



COMMITTEE OF THE WHOLE

April 3, 2025

AGENDA

1. RESOLUTION BY COUNCILMEMBER ALSAWAFY SUPPORTED UNANIMOUSLY – Acknowledging Wayne Metro Liaisons Ali Khashab and Mohamed Othman for their continued residential support and assistance and requesting immediate effect.
2. RESOLUTION BY COUNCIL PRESIDENT SAREINI IN NEED OF SUPPORT – Proclaiming April 2025 to be National Arab American Heritage Month in the City of Dearborn and encouraging our entire community to commemorate this special observance.
3. RESOLUTION BY COUNCIL PRESIDENT SAREINI IN NEED OF SUPPORT – Recognizing April 2025 as National Autism Awareness Month in the City of Dearborn and calling this observance to the attention of all of our employees, residents, and members of the business community.
4. RESOLUTION BY COUNCIL PRESIDENT SAREINI IN NEED OF SUPPORT – Proclaiming the month of April 2025 as National Social Work Month in celebration and support of the Social Work Profession.
5. RESOLUTION BY COUNCIL PRESIDENT SAREINI IN NEED OF SUPPORT – Declaring April 28, 2025 as Worker’s Memorial Day in the City of Dearborn and requesting immediate effect.
6. PUBLIC COMMENT
7. RESOLUTION IN NEED OF OFFER AND SUPPORT – Approving the minutes of the previous regular meeting of March 18, 2025.

8. ECONOMIC DEVELOPMENT – Recommending
ORDINANCE NO. 25-1839 – IN NEED OF INTRODUCTION.
SYNOPSIS – “An Ordinance to amend the Zoning Ordinance of the City of Dearborn by amending Article 1.00, Entitled ‘Short Title, Rules of Construction and Definitions’, Article 4.00, Entitled ‘Off-Street Parking and Loading Requirements’, Article 7.00, Entitled ‘Site Development Standards Applicable to Specific Uses’, Article 16.00, Entitled ‘BC, General Business District’, and Article 18, Entitled ‘I-A, Light Industrial District’.”
RESOLUTION IN NEED OF OFFER AND SUPPORT – To table the Ordinance.

9. CORPORATION COUNSEL – Recommending
ORDINANCE NO. 25-1840 – IN NEED OF INTRODUCTION.
SYNOPSIS – “An Ordinance to Amend the Licenses and Business Regulations Chapter (Chapter 12) of the Code of Ordinances of the City of Dearborn by amending Article VII, Entitled ‘Street Vendors’.”
RESOLUTION IN NEED OF OFFER AND SUPPORT – To table the Ordinance.

10. PURCHASING – Requesting authorization to participate in the State of Michigan Road Salt Solicitation for the 2025-2026 winter season and commit to purchasing 3,000 tons of road salt for “early delivery” and 3,000 tons of road salt for “seasonal back-up” through the MiDeal Cooperative program and requesting immediate effect.

11. PURCHASING – Requesting to award a one-year contract, with up to four (4) one-year renewal options available, to Brantley Development, LLC and Ground Control Property Services, most responsive and responsible proposals, in an amount not to exceed \$160,000 for Immediate Abatement Services and requesting immediate effect. (32-5)

12. PURCHASING – Requesting to award a contract with four (4) one-year renewal options available, to University Lithoprinters, Inc., highest scoring bidder, for the Design, Print, and Mailing of the City of Dearborn Fall 2025/Winter 2026 City Magazine in the amount of \$76,835 and requesting immediate effect. [2-568 (6) a]

13. PURCHASING – Requesting to award a three-year contract, with one (1) three-year renewal option available to Nickel & Saph, Inc. (broker), lowest responsive and responsible bid, through Midwest Employers Casualty Company (carrier) (C.R. 3-91-24) in the annual amount of \$86,571 for the first year of Excess Worker’s Compensation Coverage, resulting in a new term valid July 1, 2025 through June 30, 2028.

14. PURCHASING – Requesting to extend the contract with Brantley Development for a term of one-year, with four (4) one-year renewal options available in an annual amount not to exceed \$160,859 for City-owned Vacant Lot Maintenance and requesting immediate effect. [2-568 (6) e]
15. FIRE – Requesting to accept the Michigan Department of Labor and Economic Opportunity Grant for Fire Department Facility Projects and Improvements in the amount of \$5,000,000, with no local match required; also requesting that the Finance Director or designee be authorized to recognize and appropriate the Grant funding in the amount of \$5,000,000 for Fire Department Facility Projects and Improvements.
16. FIRE – Requesting authorization for on and off duty members to conduct a “Stuff the Boot” fundraiser drive from May 2, 2025 through May 11, 2025 throughout the City for the Neighbors United Charitable Organization.
17. PARKS AND RECREATION – Having no objection to the request of Green Brain Comics to conduct their 24th Annual "Free Comic Book Day" event in the City-owned alley located north of Michigan Ave. between Middlesex and Horger St. from 4:00 PM on Friday, May 2, 2025 to 3:00 P.M. on Sunday, May 4, 2025; also requesting permission to erect a non-staked 20' x 40' tent in the City owned alley, 6 barricades delivered and picked up by the Department of Public Works, and a Noise Ordinance waiver for the duration of the event and requesting immediate effect.
18. FINANCE – Submitting FY2026 Bi-Annual Actuarial report for the City's Post Employment Health Care System.
19. FINANCE – Submitting FY2026 Annual Actuarial Reports for the City's Pension Systems.
20. FINANCE – Submitting Advisory Notice regarding Council Threshold Increase to the amount of \$35,500 for Fiscal Year 2026.
21. CORPORATION COUNSEL – Recommending to amend the Guidelines Regarding Side Yard Sales to create consistency with the Land Sales Guidelines for new single-family home construction and requesting immediate effect.

22. RESOLUTION BY COUNCIL PRESIDENT SAREINI IN NEED OF SUPPORT – Adopting the proposed Council Rules of Order by amending Sections 7.3, 8.1, and 8.12 and requesting immediate effect.
23. MAYOR – Requesting concurrence in the appointment of Alawi Saleh to the Traffic Commission with a term ending June 30, 2026 and requesting immediate effect.
24. MAYOR – Requesting concurrence in the appointment of Amie Kerek to the Dix – Vernor Business District with a term ending June 30, 2025 and requesting immediate effect.

PUBLIC COMMENT WILL FOLLOW ANY WALK-ON ITEMS



LAW

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Approval to amend the Guidelines Regarding Side Yard Sales to create consistency with the Land Sales Guidelines for new single-family home construction.

Immediate effect requested

DEPARTMENT: Law.

BRIEF DESCRIPTION: To create consistency with the Land Sales Guidelines for new single-family home construction as amended over the years, it is recommended that the Guidelines Regarding Side Yard Sales be amended to remove the no variance condition and to allow administrative review of requests to extend closing deadlines and increase the related processing fee. It is also recommended that certain wording within the Guidelines be amended to reflect that the Guidelines are an internal document.

PRIOR COUNCIL ACTION: The current Guidelines Regarding Side Yard Sales were adopted under Council Resolution 4-234-16.

BACKGROUND: Purchasers of vacant City-owned side yard lots are required to comply with the City's adopted Guidelines Regarding Side Yard Sales. To create consistency with the Land Sales Guidelines for new single-family home construction, it is recommended that the Guidelines Regarding Side Yard Sales be amended to remove the no variance condition and to allow administrative review of requests to extend closing deadlines and increase the related processing fee from \$100 to \$250. It is also recommended that certain wording within the Guidelines be amended to reflect that the Guidelines are an internal document.

FISCAL IMPACT: Increase in the processing fee for closing deadline extension requests from \$100 to \$250.

COMMUNITY IMPACT: Revising the Guidelines Regarding Side Yard Sales as proposed will create consistency with the Land Sales Guidelines for new single-family home construction.

IMPLEMENTATION TIMELINE: The amended Guidelines Regarding Side Yard Sales would be effective upon adoption.

COMPLIANCE/PERFORMANCE METRICS: The Law Department and Economic Development Department monitor compliance with the conditions pertaining to sales set forth in the Guidelines Regarding Side Yard Sales.



LAW

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: Corporation Counsel
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Requesting approval to amend the Guidelines Regarding Side Yard Sales to create consistency with the Land Sales Guidelines for new single-family home construction
DATE: February 27, 2025

Summary of Request

Purchasers of vacant City-owned side yard lots are required to comply with the City's adopted Guidelines Regarding Side Yard Sales. To create consistency with the Land Sales Guidelines for new single-family home construction, it is recommended that the Guidelines Regarding Side Yard Sales be amended to remove the no variance condition and to allow administrative review of requests to extend closing deadlines and increase the related processing fee from \$100 to \$250. It is also recommended that certain wording within the Guidelines be revised to reflect that the Guidelines are an internal document. (Please see attached proposed Guidelines with red-line amendments.)

Thus, it is recommended that the attached proposed Guidelines Regarding Side Yard Sales be adopted.

A resolution requesting immediate effect is attached.

Respectfully submitted,

DocuSigned by:
Rebecca Schultz
C73061A00EB9460..

REBECCA A. SCHULTZ
Assistant Corporation Counsel

APPROVED:

DocuSigned by:
Jeremy Romer
E7A573BA25E3480..
JEREMY J. ROMER
Corporation Counsel



LAW

EXECUTIVE SUMMARY AND MEMORANDUM

RESOLUTION

WHEREAS: Purchasers of vacant City-owned side yard lots are required to comply with the City's adopted Guidelines Regarding Side Yard Sales, and

WHEREAS: To create consistency with the Land Sales Guidelines for new single-family home construction as amended over the years, it is recommended that the Guidelines Regarding Side Yard Sale be amended to remove the no variance condition and to allow administrative review of requests to extend closing deadlines and increase the related processing fee from \$100 to \$250. It is also recommended that certain wording within the Guidelines be revised to reflect that the Guidelines are an internal document; therefore be it

RESOLVED: That the Guidelines Regarding Side Yard Sales be amended as presented; be it further

RESOLVED: That this Resolution be given immediate effect.

**CITY OF DEARBORN
GUIDELINES REGARDING SIDE YARD SALES
OF CITY-OWNED PROPERTY**

Purchase Agreement

Purchase Agreement must be signed and returned with 10% deposit to the Department of Law within 30 days of date shown on Purchase Agreement.

Closing

Upon City Council approval of the land sale, the Legal Department will notify **you-the Purchaser**. **You The Purchaser** must call and schedule an appointment to close. The closing must occur within the timeframe specified in the City Council Resolution approving the sale. If there are two adjacent property owners that are purchasing a portion of the property, the two purchasers must close simultaneously.

Extension of Time to Close

Only one extension of time to close may be granted per land transaction. Such extension may be for 30 days only. If an extension of time to close is requested, the request must be in the form of a letter and received by the Legal Department within **35 30** days of the scheduled closing date. A processing fee of **\$100 \$250** must accompany the request, along with documentation to support the request. The Legal Department will **administratively** review the request within 14 days and consider the following factors:

- a. Does the applicant have good cause for his/her request?
- b. Has the applicant purchased property from the City before? If so, how has the applicant performed in the past?

~~A recommendation by the Legal Department to approve or deny the request for an extension will be submitted to the City Council. You will receive a copy of the Council agenda item, along with upcoming Committee of the Whole and City Council meeting dates. It is your responsibility to call the Legal Department to confirm these dates. Your attendance is mandatory at the Committee of the Whole meeting. If the Law Department denies the request for an extension, the Purchaser may present a request to City Council for reconsideration. The Purchaser may be required to attend the City Council and/or Committee of the Whole meetings to respond to questions regarding the request. It is the Purchaser's responsibility to confirm the meeting dates.~~

If the request for an extension of time to close is denied,

- a. Applicant forfeits 10% deposit.
- b. Applicant forfeits **\$100 \$250** processing fee.
- c. Purchase Agreement is invalidated.
- d. Council resolution regarding sale of land is rescinded.

If a request is not received in the required timeframe, the request will not be processed. The processing fee will be returned; the 10% deposit will be forfeited; the Purchase Agreement will be invalidated, and steps may be taken to offer the land to other adjacent property owner.

Any request for an extension to close must be in the form of a written letter addressed to:

City of Dearborn
Legal Department
16901 Michigan Avenue, Ste. 14
Dearborn, MI 48126

Conditions

- a. The side yard purchased must be combined with **your the Purchaser's** adjacent property for tax and assessment purposes at closing. Failure to do so will result in the Council Resolution automatically being rescinded, deposit forfeited, and the sale declared null and void.
- b. The lot may not be re-split or combined with other land, for a re-splitting as two buildable lots, without the prior approval of the City Council.
- c. ~~You-The Purchaser~~ may seek permission from City Council to split and sell a portion of the side yard to the neighboring property owner.
- d. Any construction or expansion of an existing structure, utilizing the side yard, must comply with the Dearborn Zoning Ordinance. ~~You must waive any rights to seek a variance of any of the requirements.~~
- e. The lot may only be sold or developed in combination with **your the Purchaser's** adjacent property.
- f. If ~~you the Purchaser~~ currently ~~do does~~ not provide for sufficient off-street parking as defined by the Dearborn Zoning Ordinance, ~~you are the Purchaser is~~ required to install off-street parking in accordance with the law and:
 - 1. For non-owner occupied property, **you the Purchaser** must install off-street parking within five (5) years of the date of closing on the purchase of side yard from the City.
 - 2. For owner occupied property, ~~you the Purchaser~~ must install off-street parking before ~~you the Purchaser~~ transfers the property to another purchaser.
 - 3. For non-owner occupied and owner occupied property, if ~~you the Purchaser~~ completes the installation of off-street parking to meet the requirements of the Zoning Ordinance within five (5) years of the date of the closing on the purchase of side yard from the City, ~~you the Purchaser~~ may request a \$1,000 refund of the purchase price, or request a refund of the actual purchase price of the lot, whichever is less. Requests must be in writing to the Corporation Counsel at:

City of Dearborn
Legal Department
16901 Michigan Avenue, Ste. 14
Dearborn, MI 48126

- 4. Installation of off-street parking is deemed completed when all permits have been finalized by the ~~Property Maintenance & Development Services-Department~~ Economic Development Department.

5. When the City property is sold to **you-the Purchaser** for side yard, the deed will contain a restriction containing the requirements set forth herein.
- g. **You The Purchaser** must be current on taxes and have a valid Certificate of Occupancy for the property that **you the Purchaser** currently owns to qualify to purchase side yard from the City.

Right of Reverter

A right of reverter will be recorded with the deed. If **you the Purchaser** violates any of the restrictions imposed, the City may exercise its right to purchase the property back from **you the Purchaser** for the original sale price, less 10%, and less costs associated with the transfer back to the City of Dearborn.

OFFICE OF THE 34TH CITY COUNCIL



IMMEDIATE EFFECT

To: City Clerk

From: 34th Dearborn City Council

Date: March 24, 2025

Subject: Amendments to the Council Rules of Order- Sections 7.3, 8.12 and 8.1

The Council President has proposed a change that specifies the order of procedure for a roll-call vote. The amendment can be found in section 8.12 of the Council Rules of Order.

Additionally, the Council President is proposing to move the City Council Condolences to the front of the agenda with the Council Acknowledgements. This change will result in fewer rule suspensions, and is located in Rules 7.3 and 8.1.

Prepared by

**Michael T. Sareini
Council President**

RULES OF ORDER
OF THE
DEARBORN CITY COUNCIL

Rule 1 – PUBLIC MEETINGS

1.1 GENERAL PROVISION

All meetings of the Council shall take place in the Council Chambers, Dearborn Administrative Center, 16901 Michigan Ave., Dearborn, Michigan, or as otherwise designated, and shall be open to the public in accordance with the Open Meetings Act, MCL § 15.261, et. seq. All deliberations of the Council constituting a quorum of its members, including e-mail communications (See Rule 10) and all decisions of the Council shall take place at a meeting open to the public, except as specifically otherwise provided in the Open Meetings Act. No person shall be excluded from a public meeting except for a breach of the peace actually committed at the meeting.

1.2 NOTICE

Regular Meetings. For regular meetings of the Council, and the Council sitting as a Committee of the Whole, public notice stating the schedule of dates, times and places of such meetings shall be published in the City calendar for the upcoming year, if a calendar is to be printed, in accordance with Section 7.5 of the City Charter. All public notices required to be posted pursuant to this rule shall include the name, address and telephone number of the Council and shall be posted in the office of the Clerk. In addition, the public notice may be posted in other locations considered appropriate by the Council. Cable television and the City's website, www.cityofdearborn.org, may also be utilized for purposes of posting public notice.

Special Meetings. When a special meeting is called, no less than eighteen (18) hours notice shall be given to each Council member and to the public. Special meetings shall be called by the Clerk on request of the Mayor or any two Councilmembers. Written notice stating each matter to be considered shall be given each Council member and the Mayor, unless the entire Council and the Mayor are present and waive notice of new or additional agenda item(s).

Rescheduled Meetings. For a rescheduled regular or special meeting of the Council, a public notice stating the date, time and place of the meeting shall be posted at least eighteen (18) hours before the meeting. No meeting of the Council recessed or adjourned for more than thirty-six (36) hours shall be reconvened sooner than eighteen (18) hours following posting public notice of the reconvening.

Briefing and Study Sessions. For a briefing or study session of the Council, a public notice stating the date, time, place and purpose of the meeting shall be posted at least eighteen (18) hours before the meeting. A briefing or study session shall be called by the Clerk on request of the Mayor or any two Councilmembers. The Council shall not take formal action at any briefing or study session. Attendance by the public is welcome, but public comment shall only be submitted to the Council President in writing with no verbal presentation.

Rule 2 - OFFICERS

2.1 COUNCIL PRESIDENT AND COUNCIL PRESIDENT PRO TEM

The candidate for Council receiving the highest number of votes at the regular City election shall serve as President of the Council and preside over all meetings of the Council and speaks for the Council. The candidate for Council receiving the second highest number of votes at the same general City-wide election shall serve as President Pro Tem of the Council and preside over meetings of the Council when, on account of absence or disability, the President is temporarily unavailable to perform the duties of his/her office. In the event of a vacancy occurring in the office of the President, the President Pro Tem shall serve the remainder of the President's term. Subsequent vacancies shall be filled on the basis of the relative standing of the Council members in terms of the number of votes received at the last regular City-wide general election. The term of office for such Council officers shall correspond with the term of office of the Council member whose position was vacated.

The Council President shall be the appointing authority for purposes of personnel and administrative matters pertaining to the Council office, in accordance with Section 10.15 and civil service provisions of the City Charter. Administrative matters shall include any action requested to be taken on behalf of the Council by any particular Council member(s), including requesting or inviting an individual to attend/speak to an item at a Council meeting. Hiring and discharge of personnel in the Council office will be communicated to all Council members within a reasonable time prior to that type of action being taken by the Council President. Additionally, the Council President shall chair all meetings; prepare the Council administrative budget; approve meeting dates; recommend commissioners to various boards (final approval of the Council is still required); sign the official minutes and synopsis of meetings; and execute documents pertaining to payroll, the Council P.R. Fund, cash disbursements and petty cash.

The Council President or presiding officer shall determine which Councilmember, or other person in attendance, has the floor to speak during all meetings.

Rule 3 - MEETINGS

3.1 MEETING COMPENSATION

The compensation of Councilmembers is determined by the Local Officials Compensation Commission, in accordance with Section 6.6 of the City Charter.

3.2 CLOSED SESSIONS

A 2/3 roll call vote is required to call a closed session, except in certain circumstances set forth in the Open Meetings Act, MCL § 15.267. The Council may meet in closed session for purposes set forth in the Open Meetings Act, MCL § 15.268. Telephonic or electronic participation by a Councilmember shall not be permitted during a closed session. The roll call vote and the purpose or purposes for calling the closed session shall be entered into the minutes of the meeting at which the vote is taken. A separate set of minutes shall be taken by the Clerk or the designated secretary of the Council at the closed session. Discussions during a closed session are strictly confidential and cannot be disseminated or discussed with any unauthorized person, except as provided for by law. No recording or other listening devices are permitted to be used by anyone in attendance, except for by the Clerk to assist with the preparation of the minutes. These minutes shall be retained by the Clerk of the Council, are not available to the public, and shall only be disclosed if required by civil action filed under the provisions of the Open Meetings Act. These minutes and any recording made by the Clerk may be destroyed one (1) year and one (1) day after approval of the minutes of the regular meeting at which the closed session was approved.

A violation of the Open Meetings Act is punishable as a misdemeanor in accordance with MCL § 15.272 and may result in civil liability in accordance with MCL § 15.273.

3.3 COMMITTEE OF THE WHOLE

The Council shall meet as a Committee of the Whole at 7:30 p.m. on the Thursday preceding the regular Tuesday night Council meetings. Beginning January 1, 2023, Council shall meet as a Committee of the Whole at 7:00 p.m. on the Thursday preceding the regular Tuesday night Council meetings. All administrative matters shall be referred from the Committee of the Whole directly to the departments concerned. The Clerk shall keep a monthly record of all unanswered referrals and supply a copy of same to each member of the Council. Referred items shall not be included on the Council Agenda for the next regular meeting. On items referred which require Council action, the departments concerned shall report back to the Council at the next Committee of the Whole meeting or as soon thereafter as practical. The Council President shall

indicate which items need not be responded to by the administrative departments.

Any member of the Council may independently request that a specific item be responded to by an administrative department, regardless of whether the item has been referred by the Council or is on the agenda. All responses shall be provided within a reasonable time to the requesting Council member.

The Council shall not vote on a resolution or ordinance at any Committee of the Whole meeting. The Council shall use the Committee of the Whole meeting for purposes of reviewing agenda items for the next regularly scheduled Council Meeting.

Public Comment:

A reasonable opportunity shall be given for members of the public to be heard at the Committee of the Whole meeting on items of City business. In the interest of ensuring the orderly processing of items of business before the Council at the Committee of the Whole meeting, while safeguarding the opportunity of members of the public to address the Council, the following procedure for public comment shall be used:

- 1 Participants who complete a Speaker Card may be permitted to speak for up to three (3) minutes at the beginning of the meeting, prior to the business agenda. Up to, but no more than, thirty (30) minutes will be allowed for this public comment period.
- 2 Any member of the public, who did not already speak during the first public comment period, shall be given a reasonable opportunity to address Council concerning an item listed on its business agenda at the time Council has taken up the item. The meeting Chairperson may impose a three (3) minute time limitation for each person.
- 3 An additional public comment period shall be provided for participants who did not already speak during a previous public comment period at the conclusion of the business agenda. The meeting Chairperson may impose a three (3) minute time limitation for each person.
- 4 If a person wishes to expand on either an item of new business, an issue that is not on the Council agenda,

or an item appearing on the Council agenda beyond the time allotted for verbal presentation, then the matter shall be reduced to writing and filed with the Council and Clerk.

- 5 The Clerk shall provide a 30 second warning prior to the speaker's time ending.

3.4 REGULAR OR SPECIAL COUNCIL MEETINGS

Regular meetings as determined by Council at its first meeting of the calendar year shall be held at 7:30 p.m. in Council Chambers. Beginning January 1, 2023, regular meetings as determined by Council shall start at 7:00 p.m. A special meeting of the Council shall be held on a date, time, and at a place as determined by the Council.

Council participation and voting by telephone shall be permitted as provided by the Local Officials Compensation Commission or state law. Telephonic or electronic participation shall not be permitted at special or regular meetings held in the Council Chambers, except as permitted by the Open Meetings Act. Participation by telephone shall be indicated on the attendance sheet.

Public Comment:

A reasonable opportunity shall be given for members of the public to be heard at the Committee of the Whole meeting on items of City business. In the interest of ensuring the orderly processing of items of business before the Council at the Committee of the Whole meeting, while safeguarding the opportunity of members of the public to address the Council, the following procedure for public comment shall be used:

- 1 Participants who complete a Speaker Card may be permitted to speak for up to three (3) minutes at the beginning of the meeting, prior to the business agenda. Up to, but no more than, thirty (30) minutes will be allowed for this public comment period.
- 2 Any member of the public, who did not already speak during the first public comment period, shall be given a reasonable opportunity to address Council concerning an item listed on its business agenda at the time Council has taken up the item. The meeting Chairperson may impose a three (3) minute time limitation for each person.

- 3 An additional public comment period shall be provided for participants who did not already speak during a previous public comment period at the conclusion of the business agenda. The meeting Chairperson may impose a three (3) minute time limitation for each person.
- 4 If a person wishes to expand on either an item of new business, an issue that is not on the Council agenda, or an item appearing on the Council agenda beyond the time allotted for verbal presentation, then the matter shall be reduced to writing and filed with the Council and Clerk.
- 5 The Clerk shall provide a 30 second warning prior to the speaker's time ending.

3.5 ATTENDANCE REQUIRED

The Corporation Counsel or his/her representative shall attend all meetings and hearings of the Council, unless notified that attendance is not necessary. The Council may require the attendance at Council meetings of the Mayor and of any other appointive officer of the City. The Mayor may satisfy attendance at meetings by sending a personal representative.

3.6 ADJOURNMENTS

The Council shall have the power to adjourn any regular or special meeting to a day and time certain, which adjustments shall not be on the time of the next regular meeting, and the adjourned meeting shall be considered as a continuation of the same regular or special meeting. Any business which would have been proper for the Council to consider at such meeting may be considered and acted upon at the adjourned meeting. Any postponement of deliberations of the Council of less than one (1) day shall be considered a recess. Notice shall be given by the Clerk in accordance with the provisions of Rule 1.2.

3.7 SIGNS, PLACARDS, AND BANNERS

Signs, placards, banners, or similar items shall not be permitted at any time in Council Chambers. This rule does not apply to a display board pertaining to an agenda item.

Rule 4 - VOTING

4.1 QUORUM

Four (4) members of the Council shall be a quorum for the transaction of business, but, in the absence of a quorum, two (2) or more members may adjourn any regular or special meeting to a later date. Since no business is transacted at Committee of the Whole, Study Sessions and Briefing Sessions, at those meetings a quorum shall consist of those who attend the meeting. Each member of the Council, who shall be recorded as present, shall vote on all questions decided by the Council, unless the matter creates a conflict of interest.

No ordinance or resolution shall be adopted or passed except by the affirmative vote of at least four (4) members of the Council, except as otherwise provided by law, in accordance with section 7.8 of the City Charter. Five (5) affirmative votes of the Council are needed to give a resolution immediate effect, provided the Mayor shall waive the right of veto, in accordance with Section 9.1 of the City Charter.

4.2 MANNER OF VOTING

The vote upon the passage of all ordinances, and upon the adoption of all resolutions, shall be taken by "yes" and "no" votes and entered upon the record, except that where the vote is unanimous, it shall only be necessary to so state.

4.3 CONFLICT OF INTEREST

No member of the Council shall vote upon any matter which personally affects such member as prohibited by Public Acts 1968, No. 317; MCL § 15.321, et. seq. Any member so affected shall immediately disclose any pecuniary interest in the contract or matter appearing before the Council, which disclosure shall be made a matter of record in the official minutes of the Council. Any such contract or matter coming before the Council shall be approved by vote of two-thirds (2/3) of the full membership of the Council without the vote of a member thereof, if any, making such disclosure. The provisions of Chapter 3 of the City Charter concerning Standards of Conduct are hereby incorporated by reference.

Rule 5 – PUBLIC HEARINGS

5.1 PUBLIC HEARINGS

In the event that the Council determines to hold a public hearing upon any matter requiring a determination, action, vote or disposition by the Council by way of ordinance or resolution, the Clerk shall give notice of such public hearing by publication at least once in the official City newspaper at least five days prior to the scheduled hearing date and as otherwise required by state statute. The notice of such public hearing shall contain the date, time, place and description of the subject matter to be considered by the Council at the public hearing. In addition to such publication, the Clerk shall give notice by mail to all individuals within 300 feet of any property scheduled for a zoning hearing in accord with the original petition or application for a zoning change or as directed by the Council. The Planning Division of the Department of Economic Development shall provide the Clerk with a list of lots in the district and within 300 feet of the proposed zoning change and, upon request by the Clerk, the Finance Department shall provide addresses appropriate for mailing and a master list of property owners in the affected district.

Rule 6 - COMMITTEES

6.1 COMMITTEES

There shall be no standing committees of the Council. This rule does not prohibit the Council from forming a subcommittee composed of less than a quorum of Council members if they are merely advising or only capable of making recommendations concerning the exercise of governmental authority.

Rule 7 - COMMUNICATIONS

7.1 RECEIPT OF COMMUNICATIONS

The Clerk shall serve as the Council's Clerk. The Clerk shall receive all petitions, communications and complaints addressed officially to the City. The Clerk and all City Departments shall send all Councilmembers a copy of any correspondence received from the State of Michigan, the federal government, or any of their agencies concerning any violations of laws or other concerns pertaining to the City.

