, vapors, smoke, and vehicle track-out from commercial parking and storage lots, and applies to any owner, operator, or other person who owns, manages, leases, rents, or occupies any commercial or storage lot, including any person that transports materials to, from, or within these lots.

b) *Nuisance prohibited*. It shall be unlawful for any person, including any partnership, corporation, association, or agent thereof who owns, manages, leases, rents, or occupies any paved, unpaved, or partially paved commercial parking or storage lot(s) to cause, permit, maintain, or allow any condition(s) to exist on said lots which creates or contributes to the creation of a nuisance as defined in section 13.1 above as a result of dust, debris, odors, vapors, smoke, or vehicle track-out.

(c) *Definitions*. For the purposes of this section, the following definitions shall apply:

(1) *Dust* means any solid particulate matter that becomes airborne or otherwise moves beyond the lot, facility, building, or structure property line or, if being transported by a vehicle, moves beyond the confines of the vehicle, by natural or human-made activities, excluding engine combustion exhaust and particulate matter emitted from a properly permitted exhaust stack equipped with a pollution control device.

(2) *Storage lot* shall mean any area in the City, whether publicly or privately owned, where any object, solid waste, industrial waste, scrap materials, industrial product or byproduct, containers, demolished building materials, Utter, or material of any kind that may be a detriment to the public health and safety or constitutes a nuisance is stored, placed, or kept for any amount of time. This shall include, but is not limited to, any roadway, highway, right-of-way, driveway, yard, building, structure, or other area where the aforementioned items are stored, placed, or kept.

(3) *Track-out* shall mean the carrying of mud, dirt, soil, or debris on vehicle wheels, slides, or undercarriages from a private, commercial, or industrial site onto a public road, right-of-way, or property of another.

(4) *Vapors* includes any gaseous substances emanating from the movement of materials by a vehicle. Vapors shall not include emissions or exhaust from a vehicle as long as the emissions or exhaust are within accepted guidelines under federal and state law.

(5) *Vehicle* is any car, truck, or railcar.

(d) *Notice of violation*. If a nuisance or condition(s) causing or contributing to a nuisance are discovered by an enforcement official, the enforcement official may issue a notice of violation to the person, including any partnership, corporation, association, or agent thereof who owns, manages, leases, rents, or occupies any paved, unpaved or partially paved commercial parking or storage lot(s), that requires elimination of the nuisance and/or condition(s) causing or contributing to the nuisance within 3 days of notification.

(1) Any steps taken to eliminate a nuisance and/or condition(s) causing or contributing to the nuisance must comply with all existing local, state, and federal laws.

(2) *Exception to notice of violation*. If pursuant to subsection (d) a notice of violation is issued and the violation is corrected, but the same violation occurs again within 18 months of the original notice of violation, it shall constitute a violation pursuant to subsection (f) of this ordinance.

(e) *Vehicles and transportation*.

(1) Any vehicle that is discovered to have dust, debris, smoke, odor, vapor, and/or gaseous substance coming from material(s) that it is carrying, hauling, or otherwise transporting, and that either causes or contributes to the creation of a nuisance or obstructs, impedes, or otherwise interferes with the normal flow of traffic or obstructs the

view of a driver in a different vehicle, must cover the material(s) to eliminate the nuisance caused by said dust, debris, smoke, odor, vapor, or gaseous substance while traversing public rights of way.

(2) When transportation to, from, or within an unpaved or partially paved commercial or storage lot is done by truck, the owner or operator of the lot shall ensure the following:

a. That the trucks will not cause any unaddressed track-out of materials onto the public way.

b. That all outgoing material transport trucks, whether loaded or empty, are cleaned so that any part of any tractor, bed, trailer, or tire exterior surface, excluding the inside of the beds or trailer, are free of all loose materials.

c. All outgoing material transport trucks, whether loaded or empty, pass over rumble strips that will vibrate the trucks and shake off loose materials and dust, and pass through a wheel wash station.

d. That any material removed by the truck cleaning operation, rumble strips, or a wheel wash station must be collected and recycled or otherwise disposed of in a manner that complies with all applicable state and local code requirements related to waste disposal, including the Michigan Building and Plumbing Code, and does not result in fugitive dust emissions or negative impacts on applicable sewars and drains.