7.2 CLAIMS AND PUBLIC UTILITY RATE HEARINGS AND ADJUSTMENTS

All lawsuits against the City of every kind shall be referred immediately to the Corporation Counsel for report, recommendation or appropriate action thereon, except that the Council shall be advised of receipt of such lawsuits. All items and documents concerning public utility rates shall be referred immediately to the Departments of Public Works and Facilities and

Finance for report, recommendation or appropriate action thereon, except that the Council shall be advised of receipt of such items and documents.

7.3 COUNCIL MEETING AGENDA

The Clerk shall prepare in advance of every regular, special and Committee of the Whole meeting of the Council, and whenever practical before any closed session of the Council, an agenda of business to come before the Council at each such meeting. The agenda shall contain for each item the Department from which the request originated, a brief description of the project and whether the item has been budgeted for or involves a transfer of contingent fund monies.

Consent Agenda:

The Council may use a consent agenda to process routine non-controversial business items. The entire group of items will be approved in one motion and one roll call vote. In the minutes, the actions passed in the consent agenda will be recorded individually and in full. There will be no separate discussion of the items on the consent agenda. If discussion of an item is desired by a Council member, then it shall be removed from the consent agenda and considered separately by being placed on the regular agenda.

At the beginning of the regular Council meeting, the Council President shall ask the Council members if any items wish to be removed from the consent agenda and discussed individually. The Clerk shall not permit any ordinances to be placed on the consent agenda.

Committee of the Whole:

All matters submitted by the Administration must be provided to the Clerk by 5:00 p.m. on the Friday before the Committee of the Whole meeting. The Clerk shall prepare an agenda with appropriate back-up materials of administrative matters filed before 5:00 p.m. on Tuesday for consideration and review by the Council for the Committee of the Whole meeting. Private citizens and/or outside agencies or groups cannot unilaterally place items on the meeting agenda. Such requests to be added to the meeting agenda must be submitted to the Council Office by the 5:00pm Tuesday deadline and have the support of at least one Council Member. In addition to these agenda items and administrative matters filed after the 5:00 p.m. Tuesday deadline and reviewed by the administrative department at the Committee of the Whole meeting, only emergency administrative matters requiring immediate action by the Council, as requested by the Mayor, shall be heard by the Council at its next regularly scheduled meeting. These "emergency administrative" items shall not appear on the Council's agenda and shall be orally reviewed by the Mayor or appropriate department head at the regularly scheduled Council meeting. If Monday falls on a

legal holiday that results in the closure of the Council Office, then the deadline shall be Wednesday by 5:00 p.m.

The Clerk shall prepare a supplemental written agenda for those matters submitted by private citizens and/or outside agencies or groups for Council consideration after the preparation of the formal agenda contemplated herein and list same under "new business." The Clerk shall prepare the agenda of administrative matters and those matters designated at the Committee of the Whole meeting for inclusion on the Council's formal agenda by Friday at 1:00 p.m. preceding the next regularly scheduled Council meeting and same shall be posted online for the public. Condolences shall be added to the end of Regular Council Meeting agendas, NOT Committee of the Whole agendas.

Notwithstanding the above, any member of the Council with support of another member may add an item to the agenda at any time. The Clerk and Council Office shall be made aware of the addition at the earliest opportunity.

Regular Meetings:

The agenda prepared by the Clerk for a regularly scheduled Council meeting shall follow the form and substance identified by Rule 8 hereinafter. With reference to regular meetings of the Council, the Clerk shall file with the Council by 5:00 p.m. on Tuesday before each regularly scheduled meeting of the Council all items of business with the appropriate back-up materials. If an administrative department desires to place additional business before the Council at the regularly scheduled meeting, then the administrative department shall file the original written document with the Clerk and appear at the regularly scheduled meeting to explain the nature of the business to be considered. Every reasonable effort shall be made by the Clerk to comply with the 5:00 p.m. Tuesday deadline.

Notwithstanding the above, any member of the Council with support of another member may add an item to the agenda at any time. The Clerk and Council Office shall be made aware of the addition at the earliest opportunity.

Order of Business:

The Clerk shall prepare the business items for the Committee of the Whole meeting and regular Council meeting agendas in the following order:

1. Any Council or Mayor acknowledgments or awards
2. **Condolences**
3. Public Comment (up to 30 minutes)
4. Consent Agenda Items

5. Resolution approving previous minutes
6. Ordinances
 - a. Resolution on the table
 - b. Ordinance on the table (2nd reading)
 - c. Ordinance to be introduced (1st reading)
7. Economic Development/City Planning/Planning Commission
8. Public Works and Facilities/Engineering
9. Purchasing
10. Assessor
11. Police
12. Fire
13. Recreation
14. Library
15. Finance/Treasury/Philanthropy and Grants
16. Law/Courts
17. Communications/Community Relations
18. Innovation and Technology/Historical Museum
19. Human Resources/Civil Service Commission
20. Council
21. Clerk
22. Mayor
23. All Other City Departments
24. Public Comment

Supporting documentation for each business item shall be numbered to correspond with the agenda item number. Condolences shall be added to the regular Council meeting agendas, not Committee of the Whole agendas.

7.4 REFERRALS

The Clerk shall prepare a record of the Committee of the Whole referrals and other Council actions requiring administrative follow-up and periodically advise the Council of any outstanding matters. Department heads shall notify the Clerk in writing when matters referred by Council have been

completed. The record so prepared by the Clerk shall contain a complete list of all matters referred for departmental action or administrative follow-up and whether or not the action has been taken to date. The list so prepared shall be given to all members of the Council by the fifteenth of each month by delivering a copy to each Councilmember's mail box at the Dearborn Administrative Center.

The Council President or presiding officer may refer administrative matters directly to the departments concerned prior to the Committee of the Whole or Regular Council meetings provided they give notice to all Council members of the referral.

7.5 NOTICE REQUIREMENTS

The Clerk shall be the agent responsible for posting any notices required by these rules and Public Acts 1976, No. 267; MCL § 15.261,. (Open Meetings Act).
et. seq.

7.6 MINUTES

The Clerk, or his/her designee, shall attend all Committee of the Whole, Special and Regular meetings of the Council and shall keep a correct journal of the proceedings. The Clerk shall keep minutes of those meetings showing the date, time, place, members present, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting and matters upon which the Council has taken formal action. The minutes shall be public records open to public inspection and shall be available at the office of the Clerk. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing and copying. The proposed minutes shall be available for public inspection not more than eight (8) business days after the meeting to which the minutes refer. Approved minutes shall be available for public inspection not later than five (5) business days after the meeting at which the minutes are approved. The minutes, so prepared by the Clerk, shall be signed by the President of the Council and the City Clerk. The Clerk shall electronically record each regular meeting of the Council. For purposes of ensuring the accuracy of the official minutes kept by the Clerk and for purposes of public inspection, the tapes shall be kept until such time that the minutes are approved by Council. The Council may direct that any tape or tapes dealing with a specific meeting be retained for a further length of time. The Council secretary or designee shall be responsible for keeping minutes of study sessions and briefing sessions. Since no action is taken at those meetings, the minutes shall show the date, time, place, purpose, members present, members absent and others in attendance.

Rule 8 – COUNCIL MEETING PROCEDURE

8.1 ORDER OF BUSINESS

The order of business at all regular Tuesday night meetings shall be:

1. Call to order.
2. Roll Call.
3. Invocation.
4. Pledge of Allegiance.
5. Any Council or Mayor acknowledgments or awards
6. **Condolences**
7. Public Comment.
8. Disposing of the Journal of the preceding meeting or meetings.
9. Scheduled hearings on all matters required by law or deemed necessary by the Council.
10. Council Agenda.
11. Open Referrals
12. New Business.
13. Reports and communications from the Mayor and other City officials.
14. Public Comment.
15. Adjournment.

8.2 PRECEDENCE OF MOTIONS

When any question is under debate, no motions shall be received except the following, and they shall have precedence in the following order:

NOT DEBATABLE

1. To adjourn.
2. To recess for a definite time.
3. To lay on the table.
4. To call for the previous question.

DEBATABLE

5. To postpone to a day certain.
6. To amend.
7. To amend the resolution to amend.
8. To postpone indefinitely.
9. To declare waiver of attorney-client privilege.

8.3 DIVISION OF THE QUESTION

A motion for the division of any question may be made when the question will admit of a division so distinct that if one part be taken away, the other will stand as an entire question for decision. The motion shall require support and the outcome shall be decided by a majority vote.

8.4 WITHDRAWAL OF MOTION

A member may withdraw their motion at any time before it is put to a vote, provided there are no objections.

8.5 WAIVING ORDER OF PROCEDURE

The presiding officer may at any time, by a majority vote of the Councilmembers present, permit a member to introduce an ordinance or resolution out of the regular order of business.

8.6 TAKE FROM THE TABLE

A question may be taken from the table at the same meeting at which it was laid on the table either before or after business has intervened or at a subsequent meeting. The Clerk shall list any questions or resolutions tabled at subsequent meetings of the Council on an appropriate agenda until taken from the table or terminated in accordance with this rule.

If a question or resolution is not taken from the table within forty-five (45) calendar days from the meeting at which it was tabled, it shall terminate by operation of these rules and the Clerk shall not list any such item beyond a forty-five (45) calendar day period from which it was tabled.

Any member of the Council shall be permitted to reintroduce a question or subject matter terminating by operation of the provisions of this rule in accord with the motion practice of the Council.

8.7 RESOLUTION TO RECONSIDER

A resolution to reconsider a vote on any question shall be in order for any member of the prevailing side to move for such reconsideration at any time after such action has been taken, as hereinafter set forth; provided, however, that if the meeting at which such action was taken has been adjourned, such member must file with the Clerk before 4:00 p.m. of the third business day after the session at which the resolution being reconsidered was passed, a notice of his/her intention to move to reconsider it.

A member who was either absent for the vote on the original motion or abstained due to a conflict of interest from voting is precluded from making a motion to reconsider the original motion. The motion must be supported, is debatable, and requires a majority vote. In the absence of the member who had filed such notice of reconsideration, at the regular meeting of the Council next following the filing thereof, at which such motion of reconsideration could be properly presented, it shall, by virtue of said notice, be in order for any other member of the prevailing side to move for reconsideration of the resolution identified in such notice.

8.8 RESCIND OR APPEAL

A motion to rescind or appeal some previous action may be made at any time at any regular or special meeting of the Council.

8.9 MOTION TO DECLARE WAIVER OF ATTORNEY-CLIENT PRIVILEGE

A motion to declare waiver of the attorney-client privilege as to an opinion or document is a privileged motion of the assembly that can be debated, but debate must not disclose the conclusions of the opinion or the nature of the document, and may not be amended. The motion shall require support and the outcome shall be decided by a two-thirds vote.

8.10 APPEAL FROM RULING OF THE CHAIR

Members have no right to criticize a ruling of the chair unless they appeal from their decision. If a member believes the chair has ruled incorrectly, an appeal may be made. However, an appeal may not be made if the chair has expressed only an opinion.

An appeal must be made at the time of the ruling and must be seconded; is debatable, unless the matter appealed from is not debatable. The chair may vote on the appeal and the outcome shall be decided by a majority vote. A majority vote in favor or tie sustains the decision of the chair.

8.11 CALLING THE QUESTION

A council member must have the floor in order to make a motion and the outcome shall be decided by a two-thirds vote.

8.12 PROCEDURE TO ENACT ORDINANCES AND RESOLUTIONS

Every ordinance shall receive two readings by title only. The second reading of an ordinance shall not take place at the same session unless there has been a suspension of the rules and an emergency declared by the Council. Ordinances may be introduced by one member and debated. All petitions, communications, reports and ordinances presented to the Council shall be in writing, in accordance with Section 9.2 of the Charter. Every ordinance shall require a roll call vote.

All resolutions shall require support prior to debate. A roll call vote is required to adopt a resolution, if requested by a member; otherwise, the Council President may announce that the resolution was unanimously adopted.

To conduct a roll call vote, the Clerk shall call the names of all Council members starting with the Council member receiving the lowest number of votes received at the last regular City-wide general election and continuing in chronological order to the Council President. This order will repeat continuously, but reset each calendar year beginning with the first meeting in January.

The Clerk shall make every reasonable effort to provide the final adopted resolutions and ordinances to the Council Office prior to the next regular Council meeting after which they were adopted.

8.13 AMENDMENT, SUSPENSION OR ALTERATION OF RULES

These rules may be altered or amended or temporarily suspended for a specific purpose by an affirmative vote of five (5) Council members voting thereon. The Council shall review these rules within 120 days of each general municipal election every 4 years and also if a vacancy occurs in the office of Council President.

8.14 PARLIAMENTARY AUTHORITY

Robert's Rules of Order shall govern the Council in all cases where the rules of the Council are not applicable. The Corporation Counsel shall serve as parliamentarian to the Council.

To introduce a new piece of business or propose a decision or action, a motion must be made by a Council member. The motion must receive support and after limited discussion the group then votes on the motion. A majority vote is required for the motion to pass, unless stated otherwise.

8.15 ORDINANCE AND RESOLUTION(S)

The Council shall act only by ordinance or resolution. A "resolution" shall be official action in the form of a motion (1) limited to matters required or permitted to be done by resolution by the City Charter or by state law; (2) matters pertaining to the internal affairs or concerns of the City government; (3) ministerial in character, relating to the administrative business of the City; or (4) such other actions commonly recognized in law as subject to adopting by resolution for a specific and/or temporary purpose. All other acts of the Council, and all acts carrying a penalty for the violation thereof, shall be by ordinance. All legislation of the City of Dearborn shall be by ordinance.

Rule 9 – ETIQUETTE

9.1 MEETING PROCEDURE

1. A Council member who desires to speak in debate must first be recognized by the President or presiding officer.
2. The Council member who makes the original motion is entitled to speak first.

3. A Council member is not entitled to speak for a second time on an item until all other members who wish to speak for the first time have the opportunity to do so.

Rule 10 – ELECTRONIC COMMUNICATIONS

10.1 DURING AN OPEN MEETING

E-mail, group texting (consisting of a quorum), or other forms of electronic communications among group members during the course of an open meeting that constitutes deliberations toward decision-making or actual decisions violates the Open Meetings Act. Members are prohibited from participating in such communications during an open meeting.

10.2 OUTSIDE OF AN OPEN MEETING

E-mail, group texting (consisting of a quorum), or other forms of electronic communications among group members outside of the course of an open meeting can create a violation under the Open Meetings Act. E-mail communications among members where a quorum of the Council is on the communication and/or response is prohibited.

ADOPTION HISTORY

Adopted by CR 2-80-82 of February 2, 1982

Amended/adopted by CR 1-5-86 of January 7, 1986

Amended by CR 9-618-87 of September 1, 1987

Amended by CR 10-716-87 of October 20, 1987

Amended by CR 1-4-90 of January 2, 1990

Adopted/amended by CR 1-60-02 of January 15, 2002

Amended by CR 12-1183-02 of December 17, 2002

Amended by CR 11-988-03 of Special Meeting November 13, 2003

Amended by CR 12-874-04 of December 21, 2004

Amended/Adopted by C.R. 11-797-06 of November 6, 2006

Amended by C.R. 5-290-08 at a Special Meeting on May 7, 2008

Amended by C.R. 2-65-15 at the Regular Meeting of February 10, 2015

Amended by C.R. 7-433-22 at the Special Meeting on July 27, 2022

Amended by C.R. 2-65-15 at the Regular Meeting of September 27, 2022

Amended by C.R. 10-582-22 at the Regular Meeting of October 11, 2022

Amended by C.R. 6-304-23 at the Regular Meeting of June 13, 2023

Amended by C.R. 2-82-24 at the Regular Meeting of February 28, 2024

Amended by C.R. ____ - ____-25 at the Regular Meeting of _____, 2025

OFFICE OF THE 34TH CITY COUNCIL



NATIONAL ARAB AMERICAN HERITAGE MONTH 2025 RESOLUTION:

WHEREAS: In 2017, the nonprofit media and education organization, Arab America Foundation and Arab America, began the initiative for the month of April to be designated as National Arab American Heritage Month; and

WHEREAS: In 2019, Governor Gretchen Whitmer proclaimed the month of April as National Arab American Heritage Month in the State of Michigan; and

WHEREAS: By 2021, it was recognized nationally by U.S. President Joseph R. Biden Jr. with the U.S. Department of State, some members of Congress and 37 governors issuing proclamations supporting the month; and

WHEREAS: The month of April serves to celebrate the rich and diverse culture and contributions of Arab Americans in our country. From Farouk El-Baz who served as NASA's lead geologist for the Apollo space program from 1967 to 1972, to Ahmed Zewail who served on the President's Council of Advisors on Science and Technology and won the Nobel Prize in Chemistry in 1999, and to Donna Shalala who is the first Lebanese American to serve in a U.S. government Cabinet post, these individuals work, along with a countless number of others have not gone unnoticed; and

WHEREAS: We not only recognize those who have made their mark in various fields of study, but we also recognize those who live within our community. Known as the hometown of Henry Ford, the City of Dearborn also boasts the largest and most diverse Arab community across the entire nation; and

WHEREAS: The considerable participation of Arab Americans in Dearborn has enriched the life and tapestry of our city; and

WHEREAS: We are committed to making sure these contributions to our country and community are promoted and celebrated so that they are more widely understood and appreciated locally and across our nation; be it therefore

RESOLVED: That the 34th Dearborn City Council, proclaim April 2025 to be National Arab American Heritage Month in the City of Dearborn and encourage our entire community to commemorate this special observance, signed this day of April 8, 2025.

A handwritten signature in black ink, appearing to read "Michael T. Sareini".

Michael T. Sareini
Council President

OFFICE OF THE 34TH CITY COUNCIL



SOCIAL WORK MONTH 2025 RESOLUTION: SOCIAL WORK BREAKS BARRIERS

WHEREAS: Social Workers enter the profession because they have a strong desire to help empower individuals, families, communities, and our nation overcome issues that prevent them from reaching their full potential; be it further

WHEREAS: Social Workers have worked for more than a century to improve the human well-being and enhance the basic needs of all people; be it further

WHEREAS: Social Workers follow a Code of Ethics that call on them to fight social injustice and respect the dignity and worth of all people; be it further

WHEREAS: Social Workers positively touch the lives of millions of Americans each day and in a variety of places, including schools, hospitals, the military, child welfare agencies, community centers, and in federal, state and local government; be it further

WHEREAS: The 2025 Social Work Month theme, “Social Work: Compassion + Action.” In the weeks and months ahead, social workers will be called to turn their compassion into action to help our nation address a variety of societal challenges, including the prospect there could be mass deportations of migrants and continued attacks on the people who are LGBTQIA2+, reproductive rights, and diversity, equity, and inclusion programs; be it further

WHEREAS: Social Workers are the largest group of mental health care providers in the United States, working daily to help thousands of Americans overcome mental illnesses such as depression and anxiety; be it further

WHEREAS: Social Workers are on the frontlines of the nation’s opioid addiction crisis, helping people get the treatment they need and overcome substance use disorders; be it further

WHEREAS: Social Workers have helped people cope with death and grief and communities recover from natural disasters that are increasingly fueled by our warming climate, including hurricanes, drought and flooding; be it further

WHEREAS: Social Workers have helped this nation live up to its values by advocating for equal rights for all, including people of color, people who are Indigenous, people who LBGTQIA2S+, and people who follow various faiths; be it further

WHEREAS: Social Workers have continued to push for changes that have made our society a better place to live, including a livable wage, improved workplace safety, and social safety net programs that help ameliorate poverty, hunger, and homelessness; be it further

WHEREAS: Social Workers endeavor to work throughout our society to meet people where they are and help empower people and our society to reach the goals they wish to attain; therefore, be it

RESOLVED: In recognition of the numerous contributions made by America's Social Workers, the 34th City Council proclaims the month of April 2025 as National Social Work Month in celebration and support of the Social Work Profession.

A handwritten signature in black ink, appearing to read "Michael T. Sareini". The signature is stylized with overlapping loops and a long horizontal stroke at the end.

Michael T. Sareini
Council President

OFFICE OF THE 34TH CITY COUNCIL



Workers Memorial Day Resolution 2025:

WHEREAS: Every year on April 28th the nation recognizes Workers Memorial Day, and

WHEREAS: This is the day we pay our respects to those who lost their lives on the job and recognize the impact these losses have on families, co-workers, and communities, and

WHEREAS: The U.S. Bureau of Labor Statistics estimated that there were 4,764 fatal work injuries in the United States in 2020-an equivalent of one worker dying every 111 minutes from a work-related injury, and

WHEREAS: In 2020, 131 workers were lost through fatal workplace accidents in Michigan; and

WHEREAS: It is appropriate to honor the memory of the courageous and dedicated members of Michigan's workforce who have been injured, disabled, or who have died as a result of workplace accidents, and

WHEREAS: We remember those who have died in workplace accidents, suffered occupational-related diseases, or have been injured due to dangerous conditions, and

WHEREAS: Recognition of Michigan's workforce and its achievements on behalf of the economic growth of our state is necessary, therefore be it

RESOLVED: That this City Council wishes to honor the workers who have died or who have been injured or disabled in workplace accidents, be it further

RESOLVED: That the members of the 34th City Council renews its efforts in seeking stronger workplace safety and health protections, better standards and enforcement, and fair and just compensation by rededicating ourselves to improving safety and health in our workplace, be it further

RESOVLED: That this City Council declares April 28, 2025 as Workers Memorial Day, be it further

RESOLVED: That this resolution be given immediate effect.

A handwritten signature in dark ink, appearing to read "Michael T. Sareini".

Michael T. Sareini
Council President



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect requested

REQUEST: Award of contract for the City of Dearborn Magazine

DEPARTMENT: Communications, in conjunction with Purchasing

BRIEF DESCRIPTION: Communications, in conjunction with Purchasing, recommends the award of a contract for the design, print, and mailing of the City of Dearborn Fall 2025/Winter 2026 City Magazine.

PRIOR COUNCIL ACTION: None.

BACKGROUND: The Communications Department is seeking to create a biannual City of Dearborn magazine to be mailed to all Dearborn residents. The magazine will address the topics covered in the seasonal Parks & Recreation Activity Guide in addition to listing free events, family activities, and important meetings/dates hosted by City departments. Furthermore, the magazine will provide seasonally specific information (i.e.: property maintenance guidance, tax season information, snow emergency instructions, etc.).

The full-color, multilingual 40-page magazine will be designed, printed, and mailed to all Dearborn residents by the selected vendor. A PDF copy will be provided on the City's website.

FISCAL IMPACT: The Communications Department has budgeted \$76,835.00 for this project (\$66,835 for design and print, \$10,000 for postage and mailing).

COMMUNITY IMPACT: The City magazine will provide seasonal information and updates in an accessible format to all Dearborn residents. This will make it easier for residents to learn about City activities and engage in programs and events.

IMPLEMENTATION TIMELINE: Communications will meet with the awarded vendor immediately following Council approval, in preparation for the first issue to be distributed to residents in August of 2025.

COMPLIANCE/PERFORMANCE METRICS:

The Communications Department will oversee this contracted service.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: City Administration
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Award of Contract for the City of Dearborn Magazine
DATE: March 24th, 2025

Budget Information

Adopted Budget: \$76,835
Amended Budget: \$76,835
Requested Amount: \$76,835
Funding Source: General Fund, Communications, Admin, Research & Information, Printing Binding
Supplemental Budget: n/a

Summary of Request

Communications, in conjunction with the Purchasing Department, recommends the competitive award of the design, printing, and mailing of the City of Dearborn magazine to University Lithoprinters, Inc for \$76,835.00. The contract will be for 2025, which will encompass the first issue of the magazine, with 4 one-year renewals at the same pricing and terms, for an amount not to exceed \$76,835.00.

It is respectfully requested that Council authorize the contract and renewals. The resulting contract shall not be binding until fully executed. Immediate effect is requested to facilitate immediate work on the project.

Background and Justification

The Communications Department is seeking to create a biannual City of Dearborn magazine to be mailed to all Dearborn residents. The magazine will address the topics covered in the seasonal Parks & Recreation Activity Guide in addition to listing free events, family activities, and important meetings/dates hosted by City departments. Furthermore, the magazine will provide seasonally specific information (i.e.: property maintenance guidance, tax season information, snow emergency instructions, etc.).

The full-color, multilingual 40-page magazine will be designed, printed, and mailed to all Dearborn residents by the selected vendor. A PDF copy will be provided on the City's website.

The City magazine will provide seasonal information and updates in an accessible format to all Dearborn residents. This will make it easier for residents to learn about City activities and engage in programs and events.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

Procurement Process

Purchasing solicited bids with process details as follows:

Process: Request for Proposal
 Issue Date: February 13th, 2025
 Deadline Date: February 25th, 2025
 Vendors Solicited: 158
 Solicitations Obtained: 38
 Bids Received: 5

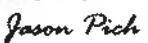
Vendor	Score
University Lithoprinters Inc	87
Accuform Printing & Graphics Inc	86
Hour Media LLC	81
Printwell	77
Image Printing Co Inc	69

The above scores were based on four categories: 1. Experience/Qualifications of the printer and designer, 2. References for printing, designing and mailing, 3. Quality of printing and designing based on submissions (hard copies), and finally, 4. Cost.

University Lithoprinters, Inc received the highest scores of the 5 bidders. The procurement process was in accordance with Section 2-568 (6)a, of the Procurement Ordinance, and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.


Signature Page

Prepared By:

Signed by:


 Jason Pich, Buyer

Department Approval:

Signed by:


 Katie Doyal-Rabhi, Dir. of Communications

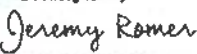
Budget Approval:

DocuSigned by:


 Michael Kennedy, Finance Director/Treasurer

DS
MHA

Corporation Counsel Approval:

DocuSigned by:


 Jeremy Romer, Corporation Counsel



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

CITY CLERK, DEARBORN MI
2025 MAR 28 PM 3:13

REQUEST: Award of contract for Immediate Abatement Services.

DEPARTMENT: The Department of Economic Development (ED), Neighborhood Services Division, in conjunction with Purchasing.

BRIEF DESCRIPTION: Immediate Abatement Services contract for residential and commercial properties throughout the City. ED is focused on immediate abatement, and expects an increase in activity for the upcoming fiscal year.

PRIOR COUNCIL ACTION: Council approved the renewal of the Immediate Abatement contract of the City's previous abatement contractor, Brantley Development, LLC, via C.R. 12-553-19.

BACKGROUND: The Neighborhood Services Division manages nuisance abatements for the City of Dearborn. This contract establishes performance standards for correcting "immediate nuisance abatements" in order to beautify neighborhoods, upkeep cleanliness, reduce vector harborage, and keep pedestrian pathways free and clear of snow and ice at residential and commercial properties. To achieve these goals, the scope of this contract includes grass cutting and trimming, litter, trash, and debris removal, snow removal, and minor amounts of branch and hedge trimming. This contract requires before and after photos be taken at the abatement sites, as well as daily or weekly reporting requirements for completed abatements.

The value of the new contract is based on the previous year's demand for Immediate Abatement Services. New unit prices are \$70.00, per lot for residential, and \$120.00 per lot for commercial properties.

FISCAL IMPACT: Requested amount not-to-exceed \$160,000.

COMMUNITY IMPACT: Daily immediate abatements performed throughout the City prevent blight, rodent harborage and infestation, and beautiful neighborhoods and business districts, thus providing improved living and working conditions for Dearborn residents, employees, and visitors.

IMPLEMENTATION TIMELINE: Service will be ongoing.

COMPLIANCE/PERFORMANCE METRICS: Economic Development Code Compliance Manager, will oversee the contract.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: City Administration
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Award of Contract for Immediate Abatement Services
DATE: March 25, 2025

Budget Information

Adopted Budget:	FY26 Proposed \$90,000
Amended Budget:	FY26 Proposed \$90,000
Requested Amount:	Not-to-exceed \$160,000
Funding Source:	General Fund, Property Maintenance & Development Services, Neighborhood Services, Contractual Services, Weed Mowing
Supplemental Budget:	General Fund, Property Maintenance & Development Services, Neighborhood Services, Contractual Services, Other -- FY26 Proposed \$65,000
	General Fund, Property Maintenance & Development Services, Neighborhood Services, Contractual Services, Large Nuisance Abatement - FY26 Proposed \$9,000

Summary of Request

The Department of Economic Development (ED), Neighborhood Services Division, in conjunction with Purchasing, recommends the award of contract for Immediate Abatement Services, to Brantley Development and Ground Control Property Services. The contract shall be for a period of one year with up to four, one-year renewal options contingent upon satisfactory performance by the contractor.

It is respectfully requested that Council authorize the award and the subsequent renewals.

Immediate effect is requested. The resulting contract shall not be binding until fully executed.

Background and Justification

The Neighborhood Services Division manages nuisance abatements for the City of Dearborn. This contract establishes performance standards for correcting "immediate nuisance abatement" in order to beautify neighborhoods, up-keep cleanliness, reduce vector harborage, and keep pedestrian pathways free and clear of snow and ice at residential and commercial properties. To achieve these goals, the scope of this contract includes grass cutting and trimming, litter, trash, and debris removal, snow removal, and minor amounts of branch and hedge trimming. This contract requires before and



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

after photos be taken at the abatement sites, as well as daily or weekly reporting requirements for completed abatements.

The value of the new contract is based on the previous year's demands for Immediate Abatement Services. New unit prices are \$70.00 per lot for residential, and \$120.00 per lot for commercial properties.

Procurement Process

Purchasing solicited proposals with process details as follows:

Process: Request for Proposal
 Issue Date: February 25, 2025
 Deadline Date: March 13, 2025
 Solicitations Obtained: 32
 Proposals Received: 5

The proposals were evaluated in depth by the evaluation committee. The evaluation process was comprised of relevant experience and qualifications, capacity to provide the full scope of services, and cost.

PROPOSER	TOTAL POINTS
Brantley Development, LLC	95.5
Ground Control Property Services	93.75
Premier Group Associates	78.75
Capital Landscapes	74.25
RT Contracting	66

Brantley Development, LLC, and Ground Control Property Services, were found to have submitted the most responsive and responsible proposal(s). The procurement process was in accordance with the Procurement Ordinance and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.

Voting Members of the Evaluation Team:



Renault Arseneau, Code Compliance Manager


SWC000P 202401

Michael Shooshanian, Public Services Administer


ICD061 of Chicago

John Galvan, Assistant Building Official


ICD061 of Chicago

Silvio Davis, Neighborhood Liaison



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

Resource Members to the Evaluation Team:

Developed by:
Mark Rozinsky

Mark Rozinsky, Purchasing Manager

Developed by:
Laura Acevez-Sanchez

Laura Acevez-Sanchez, Economic Vitality Manager

Budget Approval:

Developed by:
Michael Kennedy

Michael Kennedy, Finance Director/Treasurer

Signed by:
Amelia Krupa

Amelia Krupa, Accountant

Developed by:
Jeremy Romer

Jeremy J. Romer, Corporation Counsel



EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Zoning Language Amendment: Food Truck Parks – Amending Articles 1.00, 4.00 7.00, 16.00, & 18.00.

DEPARTMENT: Economic Development

BRIEF DESCRIPTION:

- The existing Zoning Ordinance effectively prohibits food trucks from operating on private property unless it receives approval from City Council as a temporary use or special event.
 - Proposed amendment would permit food truck parks in the BC & IA zoning districts subject to Special Land Use approval. Food trucks would not be permitted in city’s four business districts.
 - Specific site development standards are also proposed to help ensure this type of use operates safely and efficiently, and does not create negative externalities on adjacent properties or generate public nuisances.
 - The Planning Commission recommended approval at the March 10th, 2025 meeting.
 - The Planning & Zoning Division recommended approval to the Planning Commission.
-

PRIOR COUNCIL ACTION: N/A

BACKGROUND:

- City Council would still reserve the right to permit food trucks on a temporary basis or for a special event anywhere in the city per Sec. 2.07 A4.
 - The existing licensing regulations create an opportunity to help activate our public spaces and create a walkable destination for residents by allowing them in major parks throughout the city.
-

FISCAL IMPACT: N/A

COMMUNITY IMPACT:

The proposed ordinance creates an approval pathway for food trucks in zoning that embraces the great placemaking and business startup opportunity that they bring while balancing other land use goals for the city.

IMPLEMENTATION TIMELINE:

Requires two readings by City Council.

COMPLIANCE/PERFORMANCE METRICS: N/A



EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Planning Commission

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Zoning Language Amendment: Food Truck Parks

DATE: April 3rd, 2025 (COW)

Background:

Mobile food establishments (aka food trucks) are a unique land use from a zoning perspective. They are a temporary structure and use that is designed to be mobile, while zoning is typically reserved for permanent land use approvals. In addition, outdoor operations are often limited and strictly regulated in zoning due to the negative externalities that can result from how they function.

While Dearborn has had licensing regulations for food trucks since 2018, the existing Zoning Ordinance effectively prohibits food trucks from operating on private property unless it receives approval from City Council as a temporary use or special event.

After significant review and consideration of emerging policy trends, the recommendation is to create a pathway for food trucks that embraces the great placemaking and business startup opportunity that they bring while balancing other land use goals for the city.

Summary of Changes

- Permit food truck parks in the BC & IA zoning district subject to Special Land Use approval.
 - They are not permitted in the city's four business districts (East Downtown, West Downtown, Dix-Vernor, & Warren). This is to support existing brick and mortar restaurants as well as future development within each of the tax increment financing areas. See *Exhibit A*.
- Food truck parks are only permitted as the primary use of a property. For example: you are not permitted to have a food truck park co-located on the same property as a gas station.
- Require a permanent building on the property that operates as the licensed mobile food establishment commissary and provides washroom facilities for patrons. This is to ensure the use operates efficiently and is consistent with health code regulations.
- Prohibit the use of generators in food truck parks. Electrical access must be provided for each individual food truck.
- Upon recommendation from the Planning Commission, staff has also revised the ordinance to explicitly require an exterior gravity grease interceptor. This is to ensure the plumbing



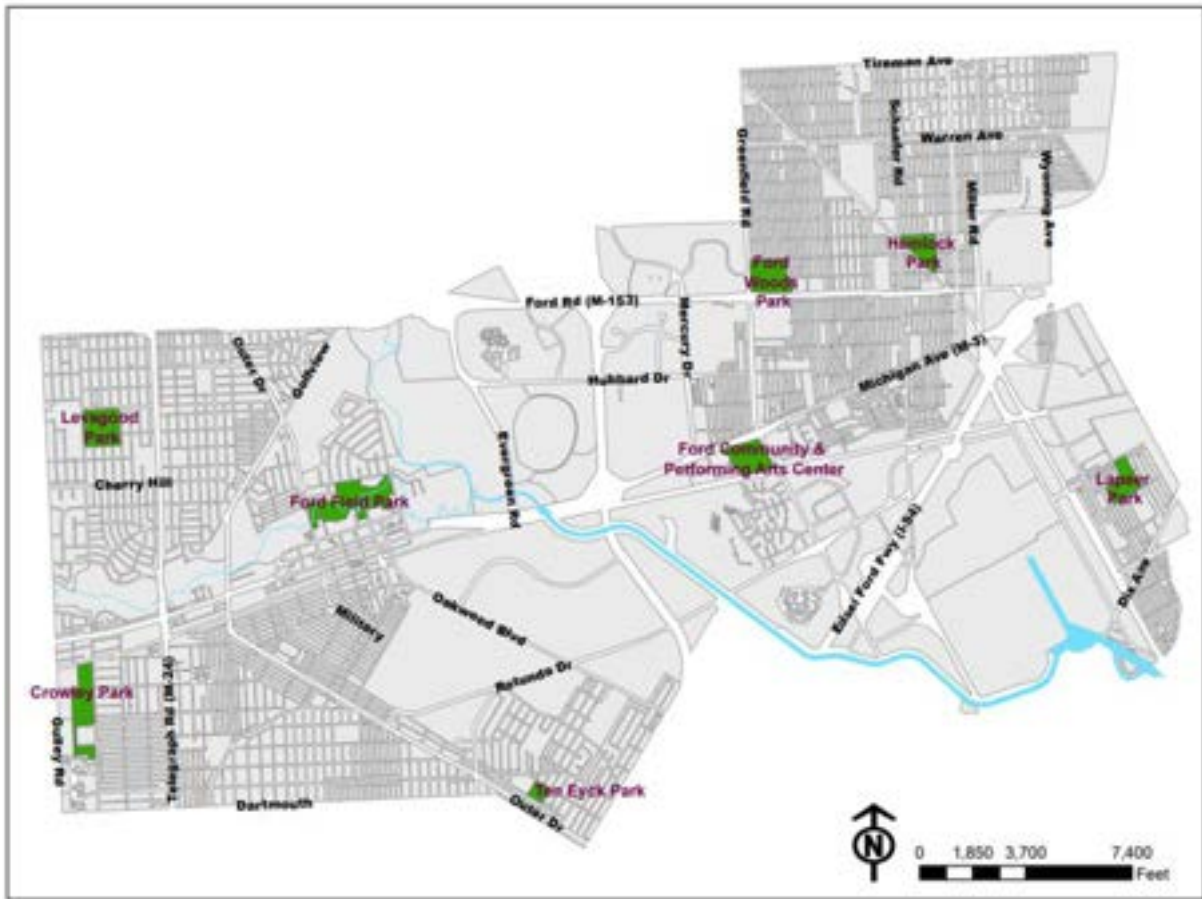
EXECUTIVE SUMMARY AND MEMORANDUM

system can adequately support activities within the site without creating plumbing code issues.

- Permit commissary kitchens as a permitted land use in IA district. These types of facilities are not open to the public for food service, but are focused on offering areas for prep & storage of food.

Additional Notes

- The proposed regulations are constructed to help ensure that the way these sites operate do not create public nuisances or negatively impact adjacent properties. Frequent violations have included dumping of grease into the city’s stormwater system, storage of food and inventory outside, and illegal electrical hookups.
- City Council would still reserve the right to permit food trucks on a temporary basis or for a special event anywhere in the city per Sec. 2.07 A4.
- The existing licensing regulations create an opportunity to help activate our public spaces and create a walkable destination for residents by allowing them in major parks throughout the city (see picture below).





EXECUTIVE SUMMARY AND MEMORANDUM

Recommendation:

After due consideration and a public hearing on March 10th, 2025 the following recommendation was made by the Planning Commission:

A motion was made by Commissioner Saymuah, supported by Commissioner Abdallah to approve the ordinance amendment for Section 18.00, with the addition of a requirement for grease interception on site for food truck parks. Upon roll call the following vote was taken: Ayes: (7) (Commissioners Abdallah, Easterly, Kadouh, King, Mohamed, Phillips, and Saymuah). Absent: (2) (Commissioner Abdulla & Fadlallah). The motion was adopted.

Signature Page

Prepared by:

Kaileigh Bianchini

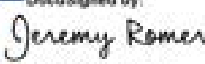
KAILEIGH BIANCHINI, AICP
Planning and Zoning Manager

Approved:

Signed by:

FC7ADCT688A843C...

JORDAN TWARDY
Economic Development Director

DocuSigned by:

ETAST9BA25E0480

JEREMY ROMER
Corporation Counsel

Zoning Language Amendment - BC & IA Zoned Properties

Legend

 City of Dearborn

 BC - General Business District
(outside of DDA's and BDIA's)

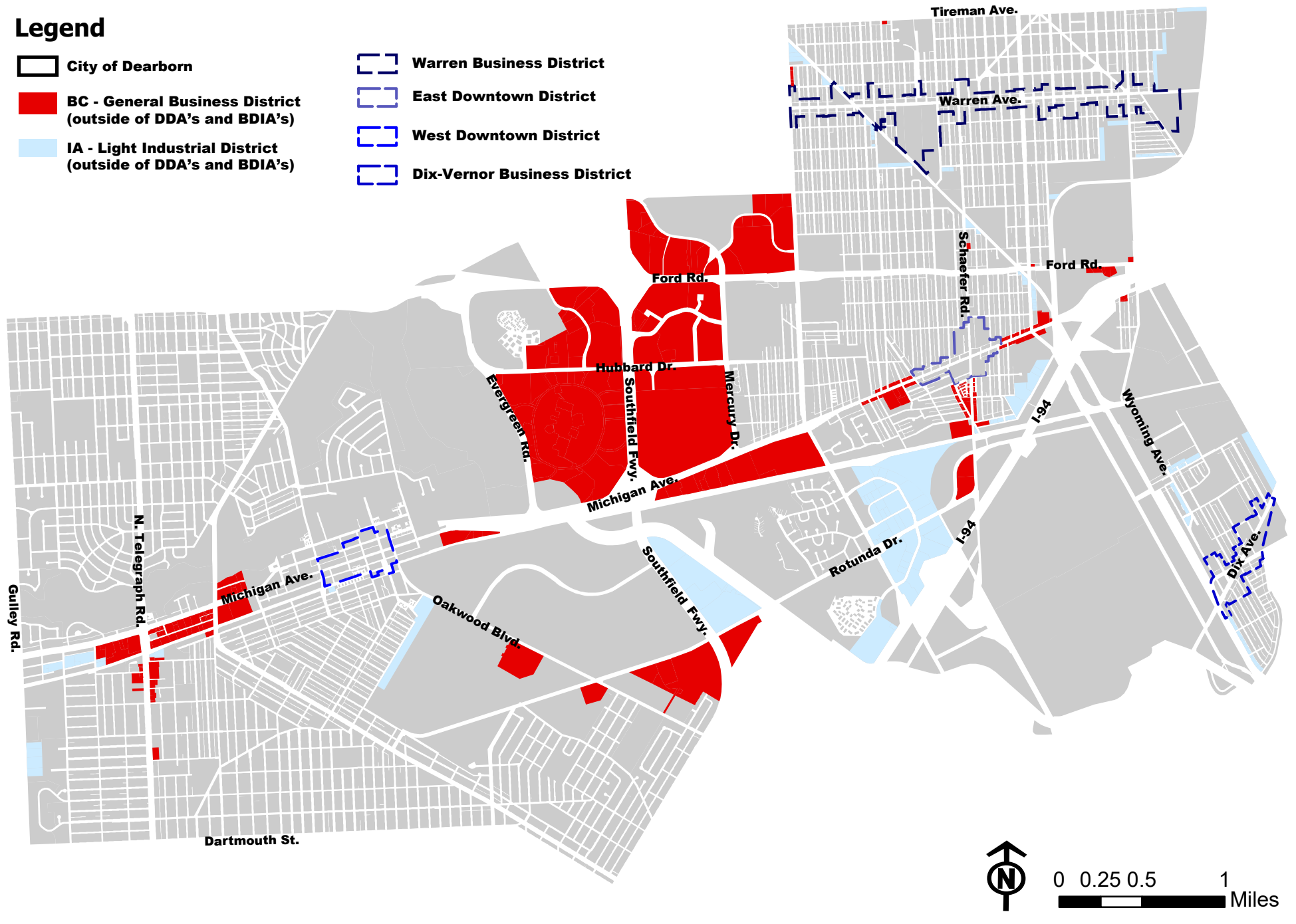
 IA - Light Industrial District
(outside of DDA's and BDIA's)

 Warren Business District

 East Downtown District

 West Downtown District

 Dix-Vernor Business District



**ORDINANCE NO. xx-xx
AN ORDINANCE TO AMEND THE ZONING ORDINANCE
OF THE CITY OF DEARBORN BY AMENDING
ARTICLE 1.00, ENTITLED
“SHORT TITLE, RULES OF CONSTRUCTION AND DEFINITIONS”**

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 1.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 1.00: Short Title, Rules of Construction and Definitions

Sec. 1.03. - Definitions

Commissary kitchen. A commercial kitchen that food businesses can rent to prepare, store, and cook food.

Food trucks. A business serving or offering for sale food and/or beverages from a mobile food unit which shall mean a fully enclosed vehicle or trailer that is also licensed by the state as a mobile food service establishment or special transitory food unit.

Food truck park. A parcel of land where one or more food trucks congregate to sell food or beverages to the general public.

**ORDINANCE NO. xx-xx
AN ORDINANCE TO AMEND THE ZONING ORDINANCE
OF THE CITY OF DEARBORN BY AMENDING
ARTICLE 7.00, ENTITLED
“SITE DEVELOPMENT STANDARDS APPLICABLE TO SPECIFIC USES”**

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 7.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 7.00: Site Development Standards Applicable to Specific Uses

Sec. 7.02. - Site development standards for nonresidential uses.

BB. Food truck park

- 1. Use restrictions.** The principal and sole use of the property must be a food truck park.
- 2. Food truck requirements.** Food trucks on the site must have a valid food truck license. All food trucks must remain moveable and operational at all times.
- 3. Building requirements.** A food truck park must include a permanent building on the property which provides essential services to ensure the use operates efficiently and consistent with health code standards. The building must contain the following:
 - A. A facility which operates as the food truck park’s licensed mobile food establishment commissary.
 - B. Access to washroom facilities for patrons based upon occupant load. At a minimum, two-bathrooms must be provided.
- 4. Site layout.** Any areas on the property where food trucks are proposed to be in use or parked must be identified on the approved site plan. Food trucks must remain on paved areas at all times.

- 3. Outdoor storage prohibited.** There shall be no outside storage of any goods, inventory, or equipment.

- 4. Sanitation.** A dumpster enclosure is required on the property per Sec. 2.14. A. Installation of an exterior gravity grease interceptor, or other alternative treatment technology, is required, and is subject to all applicable requirements under the law, including but not limited to the Michigan Plumbing Code and applicable plumbing and sanitation requirements found in the City's Code of Ordinances. External waste grease storage is prohibited.

- 5. Electrical requirements.** Permanent electrical outlets must be provided for each individual food truck. Use of generators is prohibited.

- 6. Outdoor dining.** Outdoor dining is considered a permitted accessory use subject to the following regulations:
 - A. The occupant load of the outdoor dining area shall not exceed fifty (50) percent of the interior customer/patron occupant load of the building (occupant load to be determined per the Building Code).

 - B. The hours of operations are limited to 7:00 a.m. and 12:00 a.m. or the operating hours of the building, whichever is more restrictive.

 - C. All outdoor dining areas must be buffered and protected from vehicles. Appropriate measures include but are not limited to fencing, landscaping, and planter boxes.

ORDINANCE NO. xx-xx
AN ORDINANCE TO AMEND THE ZONING ORDINANCE
OF THE CITY OF DEARBORN BY AMENDING
ARTICLE 16.00, ENTITLED
“BC, GENERAL BUSINESS DISTRICT”

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 16.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 16.00: BC, General Business District

Sec. 16.02. - Permitted uses and structures.

A. **Principal uses and structures.** In all areas zoned B-C, General Business 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. All uses permitted in a B-B District.
2. Service establishments including, but not limited to, a workshop maintained by electricians, plumbers, painters, upholsterers, printers, when in conjunction with retail establishments that offer merchandise of a related nature.
3. Greenhouses or nurseries.
4. Public utility buildings, telephone exchange buildings, electric transformer stations and substations, gas regulator stations with service yards but without storage yards, and water and sewage pumping stations.
5. Automobile dealerships selling new and used automobiles.
6. Fast food and carry-out restaurants.
7. Other uses not specifically listed in this ordinance, after determination by the director of building and safety that such use is similar to other permitted uses in this district.
8. Accessory structures and uses customarily incidental to the above permitted use.
9. Automobile filling and/or repair stations which may also provide retail sales of prepackaged food products for consumption off premises, and other small consumer convenience items.
10. Arcades and pool or billiard halls.
11. Hospitals.

B. **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 7.00](#) and [Article 32.00](#).

1. All special land uses permitted in the B-B Community Business District as stated in Section [15.02B](#).
2. Multiple-family dwellings to include rental apartments and condominium units.
3. Sale of used automobiles only.
4. Car wash establishments.
5. Bus terminals, cab stands, and other transit facilities.
6. Drive-in movie establishments.
7. Indoor motion picture theaters and rental halls.
8. Open air businesses.
9. Recreation facilities, indoor and outdoor.
10. Alternative financial establishments.
11. Day laborer agencies.
12. Regulated uses as set forth in Section [7.05](#).
13. Motels or hotels, subject to the provisions in Section [7.02](#).
- 14. Food truck parks, subject to the provisions in Section 7.02 BB, but prohibited within the BD-Downtown Business District.**

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.

11. Commissary kitchens.

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).

11. Food truck courts, in the IA District only, subject to the provisions in Section 7.02 BB.

**ORDINANCE NO. xx-xx
 AN ORDINANCE TO AMEND THE ZONING ORDINANCE
 OF THE CITY OF DEARBORN BY AMENDING
 ARTICLE 4.00, ENTITLED
 “OFF-STREET PARKING AND LOADING REQUIREMENTS”**

THE CITY OF DEARBORN ORDAINS TO:

Amend Article 4.00 of the Zoning Ordinance of the City of Dearborn to include the following:

ARTICLE 4.00: Short Title, Rules of Construction and Definitions

Sec. 4.01 C. Minimum number of spaces required.

11. SCHEDULE OF OFF-STREET PARKING

(C)	BUSINESS AND COMMERCIAL USES		
(30)	Food Truck Park	1.0	180 sq. ft. of dining areas
(E)	INDUSTRIAL USES		
(1)	Contractor or Construction Use	3.0	Employee
(2)	Manufacturing Establishments, Commissary Kitchens or Establishments for Industrial production, Processing, Assembly, Research, Compounding, Preparation, Cleaning, Servicing, Testing, Repair, plus Accessory Business Offices and Storage Facilities	1.0 0.5	750 sq. ft. of gross floor area, or per employee, whichever is greater



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Award for Extension of Contract for City-Owned Vacant Lot Maintenance.

DEPARTMENT: Department of Economic Development, in conjunction with Purchasing.

BRIEF DESCRIPTION: Department of Economic Development, in conjunction with Purchasing, recommends the award of an extension to contract for City-Owned Vacant Lot Maintenance, to Brantley Development.

PRIOR COUNCIL ACTION: CR- 11-500-19

BACKGROUND: This service is now managed by Economic Development as it was previously managed by Public Works. This vendor is very dependable and is knowledgeable about where City lots are and how to maintain them to City of Dearborn standards. This vendor also has done immediate abatement (with photographs) and large abatements as well. He is very familiar with our procedures and protocols.

FISCAL IMPACT: Budget for FY26 - \$155,000 account 101-2914-663.34-94

COMMUNITY IMPACT: Maintaining our own public spaces/ lots is essential to keeping the city clean and safe.

IMPLEMENTATION TIMELINE: Vacant lots are maintained year-round. Grass Season is from April-October. Snow season is based on need during winter months. We also have one fall clean up (leaves) and a spring clean-up (litter, debris, garbage). Vacant lots are grass cut on a 2-week basis.

COMPLIANCE/PERFORMANCE METRICS: Economic Development, Neighborhood Services will oversee the contract



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: City Administration
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Award for Extension of Contract for City-Owned Vacant Lot Maintenance
DATE: March 21, 2025

Budget Information

Adopted Budget: FY25 \$153,936
 Amended Budget: FY25 \$153,936
 Requested Amount: Not-to-exceed \$160,859 annually
 Funding Source: General Fund, Property Maintenance & Development Services, Neighborhood Services, Contractual Services, Vacant Lot Maintenance
 Supplemental Budget: FY26 Proposed \$155,000

Summary of Request

Department of Economic Development, Neighborhood Services Division, in conjunction with Purchasing, recommends the award extension for City-Owned Vacant Lot Maintenance to Brantley Development. The value of the contract is not-to-exceed \$160,859 annually. The contract shall be for a term of one year with four, one-year renewal options at the contract’s original pricing, terms and conditions.

It is respectfully requested that Council authorize the award of extension, pending satisfactory performance. Immediate effect is requested, although the resulting contract shall not be binding until fully executed.

Background and Justification

The City of Dearborn currently owns and maintains 453 vacant lots and easements, which are located in highly visible residential areas. This contract establishes maintenance standards in order to beautify neighborhoods, upkeep cleanliness, reduce vector harborage, and keep pedestrian pathways free and clear of snow and ice. To achieve these goals, the scope of this contract includes grass cutting and trimming, litter removal, snow removal, and notification of issues such as illegal dumping or use of the property. The maintenance of City properties works in tandem with enforcement efforts carried out by Neighborhood Services by demonstrating the City’s commitment to maintaining its property.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

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.

Prepared By:

DB
MR

Rosette Fisher, Buyer

Department Approval:

Signed by:

1C7ADCF688A843C...

Jordan Twardy, Director of Economic Development

Budget Approval:

DocuSigned by:

F7791801421447F...

Michael Kennedy, Finance Director/ Treasurer

Initial
MK

Corporation Counsel Approval:

DocuSigned by:

ETAS73BA25E3480...

Jeremy J Romer, Corporation Counsel



FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Advisory Notice, Receive and File – FY26 Council Threshold Increase

DEPARTMENT: Purchasing Division, Finance

BRIEF DESCRIPTION: Each Fiscal Year, Purchasing notifies City Council of the Increase to Council Threshold per the Purchasing Ordinance. The Fiscal Year 2026 Council Threshold will be \$35,500 based on the 2025 State of Michigan CPI increase of 3.1%.

PRIOR COUNCIL ACTION: Advisory Notice – April 2024 – FY24 Council Threshold Increase to \$34,400.

BACKGROUND:

- The Council threshold is \$34,400 in Fiscal Year 2025
 - Section 2-568 of the Purchasing Ordinance states that the Council threshold is adjusted annually based on the Consumer Price Index (CPI) as determined by the State of Michigan for tax assessment, rounded up to the nearest hundred
 - The 2025 CPI rate as determined by the State of Michigan for tax assessment is 3.1%, which results in a new Council threshold of \$35,500.
-

FISCAL IMPACT:

- All Purchases made above the FY26 Council Threshold of \$35,500 will require Council approval.
-

COMMUNITY IMPACT:

- Purchases and Contracts over \$35,500 will be evaluated and approved by the City Council.
-

IMPLEMENTATION TIMELINE: FY26

COMPLIANCE/PERFORMANCE METRICS:

- Purchasing Manager will review all requisitions and solicitations to adhere to the purchasing ordinance and all approval requirements.



FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Finance Department/Purchasing Division

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Advisory Notice, Receive and File - Council Threshold Increase for Fiscal Year 2026

DATE: March 18, 2025

Section 2-568 of the Purchasing Ordinance states that the Council threshold is adjusted annually based on the Consumer Price Index (CPI). The Council threshold was \$34,400 in Fiscal Year 2025. The 2025 CPI rate as determined by the State of Michigan for tax assessment is 3.1%, resulting in a new Council threshold of \$35,500, which shall be in effect for Fiscal Year 2026. The quotation threshold will now be set at \$4,000 for Fiscal Year 2026.

Below are excerpts of the relevant Ordinance language for your reference. Section 2-568 of the Purchasing Ordinance states:

Council Threshold: Procurements that are anticipated to exceed the current year threshold that is adjusted annually, with the beginning of the fiscal year, by the Consumer Price Index as determined by the State of Michigan for tax assessment, rounded up to the nearest hundred.

Quotation Threshold: Procurements that are anticipated to exceed ten percent of the council threshold rounded to the nearest thousand.

History and Background Info:

Council Threshold increases by CPI				
Fiscal Year	From	To	Multiplier Used	Total
2023	\$ 29,300.00	\$ 30,300.00	3.3	\$ 30,266.90
2024	\$ 30,300.00	\$ 32,700.00	7.9	\$ 32,693.70
2025	\$ 32,700.00	\$ 34,400.00	5.1	\$ 34,367.70
2026	\$ 34,400.00	\$ 35,500.00	3.1	\$ 35,466.40

Prepared By:

DocuSigned by:

 017FFDC142E34C3
 Mark Kozinsky, Purchasing Manager

DocuSigned by:

 F77918D1421447F
 Michael Kennedy, Finance Director/Treasurer



REQUEST: Receipt and file of the Annual Actuarial reports for the City's Pension Systems

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 valuation reports.

BACKGROUND: The Annual Actuarial Reports measure each system's funding progress, and determines the City's required contributions for the upcoming fiscal year.

The 06/30/2024 Actuarial Reports were received February 11, 2025, and the indicated required contributions are to be incorporated into the proposed FY2026 budget.

FISCAL IMPACT: \$16,164,774 Actuarially Computed Required Employer Contributions for FY2026.

IMPACT TO COMMUNITY: N/A

IMPLEMENTATION TIMELINE: N/A

COMPLIANCE/PERFORMANCE METRICS: N/A



FINANCE

TO: City Council
FROM: Michael Kennedy, Director of Finance/Treasurer
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Pension Actuary Reports – Receipt and File
DATE: March 11th, 2025

The Annual Actuarial Report measures the System's funding progress, and determines the City's required contributions for the upcoming fiscal year. The 06/30/2024 Actuarial Reports were received February 11, 2025. As such, the required contributions will be incorporated into the FY2026 proposed budget.

Attached is the Actuarial Reports for each of the City's Pension Systems. As indicated in the reports, the City's Actuarially Computed Employer Contributions are as follows:

	FY2025	FY2026	FY25-26 Variance
Chapter 21 P&F	0	0	0
Chapter 22 General Employees	2,766,423	2,834,755	68,332
Chapter 23 Police	6,961,062	6,899,202	(61,860)
Chapter 23 Fire	5,935,491	6,430,817	495,326
Total	\$15,662,976	\$16,164,774	\$501,798

These reports have been prepared in compliance with Public Act 728 of 2002 which amended Public Act 314 of 1965 (The Public Employee Retirement System Investment Act.)

Please receive and file the report.


Michael Kennedy
Finance Director/Treasurer


Robert Benak
Pension Accountant

Funding Objective

21

The funding objective of the Retirement System is to establish and receive contributions which will accumulate assets during each member's working years which, together with regular interest, will be sufficient to pay promised benefits after retirement.