(f) *Violation and penalty.* ~~Penalties.~~ Subject to subsection (d)(2), ~~Failure~~ failure to correct a violation within 3 days of the issuance of the notice identified in subsection (d) of this section shall constitute a violation, which ~~A violation of any provision of this ordinance is a~~ is punishable as a civil infraction punishable by a civil fine of $1,000, plus any costs imposed by the court. Each day ~~the~~ a violation continues shall constitute a separate and distinct violation.

(1) An increased fine schedule shall be imposed for repeat violations of this section.

(2) As used in this section, "repeat violation" means a violation committed within ninety (90) days of an admission or determination of responsibility for a violation of this section occurring upon the same property.

(3) The increased penalty for a repeat violation shall be a civil fine of $2,500, plus costs imposed by the court.

(4) If a fourth violation occurs within a 12-month period, violation shall be a 93-day misdemeanor.

(g) *Distribution of fines collected.* Fines collected through enforcement of this section shall be separated and kept in an environmental project maintained by the City. Fines collected from a particular community in the City will be used in the community of the City where the violation occurred to fund projects and/or initiatives designed to address public health, pollution prevention, pollution reduction, and environmental restoration and protection.

(1) For the purposes of this section, the following definitions shall apply:

a. *Community* shall mean those areas of the City as identified in the Community Boundaries map included with this section. These communities are identified as:

1. Cherry Hill
2. West Michigan Business
3. Princeton-Carlysie
4. Edison-Snow
5. Fairlane
6. Fordson West
7. Fordson East
8. Springwells
9. Salina

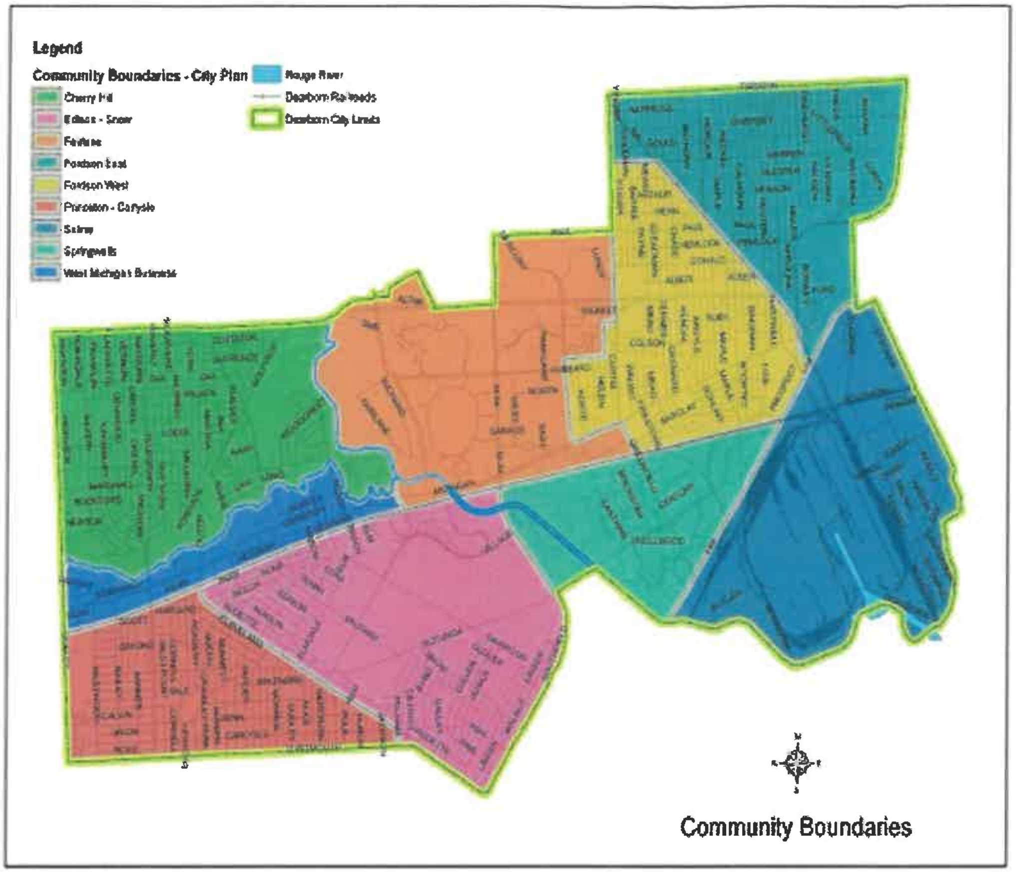
b. *Public health projects* shall include those that provide diagnostic, preventative and/or health care treatment related to the actual or potential harm to human health caused by the violation. This includes, but is not limited to, epidemiological data collection and analysis, medical examinations of potentially affected persons, collection and analysis of blood/fluid/tissue samples, medical treatment and rehabilitation therapy. Examples of qualifying projects include, but are not limited, blood level testing, asthma screening and treatment, mobile health clinics, and mosquito eradication programs.