Contribution Rates

The Retirement System is supported by City contributions and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the actuarial present value of benefits allocated to the current year by the actuarial cost method (the normal cost); and
- (2) Finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (the unfunded actuarial accrued liability).

The financing program for Chapter 21 was completed as of June 30, 1998, eight years ahead of schedule. This was a milestone event in the operation of the Chapter 21-Retirement System. Dedication to sound funding principles over many years was required to achieve this goal. Superior investment return was an important contributing factor.

Contribution Requirements

22

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and service annuities	10.88 %	10.77 %
Disability annuities	0.38 %	0.39 %
Death-in-service annuities	0.24 %	0.26 %
Future refunds	0.00 %	0.00 %
Total Current Cost*	11.50 %	11.42 %
Employee Contribution %	7.00 %	7.00 %
Net Employer Contribution %	4.50 %	4.42 %
Accrued Liabilities Amortization^	\$2,623,071	\$2,706,707

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost, when reduced by the accrued liability credit (if any), should not fall short of the minimum contribution.

^ Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and adding the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 of \$2,897,022, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 143,352	\$ 128,048
Accrued Liability	2,623,071	2,706,707
Total	\$ 2,766,423	\$ 2,834,755
Contribution as a % of Estimated Payroll	86.8%	97.9%

**4.42% x \$2,897,022 = \$128,048



Contribution Requirements – FIRE

23 Fire

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and Service Benefits	31.36 %	34.30 %
Disability Benefits	0.57 %	0.59 %
Death-in-Service Benefits	0.46 %	0.44 %
Termination Benefits	2.72 %	2.72 %
Total Normal Cost*	35.11 %	38.05 %
Less: Member Contributions	5.00 %	5.00 %
Employer Normal Cost	30.11 %	33.05 %
Unfunded Accrued Liabilities Amortization [^]	\$4,172,543	\$4,600,622

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost when reduced by the accrued liability credit (if any) should not fall short of the minimum contribution.

[^] Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and added to the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 for Fire of \$5,537,656, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 1,762,948	\$ 1,830,195
Accrued Liability	4,172,543	4,600,622
Total	\$ 5,935,491	\$ 6,430,817
Contribution as a % of Estimated Payroll	101.4%	116.1%

**33.05% x \$5,537,656 = \$1,830,195



Contribution Requirements - POLICE

23 Police

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and Service Benefits	28.18 %	29.32 %
Disability Benefits	1.68 %	1.64 %
Death-in-Service Benefits	0.35 %	0.34 %
Termination Benefits	2.91 %	2.82 %
Total Normal Cost	33.12 %	34.12 %
Less: Member Contributions	5.00 %	4.78 %
Employer Normal Cost*	28.12 %	29.34 %
Accrued Liabilities Amortization [^]	\$5,978,298	\$6,090,937

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost when reduced by the accrued liability credit should not fall short of the minimum contribution.

[^] Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and added to the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 for Police of \$2,754,822, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 982,764	\$ 808,265
Accrued Liability	5,978,298	6,090,937
Total	\$ 6,961,062	\$ 6,899,202
Contribution as a % of Estimated Payroll	199.2%	250.4%

**29.34% x \$2,754,822 = \$808,265



City of Dearborn Chapter 21 Retirement System

58th Annual Actuarial Valuation
June 30, 2024





February 11, 2025

Mr. Michael Kennedy
Finance Director/Treasurer
City of Dearborn Chapter 21 Retirement System
16901 Michigan Avenue
Dearborn, Michigan 48126

**Re: City of Dearborn Chapter 21 Retirement System Actuarial Valuation as of June 30, 2024
Actuarial Disclosures**

Dear Mr. Kennedy:

The results of the June 30, 2024 Annual Actuarial Valuation of the City of Dearborn Chapter 21 Retirement System are presented in this report.

This report was prepared at the request of the City and is intended for use by the Retirement System and those designated or approved by the City. This report may be provided to parties other than the System only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress and to determine the employer contribution for the fiscal year ending June 30, 2026. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The employer contribution in this report is determined using the actuarial assumptions and methods disclosed in Section E of this report. This report includes risk metrics in Appendix 2 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. This report also includes a discussion of the required Low-Default-Risk Obligation Measure (LDRM) on page Appendix 2-4. Additional assessment of risks was outside the scope of this assignment.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the City, concerning Retirement System benefits, financial transactions, plan provisions, retirees and beneficiaries. We checked for internal reasonability 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.

Mr. Michael Kennedy
City of Dearborn Chapter 21
Retirement System
February 11, 2025
Page 2

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used for funding purposes in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Methods and Assumptions.

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. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the City of Dearborn Chapter 21 Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Francois Pieterse and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with you and to answer any questions that the City may have pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Francois Pieterse, ASA, FCA, MAAA



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

FP/RCK:rmn

C0014



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Executive Summary

1. Required Employer Contributions to Support Retirement Benefits and Funded Status

The chart below compares the results of this valuation of the Retirement System with the results of the prior year's valuation:

Valuation Date	6/30/2023	6/30/2024
Required Employer Contribution	\$ 0	\$ 0
Funded Status	577.2%	651.2%

2. Funded Status

As of the valuation date, the Unfunded Actuarial Accrued Liability (UAAL) is \$(22.1) million.

3. Plan Experience

During the year ended June 30, 2024, the rate of return on market value of assets was higher than expected. However, the market value smoothing techniques used in this valuation of the System recognize both past and present investment gains and losses over a five-year period. The System experienced a loss primarily due to fewer retiree deaths than expected, mostly offset by favorable investment experience. Detailed information related to System experience is shown on page B-2.

4. Plan Provisions and Actuarial Assumptions

The plan provisions are summarized in Section F. There were no changes in benefits since the June 30, 2023 valuation.

The actuarial assumptions are summarized in Section E. Mortality assumptions were updated with this valuation.

5. Looking Ahead

Due to the asset smoothing method, only a portion of the current year asset gain was recognized this year. If the market value was used (instead of smoothed value), the funded status would have been 671.3% (instead of 651.2%).

6. Public Act 202

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found in the City of Dearborn Chapter 21 Retirement System GASB Statements No. 67 and No. 68 Accounting and Financial Reporting for Pensions dated August 26, 2024 for information for this filing.



SECTION A

INTRODUCTION

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions which will accumulate assets during each member's working years which, together with regular interest, will be sufficient to pay promised benefits after retirement.

Contribution Rates

The Retirement System is supported by City contributions and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the actuarial present value of benefits allocated to the current year by the actuarial cost method (the normal cost); and
- (2) Finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (the unfunded actuarial accrued liability).

The financing program for Chapter 21 was completed as of June 30, 1998, eight years ahead of schedule. This was a milestone event in the operation of the Chapter 21 Retirement System. Dedication to sound funding principles over many years was required to achieve this goal. Superior investment return was an important contributing factor.

SECTION B

FUNDING RESULTS

Present Value of Future Benefits and Accrued Liability

Determination of Unfunded Accrued Liability

	June 30,	
	2023	2024
A. Accrued Liability		
1. For retirees and beneficiaries	\$ 4,375,864	\$ 4,009,333
B. Present Assets (Funding Value)	25,257,941	26,107,555
C. Unfunded Accrued Liability: (A.1) - (B)	(20,882,077)	(22,098,222)
D. Funding Ratio: (B) / (A.1)	577.2%	651.2%
E. Funding Ratio: Market Value Basis	535.8%	671.3%

Derivation of Experience Gain/(Loss)

Actual experience will never (except by coincidence) exactly match assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain (loss) is shown below, along with a year-by-year comparative schedule.

	June 30,	
	2023	2024
(1) UAAL* at start of year	\$ (19,367,911)	\$ (20,882,077)
(2) Interest accrual	(1,162,075)	(1,252,925)
(3) Expected UAAL before changes: (1) + (2)	(20,529,986)	(22,135,002)
(4) Change from benefit increases	0	0
(5) Change in actuarial assumption	0	(49,701)
(6) Expected UAAL after changes: (3) + (4) + (5)	(20,529,986)	(22,184,703)
(7) Actual UAAL at end of year	(20,882,077)	(22,098,222)
(8) Total Gain (loss): (6) - (7)	352,091	(86,481)
(9) Gain (loss) due to Liabilities	692,549	(329,686)
(10) Gain (loss) due to Assets	(340,458)	243,205

* Unfunded actuarial accrued liabilities.

Valuation Date June 30,	Experience Gain (Loss)		
	Asset	Liability	Total
2020	\$ (453,433)	\$ 89,904	\$ (363,529)
2021	821,782	251,175	1,072,957
2022	(427,311)	(239,394)	(666,705)
2023	(340,458)	692,549	352,091
2024	243,205	(329,686)	(86,481)

SECTION C

FUND ASSETS

Development of Funding Value of Assets (Five-Year Smoothing)

Year Ended June 30:	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$25,257,941				
B. Market Value End of Year	26,914,609				
C. Market Value Beginning of Year	23,447,969				
D. Non-Investment Net Cash Flow	(882,590)				
E. Investment Return					
E1. Market Total: B - C - D	4,349,230				
E2. Amt. for Immediate Recognition (6.0%)	1,488,999				
E3. Amt. for Phased-in Recognition: E1 - E2	2,860,231				
F. Phased-in Recognition of Investment Return					
F1. Current Year (.20 x E3)	572,046				
F2. First Prior Year	(21,396)	\$ 572,046			
F3. Second Prior Year	(1,184,579)	(21,396)	\$ 572,046		
F4. Third Prior Year	952,215	(1,184,579)	(21,396)	\$ 572,046	
F5. Fourth Prior Year	(75,081)	952,214	(1,184,577)	(21,397)	\$ 572,047
F6. Total Recognized Investment Gain (Loss)	243,205	318,285	(633,927)	550,649	572,047
G. Funding Value End of Year: A + D + E2 + F6	26,107,555				
H. Difference between Market & Funding Value	807,054	488,769	1,122,696	572,047	0
I. Market Value Rate of Return	18.9 %				
J. Ratio of Funding Value to Market Value	97.0 %				

The funding value of assets recognizes assumed investment return (line E2) fully each year. Differences between actual and assumed investment return (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is **unbiased** with respect to market value. At any time, it may be either greater or less than market value. If actual and assumed rates of investment return are exactly equal for four consecutive years, the funding value will become equal to market value.

SECTION D

CENSUS DATA

Retirants and Beneficiaries

Type of Annuities Being Paid	Number	Monthly Annuities
Age and service annuities:		
Straight life	1	\$ 3,692
Option 1: (100% J & S pop-up)	0	0
(100% J & S regular)	1	2,684
Option 2: (50% J & S pop-up)	0	0
(50% J & S regular)	0	0
Survivor beneficiary	13	48,380
Total	15	54,756
Disability annuities:		
Straight life	0	0
Option 1: (100% J & S pop-up)	0	0
(100% J & S regular)	0	0
Option 2: (50% J & S pop-up)	0	0
(50% J & S regular)	0	0
Survivor beneficiary	0	0
Total	0	0
Annuity to survivor beneficiary of deceased member who died while in service	4	12,787
EDRO Benefit Recipient	0	0
Grand Total	19	\$67,543

Retirants and Beneficiaries

Attained Ages	Retirants		Beneficiaries		Disability		Death-in-Service		All Annuities	
	No.	Monthly Allowances	No.	Monthly Allowances	No.	Monthly Allowances	No.	Monthly Allowances	No.	Monthly Allowances
75-79			1	\$ 3,595					1	\$ 3,595
80-84			1	3,131					1	3,131
87			1	3,914					1	3,914
88			2	3,917					2	3,917
89							1	\$ 2,091	1	2,091
90			3	13,223					3	13,223
91			2	10,727			1	4,048	3	14,775
92	1	\$ 3,692	1	1,654					2	5,346
95			1	3,718			2	6,648	3	10,366
97	1	2,684	1	4,501					2	7,185
Totals	2	\$6,376	13	\$ 48,380			4	\$12,787	19	\$67,543

SECTION E

METHODS AND ASSUMPTIONS

Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation of Dearborn Chapter 21

(Assumptions Adopted after Consulting with Actuary)

The mortality assumptions were revised for the June 30, 2024 actuarial valuation, based on an experience study that was performed for the Chapter 23 Retirement System for the City of Dearborn. The study was dated, October 14, 2024.

Economic Assumptions

The investment return rate assumed in the valuation was 6.0% per year, compounded annually (net after 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 the 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

Employer contribution dollars were assumed to be paid in equal installments throughout the employer's fiscal year.

Present assets (cash & investments) are valued on a market-related basis effective June 30, 1994. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase-in of the difference between actual and assumed earnings.

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 for the June 30, 2024 Actuarial Valuation of Dearborn Chapter 21

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-2021. 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-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.

Sample Attained Ages	Future Life Expectancy (Years)*			
	Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females
60	25.70	27.66	24.71	26.91
65	21.09	23.00	20.33	22.54
70	16.79	18.60	16.28	18.40
75	12.87	14.52	12.55	14.48
80	9.43	10.89	9.31	10.89

* Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The values shown are for individuals with the indicated sample attained ages in 2024.

SECTION F

PLAN PROVISIONS

Summary of Provisions (2024) Evaluated and/or Considered

The City of Dearborn Chapter 21 Police and Fire 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 G

GLOSSARY

Glossary

Accrued Service	The service credited under the plan which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability	The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision 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 future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”
Actuarial Equivalent	A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.
Actuarial Present Value	The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Glossary

Reserve Account	An account used to indicate that funds have been set aside for a specific purpose and is not generally available for other uses.
Unfunded Actuarial Accrued Liability	The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”
Valuation Assets	The value of current plan assets recognized for valuation purposes. Generally based on market value plus a portion of unrealized appreciation or depreciation.

APPENDIX 1

ACCOUNTING DISCLOSURES

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items the auditor changes so that we may maintain consistency with the System's financial statements.

Information to be used for plan reporting is now issued in a separate report in accordance with GASB Statements No. 67 and No. 68.

Statement of Plan Assets as of June 30, 2023 and 2024

	2023	2024
Assets		
Cash and short-term investments		
Cash and cash equivalents	\$ 92,471	\$ 58,134
Short-term investments	181,236	210,715
Subtotals	273,707	268,849
Receivables		
Accounts receivable and miscellaneous	609	503
Accrued interest and dividends	22,816	30,613
Unsettled trades	0	0
Subtotals	23,425	31,116
Investments, at fair value		
Fixed income	7,832,007	9,513,762
Stocks	5,296,762	6,361,278
Collateral pledged on securities loaned	0	0
Real estate	0	0
Co-mingled and mutual funds	10,027,707	10,746,826
Limited partnerships	0	0
Subtotals	23,156,476	26,621,866
Total Assets	23,453,608	26,921,831
Liabilities		
Payables	5,639	7,222
Securities loaned	0	0
Other	0	0
Subtotals	5,639	7,222
Net assets held in trust for pension benefits (A schedule of funding progress for the plan is presented on page Appendix 1-4.)	\$23,447,969	\$26,914,609

Statement of Changes in Plan Assets for the Fiscal Years Ended June 30, 2023 and 2024

	Reconciliation as of June 30	
	2023	2024
Additions		
Contributions		
Employer	\$ 0	\$ 0
Plan members	0	0
Total contributions	0	0
Investment return		
Net appreciation	787,355	3,711,259
Interest and dividends	639,735	739,072
Gain on sale of securities	0	0
	1,427,090	4,450,331
Less investment expense	(40,626)	(31,007)
Net investment return	1,386,464	4,419,324
Total additions	1,386,464	4,419,324
Deductions		
Benefits	1,041,696	882,590
Refunds of contributions	0	0
Expenses	14,997	70,094
Total deductions	1,056,693	952,684
Net increase	329,771	3,466,640
Net assets held in trust for pension benefits		
Beginning of year	\$23,118,198	\$23,447,969
End of year	\$23,447,969	\$26,914,609

Notes to the Financial Statements for the Fiscal Year Ended June 30, 2024

A. Summary of Significant Accounting Policies

Basis of Accounting. The accompanying financial statements are on the accrual basis of accounting.

Methods Used to Value Investments. Based on information supplied by the City of Dearborn, we have assumed the following: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

B. Plan Description and Contribution Information

Membership information as of June 30, 2024, the date of the latest actuarial valuation, is as follows:

Retirees and beneficiaries	19
Terminated vested members	0
Active members	0
Total	19

Plan Description. The City of Dearborn Chapter 21 Police and Fire 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.

Contributions. Because all active members have retired, the financing of unfunded actuarial accrued liabilities determines employer contributions. For funding purposes, the financing period has been completed. (For accounting purposes, the financing period is five years.)

The employer’s funding policy provides for a level dollar contribution for unfunded accrued liabilities over the financing period. To determine the employer contribution and to assess the extent to which the fundamental financial objective is being achieved, the System has actuarial valuations prepared annually.

On the basis of the June 30, 2024 actuarial valuation, the employer contribution was determined to be as follows:

Unfunded Accrued Liabilities:	\$(22,098,222)
Payment:	0



Required Supplementary Information Schedule of Funding Progress

(Dollar Amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)
6/30/2014	\$ 28.60	\$ 15.27	\$ (13.33)	187.3%
6/30/2014#	28.60	16.10	(12.50)	177.6%
6/30/2015	27.90	14.14	(13.76)	197.2%
6/30/2016	27.05	12.12	(14.93)	223.2%
6/30/2016#	27.05	11.34	(15.71)	238.5%
6/30/2017	26.59	10.40	(16.19)	255.7%
6/30/2018	25.87	9.45	(16.42)	273.8%
6/30/2019	24.94	8.75	(16.19)	285.1%
6/30/2019#	24.94	8.73	(16.21)	285.8%
6/30/2020	24.30	7.48	(16.82)	324.7%
6/30/2021	25.29	6.39	(18.90)	396.0%
6/30/2022	25.16	5.79	(19.37)	434.3%
6/30/2023	25.26	4.38	(20.88)	577.2%
6/30/2024	26.11	4.06	(22.05)	643.1%
6/30/2024#	26.11	4.01	(22.10)	651.2%

After change in actuarial assumptions.

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Actual Contributions	Percent Contributed
2012	\$0	\$0	100.0%
2013	0	0	100.0%
2014	0	0	100.0%
2015	0	0	100.0%
2016	0	0	100.0%
2017	0	0	100.0%
2018	0	0	100.0%
2019	0	0	100.0%
2020	0	0	100.0%
2021	0	0	100.0%
2022	0	0	100.0%
2023	0	0	100.0%
2024	0	0	100.0%

Summary of Actuarial Methods and Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

<u>Valuation Date</u>	<u>June 30, 2024</u>
Actuarial cost method	Fully Funded Retiree Only Plan
Amortization method	Level dollar
Remaining amortization period	0 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	6.0%
Cost-of-living adjustments	2.75%

APPENDIX 2

RISK MEASURES

Risk Measures

Actuarial Valuation Year Ended June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Covered Payroll	(5) Funded Ratio (1) / (2)	(6) Assets / Payroll (1) / (4)	(7) Liability / Payroll (2) / (4)	(8) Unfunded / Payroll (3) / (4)
2015	\$27,898,220	\$14,144,034	\$(13,754,186)	N/A	197.2 %	N/A	N/A	N/A
2016 #	27,051,872	11,344,254	(15,707,618)	N/A	238.5	N/A	N/A	N/A
2017	26,592,053	10,399,880	(16,192,173)	N/A	255.7	N/A	N/A	N/A
2018	25,867,029	9,448,843	(16,418,186)	N/A	273.8	N/A	N/A	N/A
2019 #	24,935,230	8,725,756	(16,209,474)	N/A	285.8	N/A	N/A	N/A
2020	24,302,345	7,483,832	(16,818,513)	N/A	324.7	N/A	N/A	N/A
2021	25,286,602	6,386,021	(18,900,581)	N/A	396.0	N/A	N/A	N/A
2022	25,161,647	5,793,736	(19,367,911)	N/A	434.3	N/A	N/A	N/A
2023	25,257,941	4,375,864	(20,882,077)	N/A	577.2	N/A	N/A	N/A
2024 #	26,107,555	4,009,333	(22,098,222)	N/A	651.2	N/A	N/A	N/A

Revised actuarial assumptions.

(5) The Funded Ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7) The ratios of assets and liabilities to payroll gives an indication of both maturity and volatility. Many systems have ratios between 5 and 7. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of pay. For systems that are closed to new hires, it is expected that these ratios will grow as payroll declines.

(8) The ratio of the unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 3 or 4 may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

Risk Commentary

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amounts shown in this report may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.



Risk Commentary (Concluded)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Ratio of the market value of assets to payroll	N/A	N/A	N/A	N/A	N/A
Ratio of actuarial accrued liability to payroll	N/A	N/A	N/A	N/A	N/A
Ratio of actives to retirees and beneficiaries	N/A	N/A	N/A	N/A	N/A
Ratio of net cash flow to market value of assets	-3.3%	-4.4%	-5.1%	-4.4%	-6.8%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 10.0 times the payroll, a return on assets 5% different than assumed would equal 50% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 25 times the payroll, a change in liability 2% other than assumed would equal 50% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling and stress tests.



Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDRM). The rationale that the ASB cited for the calculation and disclosure of the LDRM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

Comparing the Accrued Liabilities and the LDRM

One of the fundamental financial objectives of the City of Dearborn Chapter 21 Retirement System is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of the City of Dearborn Chapter 21 Retirement System is set equal to the expected return on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For the City of Dearborn Chapter 21 Retirement System, the investment return assumption is 6.00%.

The LDRM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDRM is very dependent upon market interest rates at the time of the LDRM measurement. The lower the market interest rates, the higher the LDRM, and vice versa. The LDRM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the June 2024 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10- and 30-year rates follow: 5.12%, 4.34%, 4.22% and 4.45%. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDRM) is one illustration of the savings the sponsor anticipates by taking on risk in a diversified portfolio.

Accrued Liabilities and LDRM

Valuation Accrued Liabilities	LDRM
\$4,009,333	\$4,279,562





February 11 2025

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

Re: June 30, 2024 Actuarial Valuation for the City of Dearborn Chapter 21 Retirement System

Dear Mr. Kennedy:

Enclosed please find 8 copies of the June 30, 2024 Annual Actuarial Valuation.

Any questions or comments you may develop will be welcome.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read 'F. Pieterse', written in a cursive style.

Francois Pieterse, ASA, FCA, MAAA

FP:rmn
Enclosures

City of Dearborn Chapter 22 Retirement System

58th Annual Actuarial Valuation
June 30, 2024





February 11, 2025

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

**Re: City of Dearborn Chapter 22 Retirement System Actuarial Valuation as of June 30, 2024
Actuarial Disclosures**

Dear Board Members:

The results of the June 30, 2024 annual actuarial valuation of the City of Dearborn Chapter 22 Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the System's funding progress, and to determine the employer contribution amount for the fiscal year ending June 30, 2026. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution amount in this report is determined using the actuarial assumptions and methods disclosed in Section E of this report. This report includes risk metrics in Appendix 2 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. This report also includes a discussion of the required Low-Default-Risk Obligation Measure (LDROM) on page Appendix 2-4. Additional assessment of risks was outside the scope of this assignment.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

We have assessed that the contribution amount calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the City, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, and retirees and beneficiaries. We checked for internal reasonabliity 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.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used for funding purposes in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Methods and Assumptions.

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. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the City of Dearborn Chapter 22 Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Francois Pieterse and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

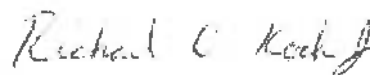
The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions that the Board may have pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Francois Pieterse, ASA, FCA, MAAA



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

FP/RCK:rmn



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Executive Summary/Board Summary

1. Required Employer Contributions to Support Retirement Benefits

The chart below compares the results of this valuation of the Retirement System with the results of the prior year's valuation:

Valuation Date	6/30/2023	6/30/2024
All Divisions		
▪ Normal Cost	4.50% of payroll	4.42% of payroll
▪ Amortization of UAAL*	<u>\$2,623,071</u>	<u>\$2,706,707</u>
▪ Estimated Total Contribution	\$2,766,423	\$2,834,755

* *Unfunded Actuarial Accrued Liability.*

Estimated total contributions increased from the prior year primarily due liability losses including pay increases that were higher than expected, somewhat offset by more retirees coming off than expected and due to a change in valuation assumptions.

2. Funded Status

As of the valuation date, the Unfunded Actuarial Accrued Liability (UAAL) is \$29.7 million, and the funded ratio is 84.6%. At the time of the last valuation, the funded ratio was 84.9%.

3. Plan Experience

Overall, System experience for the year ended June 30, 2024 was unfavorable. During the year ended June 30, 2024, the return on market value of assets was higher than expected. Market value smoothing techniques used in this valuation of the System recognize both past and present investment gains and losses over a 5-year period. After reflecting the scheduled gains and losses, there was a net asset loss to the System for the year ended June 30, 2024. In addition to the asset loss, the System experienced liability losses due to increases in pay that were higher than expected, offset somewhat by more retirees coming off the pension rolls than expected. Detailed information related to System experience is shown on page B-2.

4. Plan Provisions

The plan provisions are summarized in Section F. There were no changes in plan provisions since the June 30, 2023 valuation.

5. Plan Assumptions and Methods

The actuarial assumptions are summarized in Section E. Mortality assumptions and loading factors were updated with this valuation. Updated assumptions lead to a slight decrease in liabilities.



Executive Summary/Board Summary

6. Looking Ahead

Due to the asset smoothing method, only a portion of the current year asset gain was recognized this year, and portions of prior year's gains and losses remain to be recognized. If the Market Value of Assets were used (instead of smoothed value), the estimated employer contribution would have been approximately \$2.9 million (instead of \$2,834,755) and the funded status would have been 84.2% (instead of 84.6%).

7. Public Act 202

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found in the City of Dearborn Chapter 22 Retirement System GASB Statements No. 67 and No. 68 Accounting and Financial Reporting for Pensions dated August 26, 2024 for information for this filing.



SECTION A

INTRODUCTION

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions which will accumulate assets during each member's working years which, together with regular interest, will be sufficient to pay promised benefits after retirement.

Contribution Rates

The Retirement System is supported by member contributions, City contributions and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the actuarial present value of benefits allocated to the current year by the actuarial cost method described in Section E (the normal cost); and
- (2) Finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (the unfunded actuarial accrued liability).

Computed contribution rates for the fiscal year ending June 30, 2026 are shown on page A-2.

Contribution Requirements

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and service annuities	10.88 %	10.77 %
Disability annuities	0.38 %	0.39 %
Death-in-service annuities	0.24 %	0.26 %
Future refunds	0.00 %	0.00 %
Total Current Cost*	11.50 %	11.42 %
Employee Contribution %	7.00 %	7.00 %
Net Employer Contribution %	4.50 %	4.42 %
Accrued Liabilities Amortization [^]	\$2,623,071	\$2,706,707

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost, when reduced by the accrued liability credit (if any), should not fall short of the minimum contribution.

[^] Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and adding the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 of \$2,897,022, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 143,352	\$ 128,048
Accrued Liability	2,623,071	2,706,707
Total	\$ 2,766,423	\$ 2,834,755
Contribution as a % of Estimated Payroll	86.8%	97.9%

**4.42% x \$2,897,022 = \$128,048



SECTION B

FUNDING RESULTS

Present Value of Future Benefits and Accrued Liability

Determination of Unfunded Accrued Liability

	June 30,	
	2023	2024
A. Accrued Liability		
1. For retirees and beneficiaries	\$164,838,628	\$163,460,647
2. For vested terminated members	5,641,404	5,847,737
3. For present active members		
a. Value of expected future benefit payments	25,497,235	24,455,648
b. Value of future normal costs	1,905,907	1,699,411
c. Active member accrued liability: (a) - (b)	23,591,328	22,756,237
4. Total accrued liability	194,071,360	192,064,621
B. Present Assets (Funding Value)	164,665,432	162,397,427
C. Unfunded Accrued Liability: (A.4) - (B)	29,405,928	29,667,194
D. Funding Ratio: (B) / (A.4)	84.9%	84.6%
E. Funding Ratio: Market Value Basis	81.3%	84.2%

Derivation of Experience Gain/(Loss)

Actual experience will never (except by coincidence) exactly match assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain/(loss) is shown below, along with a year-by-year comparative schedule.

	June 30,	
	2023	2024
(1) UAAL* at start of year	\$26,293,634	\$29,405,928
(2) Normal cost from last valuation	453,432	398,695
(3) Actual contributions	3,215,145	2,802,701
(4) Interest accrual	1,743,894	1,974,275
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	25,275,815	28,976,197
(6) Change from benefit increases	0	0
(7) Change in actuarial assumptions	0	(537,824)
(8) Change due to Bonding Issuance	0	0
(9) Expected UAAL after changes: (5) + (6) + (7) + (8)	25,275,815	28,438,373
(10) Actual UAAL at end of year	29,405,928	29,667,194
(11) Gain/(loss): (9) - (10)	(4,130,113)	(1,228,821)
(12) Gain (loss) due to Liabilities	(2,261,884)	(1,186,166)
(13) Gain (loss) due to Assets	(1,868,229)	(42,655)

* *Unfunded Actuarial Accrued Liabilities.*

Valuation Date June 30,	Experience Gain (Loss)		
	Asset	Liability	Total
2020	\$ (4,540,575)	\$ 2,280,156	\$ (2,260,419)
2021	5,106,532	109,070	5,215,602
2022	(2,716,434)	168,045	(2,548,389)
2023	(1,868,229)	(2,261,884)	(4,130,113)
2024	(42,655)	(1,186,166)	(1,228,821)

SECTION C

FUND ASSETS

Development of Funding Value of Assets (5-Year Smoothing)

Year Ended June 30:	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$ 164,665,432				
B. Market Value End of Year	161,613,184				
C. Market Value Beginning of Year	157,766,410				
D. Non Investment Net Cash Flow	(13,286,889)				
E. Investment Income					
E1. Total: B-C-D	17,133,663				
E2. Amount for Immediate Recognition (7.00%)	11,061,539				
E3. Amount for Phased-in Recognition: E1-E2	6,072,124				
F. Phased-in Recognition of Investment Income					
F1. Current Year: 0.20 x E3	1,214,425				
F2. First Prior Year	357,158	\$ 1,214,425			
F3. Second Prior Year	(7,074,048)	357,158	\$ 1,214,425		
F4. Third Prior Year	7,434,683	(7,074,048)	357,158	\$ 1,214,425	
F5. Fourth Prior Year	(1,974,873)	7,434,681	(7,074,047)	357,156	\$ 1,214,424
F6. Total Recognized Investment Gain	\$ (42,655)	\$ 1,932,216	\$ (5,502,464)	\$ 1,571,581	\$ 1,214,424
G. Preliminary Funding Value End of Year					
G1. Preliminary Funding Value End of Year: (A+D+E2+F6)	\$ 162,397,427				
G2. Upper Corridor Limit: 120% x B	193,935,821				
G3. Lower Corridor Limit: 80% x B	129,290,547				
G4. Final Funding Value End of Year	162,397,427				
H. Difference Between Market Value & Funding Value	(784,243)	\$ (2,716,459)	\$ 2,786,005	\$ 1,214,424	\$ 0
I. Market Rate of Return	11.3%				
J. Ratio of Funding Value to Market Value	100.5%				
K. Funding Value rate of Return	7.0%				

The funding value of assets recognizes assumed investment return (line E2) fully each year. Differences between actual and assumed investment return (line E3) are phased-in over a closed 5-year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is **unbiased** with respect to market value. At any time, it may be either greater or less than market value. If actual and assumed rates of investment return are exactly equal for four consecutive years, the funding value will become equal to market value.

SECTION D

CENSUS DATA

June 30, 2024 Valuation Data Summary

For purposes of the June 30, 2024 valuation, information on 637 covered persons was furnished. This data may be briefly summarized as follows:

	No.	Averages			
		Age	Service	Annual Pay or Retirement Allowance	
				2024	2023
Actives	43	55.0	26.3	\$80,626	\$77,110
Retirees & Beneficiaries	568	73.0		28,185	27,865
Inactive Vested	26	57.0		23,426	21,394
	637				

Active member covered pays used in the valuation are developed in the following manner:

- (1) Each member's covered pay during the past fiscal year is determined by the Finance Department and reported to the actuary. Covered pay is the total, paid in the year ended with the June 30 valuation date, of (a) base pay plus (b) a variety of specified supplemental payments such as vacation pay, sick pay, holiday pay and so forth.
- (2) The covered pay (1) is converted by the actuary to the equivalent annual rate as of the June 30 valuation date.
- (3) If there is a pay increase amount that becomes known during the July 1 to October 1 period (when actuarial valuation data is being assembled), covered pay (2) is increased to reflect that known increase. Similarly, if pay negotiations are taking place at October 1, which will later change pays retroactive to June 30 or earlier, covered pay (2) is increased by the lower of the pay increase proposals in negotiation.

More detailed information regarding the covered persons is presented on the following pages.

Active Members

Members in Active Service as of June 30, 2024
by Years of Service

Age	Years of Service						Total Count	Total Pay	Average Pay
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29			
40 - 44					1		1	\$ 72,400	\$ 72,400
45 - 49					3	4	7	595,097	85,014
50 - 54					4	5	11	894,381	81,307
55 - 59					8	6	16	1,248,899	78,056
60 - 64					2	3	6	505,423	84,237
65 - 69					1	1	2	150,716	75,358
Total					19	19	43	\$ 3,466,916	\$ 80,626

Retirants and Beneficiaries

Attained Ages	Males		Females		Total	
	No.	Monthly Annuities	No.	Monthly Annuities	No.	Monthly Annuities
50-54	2	\$ 6,529	5	\$ 11,849	7	\$ 18,378
55-59	19	75,827	14	45,143	33	120,971
60-64	62	204,368	37	76,780	99	281,148
65-69	53	139,785	48	114,818	101	254,604
70-74	54	135,473	49	102,634	103	238,108
75-79	52	135,732	48	89,103	100	224,834
80-84	21	50,679	29	42,749	50	93,428
85-89	16	31,843	20	30,506	36	62,349
90-94	6	10,066	22	18,701	28	28,767
95-99	2	2,903	7	7,657	9	10,560
100+	0	0	2	940	2	940
Totals	287	\$ 793,206	281	\$ 540,880	568	\$ 1,334,085

Terminated Vested Members

Attained Ages	Number	Estimated Annual Annuities
46	1	\$ 54,046
49	2	42,598
51	1	15,497
52	1	10,886
54	2	26,196
55	3	55,153
56	3	42,241
57	3	90,568
58	2	43,018
59	4	69,414
60	1	66,132
61	1	29,094
63	1	22,547
75	1	41,689
Totals	26	\$609,079

SECTION E

METHODS AND ASSUMPTIONS

Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation of Dearborn Chapter 22

(Assumptions Adopted by Board of Trustees After Consulting with Actuary)

The assumptions used for this report were based upon the results of an Experience Study covering the period July 1, 2018 through June 30, 2023. The actuarial assumptions represent estimates of future experience. Unless otherwise noted, the assumptions were first used with the actuarial valuation date of June 30, 2024.

Economic Assumptions

The investment return rate assumed in the valuation was 7.00% per year, compounded annually (net after 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 macro-economic 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 E-3. 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.

Non-Economic Assumptions

The mortality table used was the Pub-2010, based on data from public pension systems only, and using projection scale MP-2021. Related values are shown on page E-4.

The probabilities of age/service retirement for members eligible to retire are shown on page E-5.

The probabilities of separation from service (including **death-in-service** and **disability**) are shown for sample ages on page E-6.



Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation of Dearborn Chapter 22

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.

Unfunded actuarial accrued liabilities are amortized over periods of future years to produce contribution amounts (principal & interest) which are level dollar contributions.

The Unfunded Actuarial Accrued Liability (UAAL) was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation. The UAAL amortization payment (one component of the contribution requirement), is the level dollar amount required to fully amortize the UAAL over a 20-year period beginning on the valuation date. This UAAL payment does not reflect any payments expected to be made between the valuation date and the date contributions determined by this report are scheduled to begin.

Employer contribution dollars were assumed to be paid in equal installments throughout the employer fiscal year.

Present assets (cash and investments) are valued on a market-related basis effective June 30, 1994. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase-in of the difference between actual and assumed earnings. Effective June 30, 2003, the funding value must be within a range of 80% - 120% of the market value.

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 June 30, 2024

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.

Summary of Assumptions Used June 30, 2024

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and projection scale MP-2021. 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-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.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	49.36	51.66	45.95	48.99	34.34	37.49
45	44.27	46.50	40.71	43.71	30.24	33.29
50	39.20	41.36	35.61	38.53	26.41	29.36
55	34.20	36.25	30.72	33.55	22.91	25.76
60	29.29	31.22	25.99	28.68	19.73	22.42
65	24.52	26.29	21.48	23.94	16.77	19.12
70	19.86	21.45	17.21	19.40	13.94	15.73
75	15.32	16.73	13.27	15.14	11.16	12.43
80	10.90	12.17	9.79	11.31	8.57	9.47

* Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The sample values shown are for individuals with the indicated attained ages in 2024.

Summary of Assumptions Used June 30, 2024

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.

Summary of Assumptions Used June 30, 2024

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		Operative
	Males	Females	
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

Summary of Assumptions Used

June 30, 2024

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 1.2% 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 PubG-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with an 85% Unisex Blend.

Summary of Assumptions Used

June 30, 2024

Miscellaneous and Technical Assumptions

Pay Increase Timing:

Reported pays were adjusted due to contract settlements for purposes of this valuation. Please see page D-1 of this valuation report for more information. 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.

Service Credit Accruals:

It is assumed that members accrue one year of service credit per year.

SECTION F

PLAN PROVISIONS

Summary of Provisions (2024) Evaluated and/or Considered

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, 2024 to June 30, 2025, 25865 is applied in place of \$5,900 and 37263 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 Provisions (2024) Evaluated and/or Considered (Concluded)

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 refundable 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 5% 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 G

GLOSSARY

Glossary

Accrued Service	The service credited under the plan which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability	The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision 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 future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”
Actuarial Equivalent	A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.
Actuarial Present Value	The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
Experience Gain/(Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Glossary

Reserve Account	An account used to indicate that funds have been set aside for a specific purpose and is not generally available for other uses.
Unfunded Actuarial Accrued Liability	The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”
Valuation Assets	The value of current plan assets recognized for valuation purposes. Generally based on market value plus a portion of unrealized appreciation or depreciation.

APPENDIX 1

ACCOUNTING DISCLOSURES

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

Statement of Plan Assets as of June 30, 2023 and 2024

	2023	2024
Assets		
Cash and short-term investments		
Cash and cash equivalents	\$ 479,500	\$ 367,120
Short-term investments	1,423,050	1,592,354
Subtotals	1,902,550	1,959,474
Receivables		
Accounts receivable and miscellaneous	130,472	253,029
Accrued interest and dividends	101,724	97,356
Unsettled trades	0	0
Subtotals	232,196	350,385
Investments, at fair value		
Fixed income	45,267,462	48,010,605
Stocks	65,960,086	73,195,718
Real estate	9,065,646	7,650,637
Co-mingled and mutual funds	35,428,444	30,666,466
Limited partnerships	0	0
Other	0	0
Subtotals	155,721,638	159,523,426
Total Assets	157,856,384	161,833,285
Liabilities		
Payables	89,974	220,101
Net assets held in trust for pension benefits (A schedule of funding progress for the plan is presented on page Appendix 1-6.)	\$157,766,410	\$161,613,184

Statement of Changes in Plan Assets for the Fiscal Years Ended June 30, 2023 and 2024

	Reconciliation as of June 30,	
	2023	2024
Additions		
Contributions		
Employer	\$ 2,991,818	\$ 2,552,753
Plan members	223,327	249,948
Other income	0	0
Total contributions	3,215,145	2,802,701
Investment return		
Net appreciation	11,234,167	15,432,158
Interest and dividends	2,391,064	2,121,211
Gain on sale of securities	0	0
Miscellaneous income	0	0
	13,625,231	17,553,369
Less investment expense	441,857	339,843
Net investment return	13,183,374	17,213,526
Total additions	16,398,519	20,016,227
Deductions		
Benefits	15,825,964	16,085,191
Refunds of contributions	27,498	4,399
DC transfer	0	0
Other - administrative expense	89,458	79,863
Total deductions	15,942,920	16,169,453
Net increase	455,599	3,846,774
Net assets held in trust for pension benefits		
Beginning of year	\$157,310,811	\$157,766,410
End of year	\$157,766,410	\$161,613,184

Notes to the Financial Statements for the Fiscal Year Ended June 30, 2024

A. Summary of Significant Accounting Policies

Basis of Accounting. The accompanying financial statements are on the accrual basis of accounting.

Methods Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

B. Plan Description and Contribution Information

Membership information as of June 30, 2024, the date of the latest actuarial valuation, is as follows:

Retirees and beneficiaries	568
Terminated vested members	26
Active members	43
Total	637

Plan Description. The City of Dearborn Chapter 22 Retirement System is a single-employer defined benefit pension plan that covers the General and Operative Unit employees of the City of Dearborn hired before January 1, 2002.

The plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Contributions. Effective July 1, 2023, plan members contribute 7.0% of annual pay to the Fund.

The employer's funding policy provides for periodic employer contributions based upon a fundamental financial objective of having rates of contribution which remain relatively level from generation to generation of the City of Dearborn citizens. To determine the employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, the System has actuarial valuations prepared annually. In preparing those valuations, the entry age actuarial cost method is used to determine normal cost and actuarial accrued liabilities.



Notes to the Financial Statements for the Fiscal Year Ended June 30, 2024 (Concluded)

For funding purposes, unfunded actuarial accrued liabilities are amortized by level dollar contributions over a period of future years. Effective June 30, 2024, the remaining unfunded/(overfunded) liabilities are amortized over 20 years.

On the basis of the June 30, 2024 actuarial valuation, the employer rates were determined to be as follows:

Contributions for	Percents of Active Member Payroll
Normal Cost*	4.42 %
Accrued Liabilities (Credit)	\$2,706,707

* Per Board action, effective 6/30/1999 the minimum employer contribution rate is 10% of the total normal cost.

Reserves as of June 30, 2024

The Fund balances were reported as follows:

Annuity Savings Fund	\$ 86,055
Annuity Reserve Fund	161,527,129
Total Market Value	\$161,613,184

Funding value of trust assets. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase in of the difference between actual and assumed earnings. The intent is to recognize the long-term validity of market value changes while screening out the market's short-term moods.

The funding value was determined to be \$162,397,427. This asset value is used in actuarial determinations of financial condition and employer contribution rates.

In order to finance the liabilities, assets were applied as follows:

	Retired Lives	Active & Inactive Members	Totals
Annuity Savings Fund	\$ 0	\$ 86,055	\$ 86,055
Annuity Reserve Fund	163,460,647	(1,933,518)	161,527,129
Funding Adjustment	0	784,243	784,243
Totals	\$163,460,647	\$ (1,063,220)	\$162,397,427

Required Supplementary Information Schedule of Funding Progress

(Dollar Amounts in Millions)

Year Ended June 30,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
2012	\$ 138.98	\$ 170.39	\$ 31.41	81.6%	\$13.55	231.8%
2013	141.12	170.21	29.09	82.9%	13.08	222.4%
2014	144.63	171.04	26.41	84.6%	12.78	206.7%
2014@	144.63	172.98	28.35	83.6%	12.78	221.8%
2015	146.21	175.83	29.62	83.2%	12.44	238.1%
2016	145.40	178.86	33.46	81.3%	11.94	280.2%
2016@	145.40	183.12	37.72	79.4%	11.94	315.9%
2017	146.82	184.99	38.17	79.4%	10.60	360.1%
2018	167.61	188.45	20.84	88.9%	10.10	206.3%
2019	167.06	190.96	23.90	87.5%	8.67	275.7%
2019@	167.06	196.35	29.29	85.1%	8.67	337.8%
2020	163.38	194.74	31.36	83.9%	8.22	381.5%
2021	169.61	195.00	25.39	87.0%	7.07	359.1%
2022	167.86	194.16	26.30	86.5%	4.70	559.6%
2023	164.67	194.07	29.40	84.9%	3.93	748.1%
2024	162.40	192.60	30.20	84.3%	3.47	870.3%
2024@	162.40	192.06	29.66	84.6%	3.47	854.8%

@ After change in actuarial assumptions.

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percent Contributed
2011	\$ 3,880,924	\$ 4,206,874	108.4%
2012	3,860,007	3,888,554	100.7%
2013	4,181,017	4,810,851	115.1%
2014	3,942,415	3,980,163	101.0%
2015	3,744,634	3,804,508	101.6%
2016	3,577,596	3,646,206	101.9%
2017	3,646,401	3,767,771	103.3%
2018	4,483,145	4,520,402	100.8%
2019 ⁽¹⁾	4,446,923	24,550,694	552.1%
2020	2,758,756	2,739,863	99.3%
2021	3,319,644	3,323,516	100.1%
2022	3,439,151	3,560,541	103.5%
2023	2,875,302	2,991,818	104.1%
2024	2,523,977	2,552,753	101.1%

⁽¹⁾ Actual contribution includes \$19,864,000 in proceeds from a bond issuance.

Summary of Actuarial Methods and Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market 80%/120% Corridor
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases*	3.15%-7.55%
*Includes wage-inflation at	2.75%
Cost-of-living adjustments	N/A

APPENDIX 2

RISK MEASURES

Risk Measures

Actuarial Valuation Year Ended June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Covered Payroll	(5) Funded Ratio (1) / (2)	(6) Assets / Payroll (1) / (4)	(7) Liability / Payroll (2) / (4)	(8) Unfunded / Payroll (3) / (4)
2015	\$146,213,883	\$175,829,729	\$ 29,615,846	\$12,443,480	83.2 %	1175.0 %	1413.0 %	238.0 %
2016	145,395,664	183,118,307	37,722,643	11,937,474	79.4	1218.0	1534.0	316.0
2017	146,817,955	184,994,318	38,176,363	10,601,903	79.4	1384.8	1744.9	360.1
2018	167,608,064	188,447,546	20,839,482	10,099,673	88.9	1659.5	1865.9	206.3
2019	167,063,815	196,345,309	29,281,494	8,668,703	85.1	1927.2	2265.0	337.8
2020	163,382,797	194,743,932	31,361,135	8,222,096	83.9	1987.1	2368.5	381.4
2021	169,607,362	195,003,404	25,396,042	7,067,884	87.0	2399.7	2759.0	359.3
2022	167,863,850	194,157,484	26,293,634	4,696,929	86.5	3573.9	4133.7	559.8
2023	164,665,432	194,071,360	29,405,928	3,932,628	84.8	4187.2	4934.9	747.7
2024	162,397,427	192,064,621	29,667,194	3,466,916	84.6	4684.2	5539.9	855.7

@ Revised actuarial assumptions.

(5) The Funded Ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7) The ratios of assets and liabilities to payroll gives an indication of both maturity and volatility. Many systems have ratios between 5 and 7. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of pay. For systems that are closed to new hires, it is expected that these ratios will grow as payroll declines.

(8) The ratio of the unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 3 or 4 may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

Risk Commentary

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amount shown in this report may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.



Risk Commentary (Concluded)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Ratio of the market value of assets to payroll	46.62	40.12	33.49	27.12	18.66
Ratio of actuarial accrued liability to payroll	55.40	49.35	41.34	27.59	23.69
Ratio of actives to retirees and beneficiaries	0.08	0.09	0.11	0.17	0.20
Ratio of net cash flow to market value of assets	-8.2%	-8.0%	-6.7%	-5.2%	-6.8%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 40.0 times the payroll, a return on assets 5% different than assumed would equal 200% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 50 times the payroll, a change in liability 2% other than assumed would equal 100% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling and stress tests.



Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDROM). The rationale that the ASB cited for the calculation and disclosure of the LDROM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

Comparing the Accrued Liabilities and the LDROM

One of the fundamental financial objectives of the City of Dearborn Chapter 22 Retirement System is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of the City of Dearborn Chapter 22 Retirement System is set equal to the expected return on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For the City of Dearborn Chapter 22 Retirement System, the investment return assumption is 7.00%.

The LDROM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDROM is very dependent upon market interest rates at the time of the LDROM measurement. The lower the market interest rates, the higher the LDROM, and vice versa. The LDROM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the June 2024 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10- and 30-year rates follow: 5.12%, 4.34%, 4.22% and 4.45%. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on risk in a diversified portfolio.

Accrued Liabilities and LDROM

Valuation Accrued Liabilities	LDROM
\$192,064,621	\$245,145,712





February 11, 2025

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

Re: June 30, 2024 Actuarial Valuation of the City of Dearborn Chapter 22 Retirement System

Dear Mr. Kennedy:

Enclosed please find 13 copies of the June 30, 2024 Annual Actuarial Valuation.

Any questions or comments you may develop will be welcome.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in dark ink, appearing to read "F. Pieterse". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

Francois Pieterse, ASA, FCA, MAAA

FP:rmn
Enclosures

City of Dearborn Chapter 23 Retirement System

58th Annual Actuarial Valuation
June 30, 2024





February 11, 2025

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

**Re: City of Dearborn Chapter 23 Retirement System Actuarial Valuation as of June 30, 2024
Actuarial Disclosures**

Dear Board Members:

The results of the June 30, 2024 annual actuarial valuation of the City of Dearborn Chapter 23 Retirement System are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuations are to measure the System's funding progress and to determine the employer contribution amount for the fiscal year ending June 30, 2026. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The contribution amount in this report is determined using the actuarial assumptions and methods disclosed in Section E of this report. This report includes risk metrics in Appendix 2 but does not include a more robust assessment of the risks of future experience not meeting the actuarial assumptions. This report also includes a discussion of the required Low-Default-Risk Obligation Measure (LDRM) on page Appendix 2-4. Additional assessment of risks was outside the scope of this assignment.

We have assessed that the contribution amount calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data and other information through June 30, 2024. The valuation was based upon information furnished by the City, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability 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.

This report was prepared using assumptions adopted by the Board. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used for funding purposes in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Methods and Assumptions.

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. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the City of Dearborn Chapter 23 Retirement System as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Francois Pieterse and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

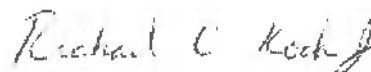
The signing actuaries are independent of the plan sponsor.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions that the Board may have pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Francois Pieterse, ASA, FCA, MAAA



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

FP/RCK:rmn

C0627



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Executive Summary/Board Summary

1. Required Employer Contributions to Support Retirement Benefits

The chart below compares the results of this valuation of the Retirement System with the results of the prior year's valuation:

Valuation Date	6/30/2023	6/30/2024
Fire		
▪ Normal Cost	30.11% of payroll	33.05% of payroll
▪ Amortization of UAAL*	<u>\$4,172,543</u>	<u>\$4,600,622</u>
▪ Estimated Total Contribution	\$5,935,491	\$6,430,817
Police		
▪ Normal Cost	28.12% of payroll	29.34% of payroll
▪ Amortization of UAAL*	<u>\$5,978,298</u>	<u>\$6,090,937</u>
▪ Estimated Total Contribution	\$6,961,062	\$6,899,202

* *Unfunded actuarial accrued liability.*

Estimated Fire contributions increased from the prior year primarily due to the adoption of updated valuation assumptions; higher than expected increases in pays and retirees living longer than expected.

Estimated Police contributions decreased from the prior year primarily due to a lower estimated normal cost contribution requirement, due to less active members, and due to the adoption of updated assumptions. Offsetting some of these decreases were liability losses due to pay increases being higher than expected.

2. Funded Status

As of the valuation date, the Unfunded Actuarial Accrued Liability (UAAL) is \$66.8 million for Police and \$50.4 million for Fire, and the funded ratio is 75.2% for Police and 73.9% for Fire. At the time of the last valuation, the funded ratio was 74.8% for Police and 74.5% for Fire.

3. Plan Experience

Overall, System experience for the year ended June 30, 2024 was unfavorable. During the year ended June 30, 2024, the return on market value of assets was higher than expected. Market value smoothing techniques used in this valuation of the System recognize both past and present investment gains and losses over a five-year period resulting in a net asset loss for both Fire and Police. Detailed information related to System experience is shown on page B-2 for the respective divisions.

4. Plan Assumptions and Methods

The actuarial assumptions are summarized in Section E. Actuarial Assumptions were updated based on a recent experience study (see study dated October 14, 2024). The net effect of these assumption changes was a slight increase in actuarial liabilities for Fire and slight decrease for Police.



Executive Summary/Board Summary

5. Plan Provisions

The plan provisions are summarized in Section F. There were no changes in plan provisions since the June 30, 2023 valuation. A Deferred Retirement Option Plan (DROP) plan has been adopted for Mayoral Appointees in the Police and Fire groups.

6. Looking Ahead

Due to the asset smoothing method, only a portion of the current year asset gain was recognized this year, and portions of prior year's gains and losses remain to be recognized. For Fire, if the Market Value of Assets were used (instead of smoothed value), the estimated employer contribution would have been \$6.46 million (instead of \$6,430,817) and the funded status would have been about 73.7% (instead of 73.9%). For Police, if the Market Value of Assets were used (instead of smoothed value), the estimated employer contribution would have been \$6.95 million (instead of \$6,899,202) and the funded status would have been about 74.9% (instead of 75.2%).

7. Public Act 202

The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found in the City of Dearborn Chapter 23 Retirement System GASB Statements No. 67 and No. 68 Accounting and Financial Reporting for Pensions dated August 26, 2024 for information for this filing.



SECTION A

INTRODUCTION – FIRE

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions which will accumulate assets during each member's working years which, together with regular interest, will be sufficient to pay promised benefits after retirement.

Contribution Rates

The Retirement System is supported by member contributions, City contributions and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the actuarial present value of benefits allocated to the current year by the actuarial cost method described in Section E (the normal cost); and
- (2) Finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (the unfunded actuarial accrued liability).

Computed contribution rates for the fiscal year ending June 30, 2026 are shown on page A-2.



Contribution Requirements – FIRE

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and Service Benefits	31.36 %	34.30 %
Disability Benefits	0.57 %	0.59 %
Death-in-Service Benefits	0.46 %	0.44 %
Termination Benefits	2.72 %	2.72 %
Total Normal Cost*	35.11 %	38.05 %
Less: Member Contributions	5.00 %	5.00 %
Employer Normal Cost	30.11 %	33.05 %
Unfunded Accrued Liabilities Amortization^	\$4,172,543	\$4,600,622

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost when reduced by the accrued liability credit (if any) should not fall short of the minimum contribution.

^ Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and added to the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 for Fire of \$5,537,656, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 1,762,948	\$ 1,830,195
Accrued Liability	4,172,543	4,600,622
Total	\$ 5,935,491	\$ 6,430,817
Contribution as a % of Estimated Payroll	101.4%	116.1%

**33.05% x \$5,537,656 = \$1,830,195



SECTION B

FUNDING RESULTS

Present Value of Future Benefits and Accrued Liability - FIRE

Determination of Unfunded Accrued Liability

	June 30,	
	2023	2024
A. Accrued Liability		
1. For retirees and beneficiaries	\$ 129,079,218	\$ 130,899,961
2. For vested terminated members	284,724	304,879
3. For present active members		
a. Value of expected future benefit payments	67,278,299	72,659,818
b. Value of future normal costs	13,018,328	11,011,327
c. Active member accrued liability: (a) - (b)	54,259,971	61,648,491
4. Total accrued liability	183,623,913	192,853,331
B. Present Assets (Funding Value)	136,847,644	142,427,640
C. Unfunded Accrued Liability: (A.4) - (B)	46,776,269	50,425,691
D. Funding Ratio: (B) / (A.4)	74.5%	73.9%
E. Funding Ratio: Market Value Basis	71.8%	73.7%

Derivation of Experience Gain/(Loss) - FIRE

Actual experience will never (except by coincidence) exactly match assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain/(loss) is shown below, along with a year-by-year comparative schedule.

	June 30,	
	2023	2024
(1) UAAL* at start of year	\$46,453,471	\$46,776,269
(2) Normal cost from last valuation	1,918,529	1,770,040
(3) Actual contributions	6,261,237	6,038,911
(4) Interest accrual	3,099,748	3,124,928
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	45,210,511	45,632,326
(6) Change from benefit increases	0	0
(7) Change in actuarial assumptions	0	2,835,400
(8) Expected UAAL after changes: (5) + (6) + (7)	45,210,511	48,467,726
(9) Actual UAAL at end of year	46,776,269	50,425,691
(10) Gain/(loss): (8) - (9)	(1,565,758)	(1,957,965)
(11) Gain (loss) due to Liabilities	56,332	(1,933,467)
(12) Gain (loss) due to Assets	(1,622,090)	(24,498)

* *Unfunded actuarial accrued liabilities.*

Valuation Date June 30,	Experience Gain (Loss)		
	Asset	Liability	Total
2020	\$ (3,678,828)	\$(1,198,313)	\$ (4,877,141)
2021	3,324,113	1,513,023	4,837,136
2022	(2,033,809)	1,770,129	(263,680)
2023	(1,622,090)	56,332	(1,565,758)
2024	(24,498)	(1,933,467)	(1,957,965)



SECTION C

FUND ASSETS

Development of Funding Value of Assets (5-Year Smoothing) - FIRE

Year Ended June 30:	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$ 136,847,644				
B. Market Value End of Year	142,074,001				
C. Market Value Beginning of Year	131,761,998				
D. Non-Investment Net Cash Flow	(3,840,426)				
E. Investment Return					
E1. Total: B-C-D	14,152,429				
E2. Amount for Immediate Recognition (7.00%)	9,444,920				
E3. Amount for Phased-in Recognition: E1-E2	4,707,509				
F. Phased-in Recognition of Investment Return					
F1. Current Year: 0.20 x E3	941,502				
F2. First Prior Year	(4,205)	\$ 941,502			
F3. Second Prior Year	(4,762,167)	(4,205)	\$ 941,502		
F4. Third Prior Year	5,417,302	(4,762,167)	(4,205)	\$ 941,502	
F5. Fourth Prior Year	(1,616,930)	5,417,304	(4,762,167)	(4,206)	\$ 941,501
F6. Total Recognized Investment Gain	(24,498)	1,592,434	(3,824,870)	937,296	941,501
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: (A+D+E2+F6)	142,427,640				
G2. Upper Corridor Limit: 120% x B	170,488,801				
G3. Lower Corridor Limit: 80% x B	113,659,201				
G4. Funding Value End of Year	142,427,640				
H. Difference Between Market Value & Funding Value	(353,639)	(1,946,073)	1,878,797	941,501	0
I. Market Rate of Return	10.90%				
J. Ratio of Funding Value to Market Value	100.25%				

The funding value of assets recognizes assumed investment return (line E2) fully each year. Differences between actual and assumed investment return (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is unbiased with respect to market value. At any time, it may be either greater or less than market value. If actual and assumed rates of investment return are exactly equal for four consecutive years, the funding value will become equal to market value.