c. *Pollution prevention projects* prevent pollution at its source before it is generated. They include any practice that reduces the quantity and/or toxicity of pollutants entering a waste stream prior to recycling, treatment, or disposal. After the pollutant or waste stream has been generated pollution prevention is no longer possible, and the waste must be handled by appropriate recycling, treatment, containment, or disposal methods (i.e., pollution reduction). Examples of qualifying projects include, but are not limited to, those that replace or reduce the use of traditional energy sources with alternative energy sources or that implement energy efficiency activities, potentially reducing air pollutants associated with electrical power generation and greenhouse gases that contribute to climate change. The goal of any pollution prevention project should be the overall decrease in the amount and/or toxicity of pollution produced and released into the environment, not merely a transfer of pollution among various environmental mediums such as air, water, or land.

d. *Pollution reduction projects* seek to recycle, treat, contain, or dispose of pollutants and/or waste streams that have already been generated and/or released. A pollution reduction project is one which results in a decrease in the amount and/or toxicity of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise being released into the environment by an operating business or facility by a means which does not qualify as pollution prevention. Examples of pollution reduction projects include, but are not limited to, installation of a more effective end-of-process control or treatment technology, improved containment, or safer disposal of an existing pollutant source, and out-of-process recycling, wherein industrial waste collected after the manufacturing process and/or consumer waste materials are used as raw materials for off-site production.

e. *Environmental restoration and protection projects* are those that enhance the condition of the ecosystem or immediate geographic area adversely affected by the violation. These projects may be used to restore or protect natural environments and address environmental contamination and similar issues in man-made environments, and may include any project that protects the ecosystem from actual or potential damage resulting from the violation or that improves the overall condition of the ecosystem. Examples of such projects include, but are not limited to: restoration of a wetland in the same ecosystem along the same avian flyway in which the facility is located, or purchase and management of a watershed area to protect a drinking water supply where a violation could potentially lead to damage due to unreported discharges.

(h) In addition to any civil fines, the City may seek other remedies permitted by law including, but not limited to, abatement of the condition as provided in sections 13-5, 13-5.1, 13-5.2, 13-8, and 13-9, imposition of restitution, or any other relief provided by law. The cost of abatement by the City, together with an amount of $75.00 per invoice to cover administrative costs and expenses, shall be charged against the owner or occupant of the property and the property itself where the nuisance is located or that is causing and/or contributing to the nuisance, in accordance with Chapter 13 of the Dearborn Code of Ordinances. Any and all costs incurred by the City in the abatement of a nuisance under the provisions of this section shall constitute a lien against the property upon which such nuisance existed



(Ord. 20-1680, 8-25-2020; Ord. 21-1708, 5-22-2021)