SECTION D

CENSUS DATA

June 30, 2024 Valuation Data Summary - FIRE

For purposes of the June 30, 2024 valuation, information on 214 covered persons was furnished. These people may be briefly described as follows.

	No.	Averages			
		Age	Service	Annual Pay or Retirement Allowance	
				2024	2023
Actives	52	47.7	21.1	\$112,393	\$108,863
Retirees & Beneficiaries	161	68.2		61,304	59,555
Inactive Vested	1	50.9		27,456	27,456
	214				

Active member covered pays used in the valuation are developed in the following manner:

- (1) Each member's covered pay during the past fiscal year is determined by the Finance Department and reported to the actuary. Covered pay is the total, paid in the year ended with the June 30 valuation date, of (a) base pay plus (b) a variety of specified supplemental payments such as vacation pay, sick pay, holiday pay and so forth.
- (2) The covered pay (1) is converted by the actuary to the equivalent annual rate as of the June 30 valuation date.
- (3) If there is a pay increase amount that becomes known during the July 1 to October 1 period (when actuarial valuation data is being assembled), covered pay (2) is increased to reflect that known increase. Similarly, if pay negotiations are taking place at October 1, which will later change pays retroactive to June 30 or earlier, covered pay (2) is increased by the lower of the pay increase proposals in negotiation.

More detailed information regarding the covered persons is presented on the following pages.

Active Members - FIRE

Members in Active Service as of June 30, 2024 by Years of Service

Age	Years of Service						Total Count	Total Pay	Average Pay
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29			
40 - 44				10	1		11	\$ 1,179,691	\$ 107,245
45 - 49				10	9	3	22	2,505,848	113,902
50 - 54				4	10	3	17	1,911,722	112,454
55 - 59					1	1	2	247,196	123,598
Total				24	21	7	52	\$ 5,844,457	\$ 112,393

Retirants and Beneficiaries - FIRE

Attained Ages	Male		Female		Total	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance
45 and younger			1	\$ 4,524	1	\$ 4,524
48	1	\$ 38,796			1	38,796
49	3	255,972			3	255,972
50	3	172,740			3	172,740
51	2	150,504			2	150,504
53	6	466,368			6	466,368
54	3	216,504	1	23,508	4	240,012
55	3	208,800			3	208,800
56	1	71,280	1	70,404	2	141,684
57	9	595,032			9	595,032
58	4	148,092	2	98,736	6	246,828
59	4	276,540			4	276,540
60	4	292,788	1	7,140	5	299,928
61	5	381,780			5	381,780
62	2	143,148			2	143,148
63	4	264,420	1	31,836	5	296,256
64	7	491,100			7	491,100
65	1	72,708			1	72,708
66	5	390,696	1	56,844	6	447,540
67	2	127,956	1	47,436	3	175,392
68	3	182,160	1	47,892	4	230,052
69	3	238,140			3	238,140
70	4	285,852	3	65,424	7	351,276
71	3	229,068	1	9,972	4	239,040
72	2	149,916	2	126,456	4	276,372
73	6	411,828			6	411,828
74	5	361,968			5	361,968
75	6	397,716			6	397,716
76	4	265,728			4	265,728
77	4	276,156	3	169,296	7	445,452
78	3	173,064			3	173,064
79	1	58,488	1	34,728	2	93,216
80	1	57,960	1	54,984	2	112,944
81	3	133,404	2	39,276	5	172,680
82	6	339,612	1	25,824	7	365,436
83	3	161,784	2	100,488	5	262,272
84	2	110,040	1	69,552	3	179,592
85	2	65,232	2	61,608	4	126,840
86			1	25,368	1	25,368
87	1	35,232			1	35,232
Totals	131	\$ 8,698,572	30	\$ 1,171,296	161	\$ 9,869,868



Terminated Vested Members - FIRE

Attained Ages	No.	Annual Allowance
50	1	\$ 27,456
Totals	1	\$ 27,456

SECTION E

METHODS AND ASSUMPTIONS

Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - FIRE (Assumptions Adopted by Board of Trustees After Consulting with Actuary)

The assumptions used for this report were based upon the results of an Experience Study covering the period July 1, 2018 through June 30, 2023. The actuarial assumptions represent estimates of future experience. Unless otherwise noted, the assumptions were first used with the actuarial valuation date of June 30, 2024.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuation was 7.00% per year, compounded annually (net after 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%.

(Continued on Next Page)

Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - FIRE (Continued)

Pay increase assumptions for individual active members are shown for sample ages on page E-4. 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.

NON-ECONOMIC ASSUMPTIONS

The mortality table used was the Pub-2010, based on data from public pension systems only, and projection scale MP-2021. Future life expectancies are shown on page E-5.

The probabilities of age/service retirement for members eligible to retire are shown on page E-6.

The probabilities of separation from service (including **death-in-service** and **disability**) are shown for sample ages on page E-7.

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.

Unfunded actuarial accrued liabilities are amortized over periods of future years to produce contribution amounts (principal and interest) which are level dollar contributions.

(Concluded on next page)



Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - FIRE (Concluded)

The Unfunded Actuarial Accrued Liability (UAAL) was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL amortization payment (one component of the contribution requirement), is the level dollar amount required to fully amortize the UAAL over a 20-year period beginning on the valuation date. This UAAL payment does not reflect any payments expected to be made between the valuation date and the date contributions determined by this report are scheduled to begin.

Employer contribution dollars were assumed to be **paid in equal installments throughout** the employer fiscal year.

Present assets (cash and investments) are valued on a market-related basis effective June 30, 1994. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase-in of the difference between actual and assumed earnings. Effective June 30, 2003, the funding value must be within a range of 80% - 120% of the market value.

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 - FIRE June 30, 2024

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%	3.75%	6.50%
30	2.75%	2.75%	5.50%
35	2.75%	2.00%	4.75%
40	2.75%	2.00%	4.75%
45	2.75%	1.75%	4.50%
50	2.75%	1.45%	4.20%
55	2.75%	1.00%	3.75%
Ref		612	

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 - FIRE June 30, 2024

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-2021. 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-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.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	48.83	51.28	45.98	48.16	44.15	46.47
45	43.70	46.14	40.79	42.90	39.20	41.45
50	38.58	41.01	35.65	37.69	34.26	36.44
55	33.50	35.91	30.60	32.58	29.40	31.55
60	28.50	30.87	25.70	27.66	24.71	26.91
65	23.62	25.88	21.09	23.00	20.33	22.54
70	18.90	20.96	16.79	18.60	16.28	18.40
75	14.42	16.22	12.87	14.52	12.55	14.48
80	10.23	11.75	9.43	10.89	9.31	10.89

* Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The sample values shown are for individuals with the indicated attained ages in 2024.

Summary of Assumptions Used - FIRE June 30, 2024

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	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

Summary of Assumptions Used - FIRE June 30, 2024

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

Summary of Assumptions Used - FIRE

June 30, 2024

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 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:	<p>The normal cost and active accrued liabilities for all decrements were increased by 1.50% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form.</p> <p>Normal cost and active accrued liabilities for all decrements were increased by 3.35% to account for the inclusion of unused sick leave, vacation, etc., in the calculation of Final Average Salary.</p> <p>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.</p>
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.



Summary of Assumptions Used - FIRE June 30, 2024

Miscellaneous and Technical Assumptions (Concluded)

Pay Adjustments:	If reported pay for members was less than the base pay rate, the base pay rate was used. Reported pay were increased by 5.05% for all fire members due to contracts.
Pay Increase Timing:	Reported pays were increased 5.05% 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.
Service Credit Accruals:	It is assumed that members accrue one year of service credit per year.



SECTION F

PLAN PROVISIONS

Summary of Provisions (2024) 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 (2024) 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-2021 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 (2024) Evaluated and/or Considered FIRE (Continued)

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 G

GLOSSARY

Glossary

<i>Accrued Service</i>	The service credited under the plan which was rendered before the date of the actuarial valuation.
<i>Actuarial Accrued Liability</i>	The difference between: (i) the actuarial present value of future plan benefits; and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”
<i>Actuarial Assumptions</i>	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.
<i>Actuarial Present Value</i>	The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
<i>Amortization</i>	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
<i>Experience Gain (Loss)</i>	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
<i>Normal Cost</i>	The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.
<i>Reserve Account</i>	An account used to indicate that funds have been set aside for a specific purpose and is not generally available for other uses.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”
<i>Valuation Assets</i>	The value of current plan assets recognized for valuation purposes. Generally based on market value plus a portion of unrealized appreciation or depreciation.



SECTION A

INTRODUCTION - POLICE

Funding Objective

The funding objective of the Retirement System is to establish and receive contributions which will accumulate assets during each member's working years which, together with regular interest, will be sufficient to pay promised benefits after retirement.

Contribution Rates

The Retirement System is supported by member contributions, City contributions and investment income from Retirement System assets.

Contributions which satisfy the funding objective are determined by the annual actuarial valuation and are sufficient to:

- (1) Cover the actuarial present value of benefits allocated to the current year by the actuarial cost method described in Section E (the normal cost); and
- (2) Finance over a period of future years the actuarial present value of benefits not covered by valuation assets and anticipated future normal costs (the unfunded actuarial accrued liability).

Computed contribution rates for the fiscal year ending June 30, 2026 are shown on page A-2.

Contribution Requirements - POLICE

Development of Employer Contributions for the Indicated Valuation Date

Computed Employer Contributions for	June 30,	
	2023	2024
Current Cost (Normal Cost):		
Age and Service Benefits	28.18 %	29.32 %
Disability Benefits	1.68 %	1.64 %
Death-in-Service Benefits	0.35 %	0.34 %
Termination Benefits	2.91 %	2.82 %
Total Normal Cost	33.12 %	34.12 %
Less: Member Contributions	5.00 %	4.78 %
Employer Normal Cost*	28.12 %	29.34 %
Accrued Liabilities Amortization^	\$5,978,298	\$6,090,937

* Effective 6/30/99, the Board of Trustees set a minimum employer contribution rate of 10% of total normal cost. The current cost when reduced by the accrued liability credit should not fall short of the minimum contribution.

^ Actuarial accrued liability in excess of valuation assets was amortized over a period of 20 years in this year's valuation. A 21-year amortization period was used in the prior valuation.

The employer contributions expressed as dollars are to be determined by multiplying the above normal cost percents by the amount of projected covered payroll for the applicable fiscal year and added to the Accrued Liability Amortization amount. Such covered payroll includes not only base pay but also all other types of pay usable in computing the member's final average pay.

For example, based on estimated payroll for Fiscal Year 2026 for Police of \$2,754,822, the contribution would be developed as follows:

Fiscal Year	2024-2025	2025-2026
Normal Cost **	\$ 982,764	\$ 808,265
Accrued Liability	5,978,298	6,090,937
Total	\$ 6,961,062	\$ 6,899,202
Contribution as a % of Estimated Payroll	199.2%	250.4%

**29.34% x \$2,754,822 = \$808,265



SECTION B

FUNDING RESULTS

Present Value of Future Benefits and Accrued Liability POLICE

Determination of Unfunded Accrued Liability

	June 30,	
	2023	2024
A. Accrued Liability		
1. For retirees and beneficiaries	\$ 222,124,113	\$ 228,883,959
2. For vested terminated members and DROP	1,483,959	3,066,057
3. For present active members		
a. Value of expected future benefit payments	47,640,718	40,863,521
b. Value of future normal costs	5,343,358	3,964,202
c. Active member accrued liability: (a) - (b)	42,297,360	36,899,319
4. Total accrued liability	265,905,432	268,849,335
B. Present Assets (Funding Value)	198,885,749	202,088,865
C. Unfunded Accrued Liability: (A.4) - (B)	67,019,683	66,760,470
D. Funding Ratio: (B) / (A.4)	74.8%	75.2%
E. Funding Ratio: Market Value Basis	72.0%	74.9%

Derivation of Experience Gain/(Loss) - POLICE

Actual experience will never (except by coincidence) exactly match assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain/(loss) is shown below, along with a year-by-year comparative schedule.

	June 30,	
	2023	2024
(1) UAAL* at start of year	\$ 64,028,033	\$ 67,019,683
(2) Normal cost from last valuation	1,134,210	1,187,289
(3) Actual contributions	6,516,596	6,658,590
(4) Interest accrual	4,293,579	4,499,882
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	62,939,226	66,048,264
(6) Change from benefit increases	0	62,725
(7) Change in actuarial assumptions	0	(130,541)
(8) Expected UAAL after changes: (5) + (6) + (7)	62,939,226	65,980,448
(9) Actual UAAL at end of year	67,019,683	66,760,470
(10) Gain/(loss): (8) - (9)	(4,080,457)	(780,022)
(11) Gain (loss) due to Liabilities	(1,599,975)	(731,263)
(12) Gain (loss) due to Assets	(2,480,482)	(48,759)

* *Unfunded actuarial accrued liabilities.*

Valuation Date June 30,	Experience Gain (Loss)		
	Asset	Liability	Total
2020	\$ (6,104,869)	\$ 2,321,994	\$ (3,782,875)
2021	5,008,882	412,923	5,421,805
2022	(3,176,479)	(1,590,319)	(4,766,798)
2023	(2,480,482)	(1,599,975)	(4,080,457)
2024	(48,759)	(731,263)	(780,022)

SECTION C

FUND ASSETS

Development of Funding Value of Assets (5-Year Smoothing) - POLICE

Year Ended June 30:	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$198,885,749				
B. Market Value End of Year	201,486,884				
C. Market Value Beginning of Year	191,489,329				
D. Non-Investment Net Cash Flow	(10,309,302)				
E. Investment Return					
E1. Total: B-C-D	20,306,857				
E2. Amount for Immediate Recognition (7.00%)	13,561,177				
E3. Amount for Phased-in Recognition: E1-E2	6,745,680				
F. Phased-in Recognition of Investment Return					
F1. Current Year: 0.20 x E3	1,349,136				
F2. First Prior Year	(6,065)	\$ 1,349,136			
F3. Second Prior Year	(7,171,367)	(6,065)	\$ 1,349,136		
F4. Third Prior Year	8,362,407	(7,171,367)	(6,065)	\$ 1,349,136	
F5. Fourth Prior Year	(2,582,870)	8,362,405	(7,171,366)	(6,067)	\$ 1,349,136
F6. Total Recognized Investment Gain	(48,759)	2,534,109	(5,828,295)	1,343,069	1,349,136
G. Funding Value End of Year					
G1. Preliminary Funding Value End of Year: (A+D+E2+F6)	202,088,865				
G2. Upper Corridor Limit: 120% x B	241,784,260				
G3. Lower Corridor Limit: 80% x B	161,189,507				
G4. Funding Value End of Year	202,088,865				
H. Difference Between Market Value & Funding Value	(601,981)	(3,136,090)	2,692,205	1,349,136	(0)
I. Market Rate of Return	10.90%				
J. Ratio of Funding Value to Market Value	100.30%				

The funding value of assets recognizes assumed investment return (line E2) fully each year. Differences between actual and assumed investment return (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, funding value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, funding value of assets will tend to be greater than market value. The funding value of assets is **unbiased** with respect to market value. At any time, it may be either greater or less than market value. If actual and assumed rates of investment return are exactly equal for four consecutive years, the funding value will become equal to market value.



SECTION D

CENSUS DATA

June 30, 2024 Valuation Data Summary - POLICE

For purposes of the June 30, 2024 valuation, information on 333 covered persons was furnished. These people may be briefly described as follows.

	No.	Averages			
		Age	Service	Annual Pay or Retirement Allowance	
				2024	2023
Actives	28	48.9	23.3	\$122,544	\$117,284
Retirees & Beneficiaries	303	66.9		54,724	53,239
DROP	1	50.0		104,280	0
Inactive Vested	1	60.9		80,716	51,471
	333				

Active member covered pays used in the valuation are developed in the following manner:

- (1) Each member's covered pay during the past fiscal year is determined by the Finance Department and reported to the actuary. Covered pay is the total, paid in the year ended with the June 30 valuation date, of (a) base pay plus (b) a variety of specified supplemental payments such as vacation pay, sick pay, holiday pay and so forth.
- (2) The covered pay (1) is converted by the actuary to the equivalent annual rate as of the June 30 valuation date.
- (3) If there is a pay increase amount that becomes known during the July 1 to October 1 period (when actuarial valuation data is being assembled), covered pay (2) is increased to reflect that known increase. Similarly, if pay negotiations are taking place at October 1, which will later change pays retroactive to June 30 or earlier, covered pay (2) is increased by the lower of the pay increase proposals in negotiation.

More detailed information regarding the covered persons is presented on the following pages.

Active Members - POLICE

Members in Active Service as of June 30, 2024 by Years of Service

Age	Years of Service							Total Count	Total Pay	Average Pay
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 & up			
50 - 54				2	16			18	\$ 2,248,577	\$ 124,921
55 - 59				1	4	3		7	813,082	116,155
60 - 64					1			2	251,239	125,620
70 - 74							1	1	118,326	118,326
Total				3	21	3	1	28	\$ 3,431,224	\$ 122,544

Retirants and Beneficiaries - POLICE

Attained Ages	Male		Female		Total	
	No.	Annual Allowance	No.	Annual Allowance	No.	Annual Allowance
47	3	\$ 147,492			3	\$ 147,492
48	3	240,720			3	240,720
49	5	336,984	1	\$ 17,376	6	354,360
50	1	98,520	1	8,424	2	106,944
51	2	111,072			2	111,072
52	6	439,452			6	439,452
53	5	279,228	2	66,756	7	345,984
54	9	614,748	1	39,540	10	654,288
55	10	704,664	1	72,612	11	777,276
56	6	380,184	2	56,316	8	436,500
57	7	495,732	3	99,792	10	595,524
58	9	535,056	4	152,016	13	687,072
59	8	564,036	2	90,624	10	654,660
60	9	639,972	1	27,888	10	667,860
61	6	354,264	4	265,008	10	619,272
62	9	538,140	6	359,628	15	897,768
63	7	426,468	1	78,756	8	505,224
64	5	337,812	5	156,192	10	494,004
65	5	334,992	3	80,052	8	415,044
66	11	836,460			11	836,460
67	2	91,428	5	269,064	7	360,492
68	7	568,440	2	47,928	9	616,368
69	8	556,764	4	139,668	12	696,432
70	2	150,456	3	126,300	5	276,756
71	4	206,712	2	49,224	6	255,936
72	5	309,072	4	237,024	9	546,096
73	4	232,452	2	46,824	6	279,276
74	10	521,988	2	56,928	12	578,916
75	5	247,488	3	97,248	8	344,736
76	6	313,056	1	68,064	7	381,120
77	6	233,616	4	97,368	10	330,984
78	3	155,400	1	21,840	4	177,240
79	6	379,596	1	21,264	7	400,860
80			2	80,100	2	80,100
81	2	140,724	2	48,120	4	188,844
82	8	282,336	1	13,356	9	295,692
83	2	78,408	3	49,860	5	128,268
84	2	62,628	4	138,108	6	200,736
85	1	46,800	1	34,224	2	81,024
86	1	19,596			1	19,596
87	1	78,936	2	49,644	3	128,580
88	1	47,652			1	47,652
89	1	39,528	1	15,588	2	55,116
90	1	50,424			1	50,424
92	2	73,044			2	73,044
Totals	216	\$ 13,302,540	87	\$ 3,278,724	303	\$ 16,581,264



DROP Members – POLICE

Attained Ages	No.	Annual Allowance	DROP Balance
50	1	\$ 104,280	\$ 64,825
Totals	1	\$ 104,280	\$ 64,825

Terminated Vested Members - POLICE

Attained Ages	No.	Annual Allowance
60	1	\$ 80,716
Totals	1	\$ 80,716

SECTION E

METHODS AND ASSUMPTIONS

Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - POLICE (Assumptions Adopted by Board of Trustees After Consulting with Actuary)

The assumptions used for this report were based upon the results of an Experience Study covering the period July 1, 2018 through June 30, 2023. The actuarial assumptions represent estimates of future experience. Unless otherwise noted, the assumptions were first used with the actuarial valuation date of June 30, 2024.

ECONOMIC ASSUMPTIONS

The investment return rate assumed in the valuation was 7.00% per year, compounded annually (net after 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%.

(Continued on Next Page)



Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - POLICE (Continued)

Pay increase assumptions for individual active members are shown for sample ages on page E-4. 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.

NON-ECONOMIC ASSUMPTIONS

The mortality table used was the Pub-2010, based on data from public pension systems only, and projection scale MP-2021. Future life expectancies are shown on page E-5.

The probabilities of age/service retirement for members eligible to retire are shown on page E-6.

The probabilities of separation from service (including **death-in-service** and **disability**) are shown for sample ages on page E-7.

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.

Unfunded actuarial accrued liabilities are amortized over periods of future years to produce contribution amounts (principal and interest) which are level dollar contributions.

(Concluded on Next Page)



Summary of Assumptions Used for the June 30, 2024 Actuarial Valuation - POLICE (Concluded)

The Unfunded Actuarial Accrued Liability (UAAL) was determined using the funding value of assets and actuarial accrued liability calculated as of the valuation date. The UAAL amortization payment (one component of the contribution requirement), is the level dollar amount required to fully amortize the UAAL over a 20-year period beginning on the valuation date. This UAAL payment does not reflect any payments expected to be made between the valuation date and the date contributions determined by this report are scheduled to begin.

Employer contribution dollars were assumed to be *paid in equal installments throughout* the employer fiscal year.

Present assets (cash and investments) are valued on a market-related basis effective June 30, 1994. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase-in of the difference between actual and assumed earnings. Effective June 30, 2003, the funding value must be within a range of 80% - 120% of the market value.

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 - POLICE June 30, 2024

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%	3.75%	6.50%
30	2.75%	2.85%	5.60%
35	2.75%	2.25%	5.00%
40	2.75%	2.00%	4.75%
45	2.75%	1.45%	4.20%
50	2.75%	1.20%	3.95%
55	2.75%	1.00%	3.75%
Ref		611	

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 - POLICE June 30, 2024

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-2021. 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-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.

Sample Attained Ages	Future Life Expectancy (Years)*					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	48.83	51.28	45.98	48.16	44.15	46.47
45	43.70	46.14	40.79	42.90	39.20	41.45
50	38.58	41.01	35.65	37.69	34.26	36.44
55	33.50	35.91	30.60	32.58	29.40	31.55
60	28.50	30.87	25.70	27.66	24.71	26.91
65	23.62	25.88	21.09	23.00	20.33	22.54
70	18.90	20.96	16.79	18.60	16.28	18.40
75	14.42	16.22	12.87	14.52	12.55	14.48
80	10.23	11.75	9.43	10.89	9.31	10.89

* Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The sample values shown are for individuals with the indicated attained ages in 2024.

Summary of Assumptions Used - POLICE June 30, 2024

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	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

Summary of Assumptions Used - POLICE June 30, 2024

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

Summary of Assumptions Used - POLICE

June 30, 2024

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 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:	<p>The normal cost and active accrued liabilities for all decrements were increased by 1.50% to account for the additional cost resulting from participants electing to receive benefits in a form other than the normal form.</p> <p>The normal cost and active accrued liabilities for all decrements were increased by 4.25% to account for the inclusion of unused sick leave, vacation, etc., in the calculation of Final Average Salary.</p>
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 6.0% for all police members due to contracts.
Pay Increase Timing:	Reported pays were increased 6.0% due to contracts for purposes of this valuation. Future pay increases are thereafter assumed to occur at the end of the fiscal year.



Summary of Assumptions Used - POLICE

June 30, 2024

Miscellaneous and Technical Assumptions

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.

Service Credit Accruals:

It is assumed that members accrue one year of service credit per year.

SECTION F

PLAN PROVISIONS

Summary of Provisions (2024) 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 (2024) 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 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-2021 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 (2024) 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 G

GLOSSARY

Glossary

<i>Accrued Service</i>	The service credited under the plan which was rendered before the date of the actuarial valuation.
<i>Actuarial Accrued Liability</i>	The difference between: (i) the actuarial present value of future plan benefits; and (ii) the actuarial present value of future normal cost. Sometimes referred to as “accrued liability” or “past service liability.”
<i>Actuarial Assumptions</i>	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the “actuarial present value of future plan benefits” between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the “actuarial funding method.”
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.
<i>Actuarial Present Value</i>	The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
<i>Amortization</i>	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.
<i>Experience Gain (Loss)</i>	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
<i>Normal Cost</i>	The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as “current service cost.” Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.
<i>Reserve Account</i>	An account used to indicate that funds have been set aside for a specific purpose and is not generally available for other uses.
<i>Unfunded Actuarial Accrued Liability</i>	The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as “unfunded accrued liability.”
<i>Valuation Assets</i>	The value of current plan assets recognized for valuation purposes. Generally based on market value plus a portion of unrealized appreciation or depreciation.



APPENDIX 1

ACCOUNTING DISCLOSURES – POLICE AND FIRE

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

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Statement of Plan Assets – POLICE and FIRE as of June 30, 2023 and 2024

	2023	2024
Assets		
Cash and short-term investments	\$ 3,637,229	\$ 3,993,797
Receivables		
Accounts receivable and miscellaneous	326,960	402,741
Accrued interest and dividends	128,056	234,492
Unsettled trades	0	0
Subtotals	455,016	637,233
Investments, at fair value		
Fixed income	78,980,230	84,092,109
Stocks	153,435,598	203,157,027
Real estate	33,628,868	28,429,355
Co-mingled and mutual funds	53,341,692	23,632,304
Limited partnerships	0	0
Subtotals	319,386,388	339,310,795
Total Assets	323,478,633	343,941,825
Liabilities		
Payables	227,306	380,940
Other	0	0
Subtotals	227,306	380,940
Net assets held in trust for pension benefits (A schedule of funding progress for the plan is presented on page Appendix I-6.)	\$323,251,327	\$343,560,885

Statement of Changes in Plan Assets – POLICE and FIRE for the Fiscal Years Ended June 30, 2023 and 2024

	Reconciliation as of June 30,	
	2023	2024
Additions		
Contributions		
Employer	\$ 12,777,833	\$ 12,697,501
Plan members	526,453	498,430
Total contributions	13,304,286	13,195,931
Investment return		
Net appreciation	19,929,237	32,314,116
Interest and dividends	3,951,507	3,874,838
Miscellaneous	0	0
	23,880,744	36,188,954
Less investment expense	1,152,929	1,579,013
Net investment return	22,727,815	34,609,941
Total additions	36,032,101	47,805,872
Deductions		
Benefits	25,240,123	26,185,195
Refunds of contributions	1,024,186	1,160,464
Claims and judgments	25,516	25,516
Other - administrative expense	97,464	125,139
Total deductions	26,387,289	27,496,314
Net increase	9,644,812	20,309,558
Net assets held in trust for pension benefits		
Beginning of year	313,606,515	323,251,327
End of year	\$323,251,327	\$343,560,885

Notes to the Financial Statements for the Fiscal Year Ended June 30, 2024

A. Summary of Significant Accounting Policies

Basis of Accounting. The accompanying financial statements are on the accrual basis of accounting.

Methods Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

B. Plan Description and Contribution Information

Membership information as of June 30, 2024, the date of the latest actuarial valuation, is as follows:

	Fire	Police	Combined
Retirees and beneficiaries	161	303	464
DROP members	0	1	1
Terminated vested members	1	1	2
Active members	52	28	80
Total	214	333	547

Plan Description. The City of Dearborn Chapter 23 Retirement System is a single-employer defined benefit pension plan that covers the Police and Fire employees of the City of Dearborn.

The plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Notes to the Financial Statements for the Fiscal Year Ended June 30, 2024 (Concluded)

Contributions. Police and Fire members contribute 5.0% of annual pay to the Fund.

The employer's funding policy provides for periodic employer contributions based upon a ***fundamental financial objective of having rates of contribution which remain relatively level from generation to generation of the City of Dearborn citizens.*** To determine the employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, the System has actuarial valuations prepared annually. In preparing those valuations, the entry age actuarial cost method is used to determine normal cost and actuarial accrued liabilities.

For funding purposes, unfunded actuarial accrued liabilities are amortized as a level dollar amount. Effective for the June 30, 2024 valuation, the remaining unfunded/(overfunded) amounts are amortized over 20 years.

On the basis of the June 30, 2024 actuarial valuation, the employer rates were determined to be as follows:

Contributions for	Percents of Active Member Payroll	Contributions for	Percents of Active Member Payroll
	Fire		Police
Employer Normal Cost*	33.05 %	Employer Normal Cost*	29.34 %
Accrued Liabilities	\$4,600,622	Accrued Liabilities	\$6,090,937

* Per Board action, effective 6/30/99 the minimum employer contribution rate is 10% of the total normal cost.



Reserves as of June 30, 2024

The *Combined Fund balances* were reported as follows:

	Year Ended	
	June 30, 2024	June 30, 2023
Members Deposit Fund	\$ 6,420,864	\$ 7,082,898
Employer Accumulation Fund	(23,517,352)	(30,902,547)
Benefit Reserve Fund	360,657,373	347,070,976
Market Value	\$343,560,885	\$323,251,327

Funding value of trust assets. At each year end (June 30), the funding asset value is moved toward market value, by immediate recognition of assumed earnings and a five-year phase-in of the difference between actual and assumed earnings. The intent is to recognize the long-term validity of market value changes while screening out the market's short-term moods.

The funding value of assets at June 30, 2024 was determined to be \$344,516,505. The funding value is used in actuarial determinations of financial condition and employer contribution rates.

Recommendation: The following June 30 transfers are recommended. These are accounting transfers that do not affect the investment of the funds.

Division	Recommended Reserve Transfers	
	Benefit Reserve Fund	Employer Accumulation Fund
Police	\$(555,666)	\$555,666
Fire	(317,787)	317,787

In performing the actuarial valuation, these transfers were assumed to have been made.

Required Supplementary Information Schedule of Funding Progress

(Dollar amounts in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
FIRE						
6/30/13	\$ 94.31	\$ 119.19	\$ 24.88	79.1 %	\$ 7.89	315.3 %
6/30/14#	98.67	123.21	24.54	80.1 %	7.19	341.3 %
6/30/15	102.12	126.30	24.18	80.9 %	7.25	333.5 %
6/30/16#	103.66	133.49	29.83	77.7 %	7.30	408.6 %
6/30/17*	107.23	144.93	37.70	74.0 %	7.28	517.9 %
6/30/18	111.12	149.00	37.88	74.6 %	7.78	486.9 %
6/30/19#	114.50	165.36	50.86	69.2 %	6.45	788.5 %
6/30/20	117.25	171.99	54.74	68.2 %	7.69	711.8 %
6/30/21	127.34	175.87	48.53	72.4 %	7.37	658.5 %
6/30/22	132.94	179.40	46.46	74.1 %	7.69	604.2 %
6/30/23	136.85	183.62	46.77	74.5 %	6.99	669.1 %
6/30/24#	142.43	192.85	50.42	73.9 %	6.06	832.0 %
POLICE						
6/30/13	\$169.65	\$201.06	\$ 31.41	84.4 %	\$9.33	336.7 %
6/30/14#	175.38	208.79	33.41	84.0 %	9.23	362.0 %
6/30/15	178.40	213.63	35.23	83.5 %	8.51	414.0 %
6/30/16#	178.58	225.84	47.26	79.1 %	7.43	636.1 %
6/30/17*	181.65	229.69	48.04	79.1 %	6.89	697.2 %
6/30/18	185.42	232.91	47.49	79.6 %	6.98	680.4 %
6/30/19#	185.45	252.09	66.64	73.6 %	6.31	1056.1 %
6/30/20	184.54	253.92	69.38	72.7 %	5.86	1184.0 %
6/30/21	194.49	256.59	62.10	75.8 %	5.12	1212.9 %
6/30/22	197.20	261.22	64.02	75.5 %	5.86	1092.5 %
6/30/23	198.89	265.91	67.02	74.8 %	4.14	1618.8 %
6/30/24#	202.09	268.85	66.76	75.2 %	3.99	1673.2 %

* After change in benefit provisions.

After change in actuarial assumptions.



Schedule of Employer Contributions

FIRE

Year Ended June 30	Annual Required Contribution	Actual Contributions	Percent Contributed
2014	\$ 3,799,470	\$ 3,845,330	101.2%
2015	4,165,788	4,169,690	100.1%
2016	4,098,298	4,086,490	99.7%
2017	4,150,223	4,209,101	101.4%
2018	5,077,229	5,246,199	103.3%
2019	6,040,877	6,426,900	106.4%
2020	6,613,212	6,589,585	99.6%
2021	7,104,993	7,111,708	100.1%
2022	7,731,066	7,606,498	98.4%
2023	6,261,303	6,261,237	100.0%
2024	5,885,012	6,038,911	102.6%

POLICE

Year Ended June 30	Annual Required Contribution	Actual Contributions	Percent Contributed
2014	\$ 4,992,909	\$ 4,893,377	98.0%
2015	5,132,830	5,023,749	97.9%
2016	5,055,611	5,004,458	99.0%
2017	5,266,806	5,227,858	99.3%
2018	6,829,295	7,254,834	106.2%
2019	7,022,648	6,968,445	99.2%
2020	7,146,060	7,146,411	100.0%
2021	7,832,978	7,833,142	100.0%
2022	8,510,619	8,152,177	95.8%
2023	6,488,317	6,516,596	100.4%
2024	6,718,831	6,658,590	99.1%

COMBINED POLICE AND FIRE

Year Ended June 30	Annual Required Contribution	Actual Contributions	Percent Contributed
2014	\$ 8,792,379	\$ 8,738,707	99.4%
2015	9,298,618	9,193,439	98.9%
2016	9,153,909	9,090,948	99.3%
2017	9,417,029	9,436,959	100.2%
2018	11,906,524	12,501,033	105.0%
2019	13,063,525	13,395,345	102.5%
2020	13,759,272	13,735,996	99.8%
2021	14,937,971	14,944,850	100.0%
2022	16,241,685	15,758,675	97.0%
2023	12,749,620	12,777,833	100.2%
2024	12,603,843	12,697,501	100.7%



Summary of Actuarial Methods and Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	5-year smoothed market 80%/120% corridor

Actuarial assumptions:

Investment rate of return*	7.00%
Projected salary increases*	3.00% - 6.50%
*Includes wage-inflation at	2.75%
Cost-of-living adjustments	Varies by Labor Contract

APPENDIX 2

RISK MEASURES – POLICE AND FIRE

Risk Measures

Actuarial Valuation Year Ended June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Covered Payroll	(5) Funded Ratio (1) / (2)	(6) Assets / Payroll (1) / (4)	(7) Liability / Payroll (2) / (4)	(8) Unfunded / Payroll (3) / (4)
2015	\$280,522,590	\$339,925,647	\$ 59,403,057	\$15,763,013	82.5 %	1779.6 %	2156.5 %	376.9 %
2016 #	282,235,401	359,337,141	77,101,740	14,722,316	78.5	1917.1	2440.8	523.7
2017 *	288,881,203	374,622,037	85,740,834	14,170,004	77.1	2038.7	2643.8	605.1
2018	296,533,861	381,916,520	85,382,659	14,759,481	77.6	2009.1	2587.6	578.5
2019 #	299,952,375	417,453,426	117,501,051	12,761,442	71.9	2350.5	3271.2	920.8
2020	301,795,878	425,906,734	124,110,856	13,551,650	70.9	2227.0	3142.8	915.8
2021	321,829,994	432,461,260	110,631,266	12,492,695	74.4	2576.1	3461.7	885.6
2022	330,139,800	440,621,304	110,481,504	13,551,650	74.9	2436.2	3251.4	815.3
2023	335,733,393	449,529,345	113,795,952	11,125,510	74.7	3017.7	4040.5	1022.8
2024 #	344,516,505	461,702,666	117,186,161	10,050,479	74.6	3427.9	4593.8	1166.0

* Plan amended.

Revised actuarial assumptions.

(5) The Funded Ratio is the most widely known measure of a plan's financial strength, but the trend in the funded ratio is much more important than the absolute ratio. The funded ratio should trend to 100%. As it approaches 100%, it is important to re-evaluate the level of investment risk in the portfolio and potentially to re-evaluate the assumed rate of return.

(6) and (7) The ratios of assets and liabilities to payroll gives an indication of both maturity and volatility. Many systems have ratios between 5 and 7. Ratios significantly above that range may indicate difficulty in supporting the benefit level as a level % of pay. For systems that are closed to new hires, it is expected that these ratios will grow as payroll declines.

(8) The ratio of the unfunded liability to payroll gives an indication of the plan sponsor's ability to actually pay off the unfunded liability. A ratio above approximately 3 or 4 may indicate difficulty in discharging the unfunded liability within a reasonable time frame.

Risk Commentary

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

- **Investment Risk** – actual investment returns may differ from the expected returns;
- **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
- **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
- **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
- **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
- **Other Demographic Risks** – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution amounts shown in this report may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.



Risk Commentary (Concluded)

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Ratio of the market value of assets to payroll	37.04	32.00	30.17	32.23	23.73
Ratio of actuarial accrued liability to payroll	49.78	44.50	42.39	38.74	36.20
Ratio of actives to retirees and beneficiaries	0.17	0.20	0.21	0.24	0.26
Ratio of net cash flow to market value of assets	-4.1%	-4.0%	-2.8%	-2.5%	-3.2%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 30.0 times the payroll, a return on assets 5% different than assumed would equal 150% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 40 times the payroll, a change in liability 2% other than assumed would equal 80% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling and stress tests.



Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDRM). The rationale that the ASB cited for the calculation and disclosure of the LDRM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the “right” liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.”

Comparing the Accrued Liabilities and the LDRM

One of the fundamental financial objectives of the City of Dearborn Chapter 23 Retirement System is to finance each member’s retirement benefits over the period from the member’s date of hire until the member’s projected date of retirement (entry age actuarial cost method) as a level percentage of payroll. To fulfill this objective, the discount rate that is used to value the accrued liabilities of the City of Dearborn Chapter 23 Retirement System is set equal to the expected return on the System’s diversified portfolio of assets (referred to sometimes as the investment return assumption). For the City of Dearborn Chapter 23 Retirement System, the investment return assumption is 7.00%.

The LDRM is meant to approximately represent the lump sum cost to a plan to purchase low-default-risk fixed income securities whose resulting cash flows essentially replicate in timing and amount the benefits earned (or the costs accrued) as of the measurement date. The LDRM is very dependent upon market interest rates at the time of the LDRM measurement. The lower the market interest rates, the higher the LDRM, and vice versa. The LDRM results presented in this report are based on the entry age actuarial cost method and discount rates based upon the June 2024 Treasury Yield Curve Spot Rates (end of month). The 1-, 5-, 10- and 30-year rates follow: 5.12%, 4.34%, 4.22% and 4.45%. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan’s benefit obligation.

The difference between the two measures (Valuation and LDRM) is one illustration of the savings the sponsor anticipates by taking on risk in a diversified portfolio.

Accrued Liabilities and LDRM

Valuation Accrued Liabilities	LDRM
\$461,702,666	\$630,149,313





February 11, 2025

Mr. Michael Kennedy
Director of Finance & Treasury
City of Dearborn
16901 Michigan Avenue, Suite #1
Dearborn, Michigan 48126

Re: June 30, 2024 Actuarial Valuation for the City of Dearborn Chapter 23 Retirement System

Dear Mr. Kennedy:

Enclosed are 12 copies of the June 30, 2024 Annual Actuarial Valuation.

Any comments or questions you may develop will be welcome.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink, appearing to read "F. Pieterse".

Francois Pieterse, ASA, FCA, MAAA

FP:rmn
Enclosures



FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate Effect Requested

REQUEST: Award of Contract for Excess Workers' Compensation Insurance with Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier).

DEPARTMENT: Purchasing, on behalf of the Legal Department.

BRIEF DESCRIPTION: Purchasing, on behalf of the Legal Department, recommends the competitive purchase of Excess Workers' Compensation Insurance from Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier). The contract shall be for a three-year term with one (1) three-year renewal option.

PRIOR COUNCIL ACTION: CR 3-97-20 awarded a one-year contract with up to (4) one-year renewal options to Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier), pending satisfactory performance by the vendor. CR 3-91-24 awarded the fourth and final renewal of the contract for the period from April 7, 2024 through April 6, 2025.

BACKGROUND: The City's existing Excess Workers' Compensation Insurance will expire on July 1, 2025. The coverage was obtained under a short-term extension of the City's contract with Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier) that was valid from April 7, 2024 through April 6, 2025 with an annual premium of \$97,942. The short-term extension, valid from April 7, 2025 through July 1, 2025, was obtained at a cost of \$22,808 in order to allow time to complete the procurement process to award a new contract.

During the procurement process, one viable bid was received for the new contract. Through the new contract, Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier) will provide the same coverage that the City currently secures at a fixed, annual premium of \$86,571 for the first year. The self-insured retention amounts of \$600,000 for general employee claims and \$750,00 for Police and Fire employee claims will remain the same as under the expiring contract. The new three-year contract will commence on July 1, 2025 and expire on June 30, 2028.

FISCAL IMPACT: Obtain Excess Workers' Compensation Insurance for \$86,571 for the first year.

COMMUNITY IMPACT: N/A

IMPLEMENTATION TIMELINE: The resulting contract shall be binding upon execution and shall be valid from July 1, 2025 through June 30, 2028.

COMPLIANCE/PERFORMANCE METRICS: Purchasing and Legal will ensure contract execution.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: City Administration
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Award of Contract for Excess Workers' Compensation Insurance
DATE: March 25, 2025

Budget Information

Adopted Budget: \$97,000
 Amended Budget: \$97,000
 Requested Amount: \$86,571 Future FY contingent upon adoption of the respective fiscal year budgets
 Funding Source: Workers' Compensation Fund, Law Department, Insurance and Bonds
 Supplemental Budget: N/A

Summary of Request

Purchasing, on behalf of the Legal Department, recommends the competitive purchase of Excess Workers' Compensation coverage from Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier). The contract shall be for a three-year term with one (1) three-year renewal option. Nickel & Saph, Inc. was able to provide a fixed, annual premium for the initial year of the contract (\$86,571 per year) for the specified coverage.

It is respectfully requested that Council authorize the award with immediate effect in order to avoid gaps in coverage and maintain coverage at the fixed annual premium. The resulting contract shall not be binding until fully executed. The renewals will be presented to Council for authorization when premiums for additional contract years can be determined.

Background and Justification

The City's existing Excess Workers' Compensation Insurance will expire on July 1, 2025. The coverage was obtained under a short-term extension of the City's contract with Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier) that was valid from April 7, 2024 through April 6, 2025 with an annual premium of \$97,942. The short-term extension, valid from April 7, 2025 through July 1, 2025, was obtained at a cost of \$22,808 in order to allow time to complete the procurement process to award a new contract.

During the procurement process, one viable bid was received for the new contract. Through the new contract, Nickel & Saph, Inc. (broker) through Midwest Employers Casualty Company (carrier) will provide



FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

the same coverage that the City currently secures at a fixed, annual premium of \$86,571 for the first year. The self-insured retention amounts of \$600,000 for general employee claims and \$750,00 for Police and Fire employee claims will remain the same as under the expiring contract. The new three-year contract will commence on July 1, 2025 and expire on June 30, 2028.

Procurement Process

Purchasing solicited bids with process details as follows:

Process: Invitation to Bid (ITB)
 Issue Date: February 14, 2025
 Deadline Date: March 19, 2025
 Vendors Solicited: 113
 Solicitations Obtained: 17
 Bids Received: 1

The bids were evaluated with the assistance of key staff from the Legal Department. **The single viable bid is shown in the following bid summary:**

Annual Excess Workers' Compensation Coverage - Nickel & Saph, Inc.					
	Initial Contract	Initial Contract	Initial Contract	Renewal One	
Description	2025/2026	2026/2027	2027/2028	2029/2030	2030/2031
Annual Premium	\$86,571	\$86,571	N/A	N/A	N/A

Nickel & Saph, Inc. was found to have submitted the lowest responsive and responsible bid. The procurement process was in accordance with the Procurement Ordinance and all internal policies and procedures. The Purchasing Division requests approval to proceed with the procurement.



FINANCE

EXECUTIVE SUMMARY AND MEMORANDUM

Prepared By:

DocuSigned by:
Mark Kozinsky
017FF0C142E34C3
Mark Kozinsky, Purchasing Manager

Department Approval:

DocuSigned by:
Rebecca Schultz
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Rebecca Schultz, Assistant Corporation Counsel

Budget Approval:

DocuSigned by:
Michael Kennedy
F77918D1421447F
Michael Kennedy, Finance Director/Treasurer

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460
Jeremy J. Romer, Corporation Counsel



EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:

The Fire Department is requesting Council to accept and authorize the Finance Director or designee to recognize and appropriate the \$5 million Michigan Department of Labor and Economic Opportunity Grant. These funds are for Fire Department Facility Projects and Improvements. There is no local match.

DEPARTMENT:

Fire Department

BRIEF DESCRIPTION

The Fire Department was awarded a \$5 million dollar grant for fire department facility projects and improvements through the Michigan Department of Labor and Economic Opportunity. Recently a facility assessment was conducted on all fire department properties and upon recognition facility improvement projects will begin to be put out for bid.

PRIOR COUNCIL ACTION: N/A

BACKGROUND

The Fire Department was awarded a \$5 million dollar grant for fire department facility projects and improvements through the Michigan Department of Labor and Economic Opportunity. Recently a facility assessment was conducted on all fire department properties and upon recognition facility improvement projects will begin to be put out for bid

FISCAL IMPACT:

Grant funding of \$5 million dollars for fire department facility projects, repairs and rehabilitations.

COMMUNITY IMPACT:

The community will benefit through the investment into our infrastructure which will ensure fire department facilities will continue to support emergency services for years to come.



EXECUTIVE SUMMARY AND MEMORANDUM

IMPLEMENTATION TIMELINE:

The Fire Department recently conducted a facility assessment with a third-party vendor. We are prepared to begin the procurement process on numerous projects, repairs and upgrades to fire department facilities.

COMPLIANCE/PERFORMANCE METRICS:

The Fire Department Support Services Division will be responsible for the day to day follow up with all contractors while the Fire Administration shall be responsible for grant management and reporting.



EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Fire Chief Joseph Murray

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Acceptance of 2024 Michigan Department of Labor and Economic Opportunity Grant for Fire Department facility improvements

DATE: March 18, 2025

Budget Information

Projects: K25025
Total Approved Project Budget: \$0
Available Project Budget: \$0
Requested Amount: \$5,000,000
Funding Source: Facility Fund, Fire, Capital Project Support, Undistributed Approp
Supplemental Budget: N/A

Summary of Request

The Fire Department is requesting Council to accept and authorize the Finance Director or designee to recognize and appropriate the \$5 million Michigan Department of Labor and Economic Opportunity Grant. These funds are for Fire Department Facility Projects and Improvements. There is no local match.

Background and Justification

The Fire Department was awarded a \$5 million dollar grant for fire department facility projects and improvements through the Michigan Department of Labor and Economic Opportunity. Recently a facility assessment was conducted on all fire department properties and upon recognition facility improvement projects will begin to be put out for bid. There is no local match with this grant.



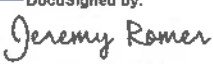
EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Fire Chief to add signature spots in DocuSign

DocuSigned by:

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Joseph Murray
Fire Chief

DocuSigned by:

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Jeremy Romer
Corporation Counsel


Michael Kennedy
Finance Director



EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST:

The Fire Department is requesting approval collect money on street corners to “Stuff the Boot” for the Neighbors United Charitable Organization which provides assistance to firefighters diagnosed with cancer within the State of Michigan. The requested collection dates are May 2 through May 11, 2025

DEPARTMENT:

Fire Department

BRIEF DESCRIPTION

The Dearborn Fire Department and Neighbors United are seeking approval for a “Stuff the Boot” collection in the City of Dearborn, scheduled for May 2 through May 11. This event aims to raise funds for the 47 Michigan firefighters affected by cancer and their families, including the family of our own Captain Jeremy Watkins. Last year was a great success, as the Dearborn Fire Department, in collaboration with Neighbors United and the citizens of Dearborn, helped raise nearly \$25,000. The Dearborn Fire Department also won the fire department fundraising challenge, earning a plaque.

PRIOR COUNCIL ACTION:

March 20, 2024. Approval of same activity in 2024

BACKGROUND

Neighbors United is a 501(c)(3) nonprofit organization dedicated to supporting families in need, with a special focus on firefighters battling occupational cancer. Founded in 2019 by Macomb Township, MI firefighter and president Joe Warne, the organization launched the #walkfortheRED initiative to raise awareness and funds for affected firefighters. This annual fundraiser was inspired by the increasing incidence of occupational cancer among firefighters, now recognized as the leading cause of line-of-duty deaths in the profession. Through these efforts, Neighbors United has assisted hundreds of firefighting families, distributing nearly \$1 million between 2019 and 2024, with an annual goal of providing up to \$5,000 to each affected firefighter or their family during their gala events. Studies indicate that firefighters face a 25% higher risk of developing cancer compared to other professions, largely due to exposure to carcinogens released from burning modern building materials like plastics and engineered lumber. Neighbors United remains committed to mitigating this risk and supporting those impacted within the fire service community.

FISCAL IMPACT:

None.



EXECUTIVE SUMMARY AND MEMORANDUM

COMMUNITY IMPACT:

All monies raised go directly to firefighters effected by cancer. Multiple members of the Dearborn Fire Department who have been diagnosed with Cancer has received support from this organization.

IMPLEMENTATION TIMELINE:

Requesting approval for collection from May 2 through May 11, 2025.

COMPLIANCE/PERFORMANCE METRICS:

The Fire Department will ensure compliance with all applicable ordinances and safety requirements. A copy of Certificate of Liability Insurance was obtained.



EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council

FROM: Fire Chief Joseph Murray

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Neighbors United “Stuff the Boot” collection request

DATE March 19, 2025

Budget Information

Add info or N/A if not applicable

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

Summary of Request

The Dearborn Fire Department and Neighbors United are seeking approval for a “Stuff the Boot” collection in the City of Dearborn, scheduled for May 2 through May 11. This event aims to raise funds for the 47 Michigan firefighters affected by cancer and their families, including the family of our own Captain Jeremy Watkins. Last year was a great success, as the Dearborn Fire Department, in collaboration with Neighbors United and the citizens of Dearborn, helped raise nearly \$25,000. The Dearborn Fire Department also won the fire department fundraising challenge, earning a plaque. All applicable laws, ordinances and policies will be followed during the collection events.

Background and Justification

Neighbors United is a 501(c)(3) nonprofit organization dedicated to supporting families in need, with a special focus on firefighters battling occupational cancer. Founded in 2019 by Macomb Township, MI firefighter and president Joe Warne, the organization launched the #walkfortheRED initiative to raise awareness and funds for affected firefighters. This annual fundraiser was inspired by the increasing incidence of occupational cancer among firefighters, now recognized as the leading cause of line-of-duty deaths in the profession. Through these efforts, Neighbors United has assisted hundreds of firefighting families, distributing nearly \$1 million between 2019 and 2024, with an annual goal of providing up to



EXECUTIVE SUMMARY AND MEMORANDUM

\$5,000 to each affected firefighter or their family during their gala events. Studies indicate that firefighters face a 25% higher risk of developing cancer compared to other professions, largely due to exposure to carcinogens released from burning modern building materials like plastics and engineered lumber. Neighbors United remains committed to mitigating this risk and supporting those impacted within the fire service community.



EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

DocuSigned by:
Joseph Murray
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Joseph Murray
Fire Chief

DocuSigned by:
Jeremy Romer
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Jeremy Romer
Corporation Counsel



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/7/2025

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 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 First Independent Insurance Agency 15945 Canal Rd. Clinton Township MI 48038	CONTACT NAME: Francine Ames PHONE (A/C, No, Ext): (586)247-2220 FAX (A/C, No): (586)247-7570 E-MAIL ADDRESS: francine.ames@insurefida.com														
INSURED Neighbors United 46839 Fox Run Dr Macomb MI 48044	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: Pacific Employers Insurance Company</td> <td style="text-align: center;">22748C</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Pacific Employers Insurance Company	22748C	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES **CERTIFICATE NUMBER: 2024 Master** **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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	Y	D96159626	5/25/2024	5/25/2025	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			D96159626	5/25/2024	5/25/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 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)

CERTIFICATE HOLDER City of Dearborn 16901 Michigan Ave Dearborn, MI 48126	CANCELLATION 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 Tom Sokol / FRAMES
---	--

COMMENTS/REMARKS

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 per Form BOP-47635a (07/16) when required by written agreement. A Waiver of Subrogation applies in favor of the Additional Insured in regards to General Liability per Form BOP-47635a (07/16) when required by written agreement.

BUSINESSOWNERS LIABILITY ENHANCEMENTS ENDORSEMENT

Named Insured NEIGHBORS UNITED			Endorsement Number BOP47635a0716
Policy Symbol CLU	Policy Number D96159626	Policy Period 05-25-2023 to 05-25-2024	Effective Date of Endorsement 05-25-2023
Issued By (Name of Insurance Company) Pacific Employers			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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This endorsement modifies the coverages provided under the Businessowners Coverage Form.

Notwithstanding anything to the contrary, the provisions of the Businessowners Coverage Form apply, except as provided in this endorsement. The titles of the various paragraphs of this endorsement are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.

A. SUPPLEMENTARY PAYMENTS – BAIL BONDS AND BONDS TO APPEAL JUDGMENTS - NO SUBLIMIT

In **Section II - Liability, Paragraph A. Coverages, 1. f. Coverage Extension – Supplementary Payments**, subparagraphs **(1)(b) and (c)** are replaced by the following:

- (b)** The cost of bail bonds, but only for bond amounts within the available limit of insurance. We do not have to furnish these bonds.

- (c) The cost of bonds to appeal judgments or release attachments, but only for amounts within the available limit of insurance. We do not have to furnish these bonds.

B. MEDICAL EXPENSES – THREE YEARS TO REPORT EXPENSES

In **Section II – Liability**, Paragraph **A. Coverages, 2. Medical Expenses**, subparagraph **a.(b)** is replaced by the following:

- (b) The expenses are incurred and reported to us within three years of the date of the accident; and

C. NON-OWNED WATERCRAFT UNDER 55 FEET

In **Section II - Liability**, Paragraph **B. Exclusions**, subparagraph **(2)** of Exclusion **1.g. Aircraft, Auto Or Watercraft** is replaced by the following:

This exclusion does not apply to:

- (2) A watercraft you do not own that is:
 - (a) Less than 55 feet long; and
 - (b) Not being used to carry persons or property for a charge;

D. NON-OWNED AIRCRAFT

In **Section II - Liability**, Paragraph **B. Exclusions**, the following exception is added to Exclusion **1.g. Aircraft, Auto or Watercraft in Section II – Liability**:

This exclusion does not apply to an aircraft you do not own provided:

1. The pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;
2. It is rented with a trained, paid crew; and
3. It does not transport persons or cargo for a charge.

E. DAMAGE TO PROPERTY - EXCEPTION FOR EQUIPMENT LOANED OR RENTED TO THE INSURED

In **Section II - Liability**, Paragraph **B. Exclusions**, the following exception is added to Exclusion **1.k. Damage To Property**:

Paragraphs **(3)** and **(4)** of this exclusion do not apply to “property damage” to equipment rented or loaned to the insured, provided such equipment is not being used to perform any operations at a construction job site.

F. WHO IS AN INSURED - SUBSIDIARIES OR NEWLY ACQUIRED OR FORMED ORGANIZATIONS

In **Section II - Liability**, Paragraph **C. Who is an Insured** is amended to include the following:

If there is no other insurance available, each of the following is also a Named Insured:

1. A subsidiary organization of the first Named Insured shown in the Declarations of which, at the beginning of the policy period and at the time of loss, the first Named Insured controls, either directly or indirectly, more than 50 percent of the interests entitled to vote generally in the election of the governing body of such organization; or
2. A subsidiary organization of the first Named Insured shown in the Declarations that the first Named Insured acquires or forms during the policy period, if at the time of loss the first Named Insured controls, either directly or indirectly, more than 50 percent of the interests entitled to vote generally in the election of the governing body of such organization.

G. WHO IS AN INSURED - EMPLOYEES (INCLUDING CPR AND FIRST AID) AND VOLUNTEER WORKERS

In **Section II - Liability**, Paragraph **C. Who is an Insured**, Paragraph **2.a.** is replaced by the following:

2. Each of the following is also an insured:
 - a. Your "employees" but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, no "employee" is an insured for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to any of your directors, managers, members, "executive officers" or partners (whether or not an "employee") or to any co-"employee" while such injured person is either in the course of his or her employment or while performing duties related to the conduct of your business;
- (b) To the brother, child, parent, sister or spouse of such injured person as a consequence of any injury described in Paragraph (a) above; or
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of any injury described in Paragraph (a) or (b) above.

With respect to "bodily injury" only, the limitations described in Paragraph **2.a.(1)** above do not apply to you or to your directors, managers, members, "executive officers", partners or supervisors as insureds. The limitations also do not apply to your "employees" as insureds, with respect to such damages caused by cardiopulmonary resuscitation or first aid services administered by such an "employee".

- (2) "Property damage" to any property owned, occupied or used by you or by any of your directors, managers, members, "executive officers" or partners (whether or not an "employee") or by any of your "employees". This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner.

- b. Your "volunteer workers", but only while acting within the scope of their activities for you and at your direction.

H. ADDITIONAL INSUREDS

In **Section II - Liability**, Paragraph **C. Who is an Insured**, the following is added:

2. Each of the following is also an insured:

LESSOR OF LEASED EQUIPMENT

- e. Any person or organization from whom you lease equipment, but only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization and only if you are required by a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the insurance afforded to such additional insured:

- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

MANAGERS OR LESSORS OF PREMISES

- f. Any person or organization from whom you lease premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and only if you are required by a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the insurance afforded to such additional insured:

- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any “occurrence” that takes place after you cease to be a tenant in such premises.
- (2) Structural alterations, new construction or demolition operations performed by or for such additional insureds.

VENDORS

- g. Any person or organization who is a vendor of “your products”, but only with respect to “bodily injury” or “property damage” arising out of “your products” which are distributed or sold in the regular course of the vendor’s business.

However:

- (1) The insurance afforded to such vendor only applies to the extent permitted by law; and
- (2) If coverage provided to the vendor is required by a contract or agreement, the

insurance afforded to such vendor will not be broader than that which you are required by the contract or agreement to provide for such vendor.

With respect to the insurance afforded to these vendors, the following additional exclusions apply:

- (1) This insurance afforded the vendor does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to the liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (i) The exceptions contained in Subparagraph (d) or (f); or
 - (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container entering into, accompanying or containing such products.

With respect to the insurance afforded to these vendors, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided by the vendor is required by a contract or agreement, the most we will pay on behalf of the vendor is the amount of insurance:

- (1) Required by the contract or agreement; or
- (3) Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

This shall not increase the applicable Limits Of Insurance shown in the Declarations.

OTHER PERSONS OR ORGANIZATIONS PURSUANT TO CONTRACT OR AGREEMENT

h. Any persons or organizations that you are required by a contract or agreement to provide with such insurance as is afforded by this policy. However, such a person or organization is an insured only:

- (1) To the extent such contract or agreement requires the additional insured to be afforded status as an insured; and
- (2) For activities that did not occur, in whole or in part, before the execution of the contract or agreement.

No person or organization is an insured under this provision:

- (1) That is more specifically identified under any other provision of Paragraph **C. Who Is An Insured** (regardless of any limitation applicable thereto).
- (2) With respect to any assumption of liability in a contract or agreement. This limitation does not apply to the liability for damages the additional insured would have in the absence of the contract or agreement.

However, the insurance afforded to such persons or organizations:

- (1) Only applies to the extent permitted by law; and
- (2) Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

The following is added at the end of Paragraph **C. Who Is An Insured**:

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

However, no person or organization is an insured with respect to the:

- a.** Ownership, maintenance or use of any assets; or
- b.** Conduct of any person or organization whose assets, business or organization;

any Named Insured acquires, either directly or indirectly, for any:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense first committed;

in whole or in part, before such acquisition is executed.

With respect to the insurance afforded to the persons or organizations described in Paragraphs **e.**, **f.**, and **h.** above, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance**:

The most we will pay on behalf of such person or organization is the amount of insurance:

- (1) Required by the contract or agreement; or
 - (2) Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This shall not increase the applicable Limits Of Insurance shown in the Declarations.

I. DAMAGE TO PREMISES RENTED TO YOU – \$1,000,000

In **Section II - Liability**, Paragraph **D. Liability and Medical Expenses Limits of Insurance**, Paragraphs **3.** and **4.** are deleted and replaced with the following:

- 3.** Subject to the **Liability And Medical Expenses Limits Of Insurance**, the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises while rented to you or while temporarily occupied by you with permission of the owner is \$1,000,000.

4. Aggregate Limits

The most we will pay for:

- a.** All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b.** All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;is twice the Liability and Medical Expenses Limit.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

J. PER LOCATION GENERAL AGGREGATE LIMIT WITH COMBINED TOTAL AGGREGATE LIMIT

In **Section II - Liability**, Paragraph **D. Liability and Medical Expenses Limits of Insurance**, the following is added:

- 1.** Subject to the Combined Total Aggregate Limit shown in the Declarations, for the sum of all damages that the insured becomes legally obligated to pay for all "bodily injury" and "property damage" caused by "occurrences" under Paragraph **A.1.** Business Liability, and for all medical expenses caused by accidents under Paragraph **A.2.** Medical Expenses, which can be attributed only to a single "location":

- a. A separate Location General Aggregate Limit will apply to each "location", and that limit is equal to the Other than Products/Completed Operations Aggregate Limit shown in the Declarations.
 - b. The separate Location General Aggregate Limit is the most we will pay for the sum of all damages for "bodily injury" or "property damage" under Paragraph **A.1.** Business Liability, except in connection with "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under Paragraph **A.2.** Medical Expenses, regardless of the number of:
 - (1) Insureds;
 - (2) Claims made or "suits" brought; or
 - (3) Persons or organizations making claims or bringing "suits".
 - c. Any payments made under Paragraph **A.1.** or under Paragraph **A.2.** Medical Expenses shall reduce the separate Location General Aggregate Limit for that "location". Such payments shall not reduce the Other Than Products/Completed Operations Aggregate Limit shown in the Declarations nor shall they reduce the separate Location General Aggregate Limit for any other "location".
 - d. The limits shown in the Declarations for Each Occurrence, Damage To Premises Rented To You and Medical Expense continue to apply. However, instead of being subject to the Other Than Products/Completed Operations Aggregate Limit shown in the Declarations, such limits will be subject to the applicable separate Location General Aggregate Limit.
2. Subject to the Combined Total Aggregate Limit shown in the Declarations, for the sum of all damages that the Insured becomes legally obligated to pay for all "bodily injury" or "property damage" caused by occurrences under Paragraph **A.1.** Business Liability and for all medical expenses caused by accidents under Paragraph **A.2.**, which cannot be attributed only to operations at a single "location".
 - a. Any payments made under Paragraph **A.1.** Business Liability for damages or under Paragraph **A.2.** for medical expenses shall reduce the amount available under the Other Than Products/Completed Operations Aggregate Limit or the Products/Completed Operations Aggregate Limit, whichever is applicable; and
 - b. Such payments shall not reduce the separate Location General Aggregate Limit applicable to a single "location".
 3. Subject to the separate Location General Aggregate Limit and all other applicable limits, the Combined Total Aggregate Limit shown in the Declarations is the most we will pay for the combined sum of amounts described above, regardless of the number of "locations".
 4. Any payments we make for "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit regardless of the number of "locations", and not reduce the Other Than Products/Completed Operations Aggregate Limit nor the separate Location General Aggregate Limit applicable to a single "location."
 5. As used in this endorsement, "location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
 6. The provisions of Paragraph **D. Liability and Medical Expenses Limits Of Insurance** not otherwise modified by this endorsement shall continue to apply as stipulated.

K. KNOWLEDGE/NOTICE OF OCCURRENCE

In **Section II - Liability**, Paragraph **E. Liability and Medical Expenses General Conditions, 2. Duties In the Event Of Occurrence, Offense, Claim or Suit** is amended to include the following:

- e. Knowledge of an “occurrence” or offense by an agent or “employee” of the insured will not constitute knowledge by the insured, unless an “executive officer” (whether or not an “employee”) of any insured or an “executive officer’s” designee knows about such “occurrence” or offense. Failure of an agent or “employee” of the insured, other than an “executive officer” (whether or not an “employee”) of any insured or an “executive officer’s” designee, to notify us of an “occurrence” or offense that such person knows about will not affect the insurance afforded to you.
- f. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the insured gives us immediate notice as soon as the insured is aware that this insurance may apply to such loss or claim.

L. BODILY INJURY, INCLUDING RESULTING MENTAL ANGUISH

In **Section II - Liability**, Paragraph **F. Liability and Medical Expenses Definitions**, paragraph 3. is deleted and replaced with the following:

3. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease;

sustained by a person, including resulting death, humiliation, mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease.

M. COVERAGE TERRITORY, LIMITED WORLDWIDE

In **Section II - Liability**, Paragraph **F. Liability and Medical Expenses Definitions**, paragraph 4. is deleted and replaced by the following:

4. "Coverage territory" means all parts of the world.

However, “coverage territory” does not include any:

- a. “Bodily injury” or “property damage” that takes place or any offense committed outside of the United States of America (including its possessions and territories), Canada and Puerto Rico, unless the insured’s responsibility to pay damages is determined by a “suit” on the merits that is brought in the United States of America (including its possessions and territories), Canada or Puerto Rico; or
- b. Injury or damage in connection with any “suit” brought outside the United States of America (including its possessions and territories), Canada and Puerto Rico.

N. PERSONAL INJURY, INCLUDING DISCRIMINATION, HARASSMENT AND SEGREGATION

In **Section II - Liability**, Paragraph **F. Liability and Medical Expenses Definitions**, paragraph 14. is amended to include the following:

- h. Discrimination, harassment or segregation based on a person’s age, color, national origin, race, religion or sex unless committed by or at the direction of any “executive officer”, director, stockholder, partner or member of the insured.

O. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

In **Section III – Common Policy Conditions**, Paragraph **C. Concealment, Misrepresentation or Fraud** is amended to include the following additional paragraph:

Unintentional failure of an “employee” of the insured to disclose a hazard or other material information will not violate this condition, unless an “executive officer” (whether or not an “employee”) of any insured knows about such hazard or other material information.

P. OTHER INSURANCE, INCLUDING PRIMARY PROVISION

In **Section III – Common Policy Conditions**, Paragraph **H. Other Insurance**, subparagraphs **2.** and **3.** are replaced by the following:

H. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this insurance, our obligations are limited as follows:

1. Primary Insurance

This insurance is primary except when Paragraph 2 below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph 3 below.

2. Excess Insurance

a. This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder’s Risk, Installation Risk or similar coverage for “your work”;

(b) That is insurance that applies to “property damage” to premises rented to you or temporarily occupied by you with permission of the owner; or

(c) If the loss arises out of aircraft, “autos” or watercraft to the extent not subject to Exclusion g. of Section II.B. Exclusions, 1. Applicable to Business Liability Coverage; or

(2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.

b. When this insurance is excess, we will have no duty to defend the insured against any “suit” if any other insurer has a duty to defend the insured against that “suit.” If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

c. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance;

(2) The total of all deductible and self-insured amounts under all that other insurance.

- d. We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not brought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

3. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

Q. WAIVER OF SUBROGATION REQUIRED BY CONTRACT

In **Section III – Common Policy Conditions**, Paragraph **K. Transfer of Rights of Recovery Against Others To Us**, subparagraph **2.** is replaced by the following:

2. Applicable to Businessowners Liability Coverage:

We will waive the rights of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the insured has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the insured's rights to recover all or part of any payment made under this Coverage Part have not been waived, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This paragraph does not apply to Medical Expenses Coverage.

All other terms and conditions of the policy remain unchanged.

REVISED 3/28/25



LAW

EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Amend the City's Street Vendor Licensing Ordinance (Code of Ordinances, Chapter 12, Article VII)

DEPARTMENT: Law

BRIEF DESCRIPTION: The proposed amendments to the City's Street Vendor Ordinance make the following changes:

- Enables special event organizers to apply for a license on behalf of multiple vendors participating in the event.
- Requires the licensee to sign a hold harmless/indemnification agreement holding the City harmless and indemnifying them against any property damage or personal injury related to vending activities.
- Allow vendor stands on public property and public ways if the vendor is participating in a special event authorized and approved by the City or City Council.
- Adds reference to Chapter 13 of the Code for nuisance control.
- Requires power to be self-contained and self-provided, with allowance for use of public utilities subject to city inspection and approval.
- Limits generator noise to 80 dB or lower when measured from a distance of 15 feet.

PRIOR COUNCIL ACTION: Amendments to the Food Truck Ordinance addressing fire inspections, display of city license, and appeals were adopted in May 2022.

BACKGROUND: The proposed amendments are being made to make it easier for street vendors who participate in special events throughout the City, and to align with recent regulatory changes made for food trucks (e.g., organizers applying on behalf of multiple participants, hold harmless/indemnification agreement, nuisance controls, generator noise, etc.).

FISCAL IMPACT: Revenue from licensing fees as street vendors participating in special events on public property will now require a license.

COMMUNITY IMPACT: N/A

IMPLEMENTATION TIMELINE: Ordinance amendments require two readings before adoption.

COMPLIANCE/PERFORMANCE METRICS: N/A

**LAW****EXECUTIVE SUMMARY AND MEMORANDUM****REVISED 3/28/25**

TO: City Council

FROM: Corporation Counsel

VIA: Mayor Abdullah H. Hammoud

SUBJECT: Street Vendor Licensing Ordinance amendments

DATE: March 28, 2025

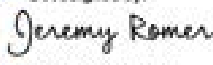
Street vendors in the city are primarily regulated under Chapter 12, Article VII of the Code of Ordinances ("Street Vendor Licensing Ordinance"). The Ordinance sets minimum standards for licensure, including but not limited to insurance requirements and locations where vendors may operate.

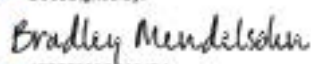
The goal of the proposed amendments is to provide clear guidelines for vendors participating in special events, including allowing license applications for multiple vendors and allowing vendors to operate vendor stands on public property during events. A copy of the proposed ordinance with revisions is attached for review.

The following is a summary of the substantive changes being proposed:

- Enable special event organizers to apply for a license on behalf of multiple vendors participating in the event (Sec. 12-233(b)).
- Require the licensee to sign a hold harmless/indemnification agreement holding the City harmless and indemnifying them against any property damage or personal injury related to vending activities (Sec. 12-238(b)).
- Allow vendor stands on public property and public ways if the vendor is participating in a special event authorized and approved by the City or City Council (Sec. 12-240(d)).
- Adds reference to Chapter 13 of the Code for nuisance control (Sec. 12-240(f)).
- Requires power to be self-contained and self-provided, with allowance for use of public utilities subject to city inspection and approval (Sec. 12-240(g)).
- Limits generator noise to 80 dB or lower when measured from a distance of 15 feet.

Respectfully submitted,

DocuSigned by:

 ET46738A25E3480
JEREMY J. ROMER
 Corporation Counsel

DocuSigned by:

 4FEFF229CD084BA
BRADLEY J. MENDELSON
 Deputy Corporation Counsel

GEORGE DARANY
 City Clerk

ORDINANCE NO. 25-_____

**AN ORDINANCE TO AMEND CHAPTER 12 OF THE
CODE OF ORDINANCES FOR THE CITY OF DEARBORN
BY AMENDING ARTICLE VII, TITLED “STREET
VENDORS.”**

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 12, Article VII as follows:

ARTICLE VII. - STREET VENDORS

Sec. 12-230. - Purpose.

The primary purpose of the public streets, sidewalks, and other public ways is for uses by vehicular and pedestrian traffic. Reasonable regulation of vending on public ways is necessary to protect the public health, safety, and welfare. The regulations contained in this article are not intended to prohibit or hamper speech which is protected by the First Amendment, but merely to regulate specific activities which are commercial in nature.

Exception. This article does not apply to mobile food establishments, commonly known as “food trucks,” as defined by state law, MCL 289.6135 (see **Code of Ordinances, Chapter 12**, Article VIIA).

(Ord. No. 90-497, § 1, 12-18-90; Ord. No. 18- 1614, 6-12-18)

Sec. 12-231. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

~~Public way~~ **Public way** shall mean all areas legally open to public use such as public streets, roadways, highways and alleys.

~~Special event~~ **Special event** shall mean any occasion including, but not limited to parades, golf tournaments, fairs, shows, exhibitions, city-wide celebrations, festivals, etc., within a specifically defined area of the city.

~~Stand~~ **Stand** shall mean any newsstand, table, bench, booth, rack, handcart, pushcart or any other fixture or device which is not required to be licensed and registered by the department of motor vehicles, and is used for the display, storage or transportation of articles offered for sale by a vendor.

~~Vendor~~ **Vendor** shall mean any individual, including an employee or agent of a group of individuals, partnership or corporation, who sells or offers to sell food, beverages, goods or merchandise on any public way from a stand, motor vehicle or from his person.

~~Vendor vehicle~~ **Vendor vehicle** shall mean any vehicle used for the displaying, storing or transporting of articles for sale by a vendor which is required to be licensed and registered by the state department of motor vehicles. The term is to include trailers, trucks and automobiles, **but does not include mobile food establishments (aka "food trucks")**.

(Ord. No. 90-497, § 1, 12-18-90; Ord. No. 96-664, 4-2-96)

Cross reference— Definitions and rules of construction generally, § 1-2.

Sec. 12-232. - License required.

It shall be unlawful for any vendor to sell, display or offer for sale any food, beverage, goods or merchandise within the city without first obtaining a license from the city clerk.

(Ord. No. 90-497, § 2, 12-18-90)

Sec. 12-233. – Application; **special events**.

- a) The application for a vendor's license shall contain all information relevant and necessary to determine whether a particular license may be issued, including but not limited to:
- 1) ~~(1)~~ Full name, home address, permanent business address, if any, telephone number, driver's license number, three copies of a current full-face photograph, and proof of identity.
 - 2) ~~(2)~~ A brief description of the nature, character and quality of the food, beverages, goods or merchandise to be sold.
 - 3) ~~(3)~~ The specific location, if any, in which the vendor intends to conduct business.
 - 4) ~~(4)~~ If vendor is employed by or is an agent of another, the name and business address of the principal person hiring such vendor.
 - 5) ~~(5)~~ If a motor vehicle is to be used in the vending business, a description of the vehicle together with the motor vehicle registration number and the license number; such vehicles shall be subject to annual safety inspections to be conducted by the police department.
 - 6) ~~(6)~~ A complete listing of any other licenses or permits issued to applicant by the city within the past five years.

- b) For special events with two or more street vendors, the event organizer may apply for a vendor license on behalf of the participating vendors subject to compliance with all requirements for licensure under this article.

(Ord. No. 90-497, § 3, 12-18-90; Ord. No. 96-664, 4-2-96)

Sec. 12-234. - State health license.

The application for a license required by this article of any vendor engaged in the sale of food or beverages shall also be referred to the local health department for approval of a health license, in addition to the regular vending license. Such vendor's equipment shall be subject to inspections by the health department at the time of application, as required by the state public health code.

(Ord. No. 90-497, § 4, 12-18-90)

Sec. 12-235. - Issuance of license and expiration.

Not later than 30 days after the filing of a completed application for a vendor's license, the applicant shall be notified in writing by the city clerk of the decision on the issuance or denial of the license. If the vendor applicant complies with all application requirements, the applicant shall be issued a vendor's license. If a food and beverage applicant meets the prior requirements and receives health department approval, then such applicant shall be issued both a vending license and a state department of health license. A vending license expires on December 1 of each year.

(Ord. No. 90-497, § 5, 12-18-90)

Sec. 12-236. - Exemptions.

The following vendors are exempt from the licensing fee requirements, but shall otherwise be required to comply with the provisions of this article:

(1) Any person who proposes to sell produce which he has raised himself. Produce may only be sold on the site where it is raised.

(2) Any person who has been honorably discharged as a war veteran from any of the armed services of the United States.

(Ord. No. 90-497, § 6, 12-18-90)

Sec. 12-237. - Fees.

Each vendor granted a license under this article shall pay an annual license fee, listed in Section 12-6 of this Chapter, which must be paid before the license is issued. A processing fee of \$5.00 per vehicle shall be paid for each vendor vehicle inspection.

(Ord. No. 90-497, § 7, 12-18-90; Ord. No. 96-664, 4-2-96; Ord. No. 22-1724, 2-8-22)

Sec. 12-238. – Insurance, **hold harmless**.

- a) No license shall be issued under this article to an applicant unless the applicant furnishes proof to the city of a public liability bond or insurance policy in an amount not less than \$100,000.00 for property damage and injuries, including injury resulting in death caused by the operation of the vending business. The city shall be an additional named insured on such bond or policy.
- b) **No license shall be issued under this article unless the licensee signs a statement that they will hold harmless and indemnify the City, their officers, and employees for any claims for damage to property or injury to persons which may occur as a result of any activity carried on under the terms of the license.**

(Ord. No. 90-497, § 8, 12-18-90)

Sec. 12-239. - Display of licenses, identification badges.

- a) ~~(a)~~ The license issued to a vendor shall be carried with the vendor and displayed at all times when he is engaged in the business of vending. If the vendor sells food or beverages, the health license must also be displayed.
- b) ~~(b)~~ Every vendor shall display on his person an identification card while vending within the city. Such identification card shall be issued by the police department. A reasonable fee shall be charged by the police department to cover the cost of issuing identification cards.
- c) ~~(c)~~ Licenses and identification badges shall be used only by the person to whom they were issued and may not be transferred to any other person.

(Ord. No. 90-497, § 9, 12-18-90)

Sec. 12-240. - Restrictions applicable to all vendors; **limited exception for special events**.

- a) ~~(a)~~ ~~Stands~~ **Stands**. Vendor stands shall not impede access to the entrance or driveway of any adjacent building. Vendor stands shall be located only on private property within the city, when permission of the property owner has been obtained.

- b) ~~(b) Handicapped areas~~ *Handicapped areas*. No vendor shall conduct business within ~~25-20~~ feet of any handicapped parking space or access ramp.
- c) ~~(c) Removal of trash~~ *Removal of trash*. All trash or debris accumulating within ~~25-20~~ feet of any vending stand shall be collected by the vendor and deposited in a trash container. All vendors selling food or beverages must provide trash receptacles adjacent to or as a part of their stands.
- d) ~~(d) Prohibited areas~~ *Prohibited areas; limited exception for special events*.
- 1) Vendor stands and motor vehicles are prohibited within 500 feet of a fire escape, bus stop, loading zone or driveway of a fire station, police station or hospital.
 - 2) ~~(1)~~ Vendor stands and motor vehicles are prohibited within 500 feet of any public, private or parochial school building, or the lands on which such school buildings are located in the city on any days during which such school is in session.
 - 3) ~~(2)~~ Vendor stands are prohibited on public property and on public ways.
 - 4) *Limited exception for special events*. Vendor stands are allowed on public property and public ways if the vendor is participating in a special event or temporary use authorized and approved by the City, or if applicable, City Council. This limited exception is subject to all rules, regulations, and conditions applicable to the event or use.
- e) ~~(e) Noise~~ *Noise*. No vendor may sound any device which produces a loud and raucous noise, or use or operate any loudspeaker, public address system, radio, sound amplifier or similar device to attract public attention.
- f) *Nuisance prohibited*. Except as otherwise stated in this article, vendors shall be subject to the provisions of Chapter 13 of the City's Code of Ordinances regarding nuisances, including but not limited to regulations regarding noise, smoke, and odors.
- g) *Power and utilities*. Power required for a vendor shall be self-contained and self-provided. However, a vendor may request authorization from the Building Official to utilize public utilities where available. No power cable shall be extended on or across any city street or sidewalk except in a safe, concealed manner designed to prevent tripping if reviewed and approved by the Building Official or their designee.
- h) *Generator noise*. All generators must operate at a level of eighty (80) decibels or lower, exclusive of any other noise, when measured from a distance of fifteen (15) feet.
- h) ~~(f) Motor vehicles~~ *Motor vehicles*. Vending from a motor vehicle is restricted to public ways. No vendor vending from a motor vehicle shall:

- 1) ~~(1)~~ Stop, stand or park the vehicle within 200 feet of any intersection, within any other prohibited area, or during prohibited hours.
- 2) ~~(2)~~ Conduct business in such a way as would increase traffic congestion or delay, constitute a hazard to life or property, interfere with an abutting property owner, or obstruct access to emergency vehicles.

(Ord. No. 90-497, § 10, 12-18-90)

Sec. 12-241. - Suspension or revocation of license.

- a) ~~(a)~~ Any license issued under this article may be suspended or revoked for any of the following reasons:
 - 1) ~~(1)~~ Fraud or misrepresentation in the application for the license.
 - 2) ~~(2)~~ Fraud or misrepresentation in the course of conducting the business of vending
 - 3) ~~(3)~~ Conducting the business of vending contrary to the conditions of the license.
 - 4) ~~(4)~~ Conducting the business of vending in such manner as to create a public nuisance or constitute a danger to the public health, safety and welfare.
 - 5) ~~(5)~~ Conviction of any crime involving moral turpitude while holding a vending license from the city.
 - 6) ~~(6)~~ Intervention by the state department of health due to uncorrected health or sanitation violations.
- b) ~~(b)~~ Upon suspension or revocation, the city shall deliver written notice to the license holder stating the action taken and the reasons supporting such action. The written notice shall be delivered to the license holder's place of business or mailed to the license holder's last known address.

(Ord. No. 90-497, § 11, 12-18-90)

Sec. 12-242. - Appeals.

Persons whose licenses under this article have been suspended or revoked may appeal by filing a written notice of appeal with the city council.

(Ord. No. 90-497, § 12, 12-18-90)

Sec. 12-243. - Contracts.

The city reserves the right to contract with individual vendors to provide limited vending services in public areas.

(Ord. No. 90-497, § 13, 12-18-90)

Sec. 12-244. - Renewals.

Licenses may be renewed, provided an application for renewal and license fees are received by the city no later than the expiration date of the current license. Applications received after that date shall be processed as new applications. The city shall review each application for renewal to determine that the applicant is in full compliance with the provisions of this article. If the city finds that the new application meets the above requirements, the city shall issue a new license.

(Ord. No. 90-497, § 14, 12-18-90)

Secs. 12-245—12-249. - Reserved.

OFFICE OF THE MAYOR



TO: CITY COUNCIL
FROM: MAYOR ABDULLAH H. HAMMOUD
SUBJECT: REAPPOINTMENT - TRAFFIC COMMISSION
DATE: MARCH 27, 2025

Pursuant to City of Dearborn Code of Ordinance Section 18-26 and City Charter Section 10.9, the Mayor shall appoint members of the Traffic Commission, subject to approval by the City Council. Recommendation for the approval of this appointment is made to serve:

Name: Alawi Saleh

Status: New Appointment

Filling a Vacancy for: Thomas A. Barszczowski, resigned on November 16, 2023. His term ends on June 30, 2026

Term Duration: 3 Years

Appointment Term Ending: June 30, 2026

Attendance: N/A

Phone: (313) 415-1389

Email: alawisaleh247@yahoo.com

Mailing Address: 4092 Bingham Street, Dearborn, MI, 48126

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Police Department
cc: Law Department

OFFICE OF THE MAYOR



TO: CITY CLERK
FROM: MAYOR ABDULLAH H. HAMMOUD
SUBJECT: REAPPOINTMENT - TRAFFIC COMMISSION
DATE: MARCH 27, 2025

I hereby certify that the following appointment has been made to the Traffic Commission in accordance with the provisions of City of Dearborn Code of Ordinance Section 18-26 and City Charter Section 10.9.

See C.R. ___ *Insert the CR that confirmed this appointment* _____

Name: Alawi Saleh

Status: New Appointment

Filling a Vacancy for: Thomas A. Barszczowski, resigned on November 16, 2023. His term ends on June 30, 2026

Term Duration: 3 Years

Appointment Term Ending: June 30, 2026

Attendance: N/A

Phone: (313) 415-1389

Email: alawisaleh247@yahoo.com

Mailing Address: 4092 Bingham Street, Dearborn, MI, 48126

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Police Department
cc: Law Department



Dearborn Commissions Application

Submission Date

May 16 2024

First Name

Alawi

Last Name

Saleh

Phone

+13134151389

Email

alawisaleh247@yahoo.com

Home Address

4092 Bingham Street, Dearborn, MI, USA

Years of Residency in Dearborn

23 years

Occupation

Principal RF engineer

Company

KLA Labs

Length of Service

13 years

Business Address

6800 Chase Rd. Dearborn MI 48126

Business Telephone Number

3138463800

Level of Education

University Degree

Name of Educational Institution & Graduation Year

Davenport University

Commissions & Boards

Traffic 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

[This question was not answered]

Do you Have a Resume?

Yes

Description of Professional History

[This question was not answered]

Resume

PDF Alawi Saleh.pdf

Submitted on May 16 2024

Powered by  monday.com

Alawi Saleh

Phone: (313) 415-1389

Email: alawisaleh247@yahoo.com

Professional Summary:

Detail-oriented, result-driven Principal RF Engineer with 13 years of experience in successfully delivering wireless network projects. Possess solid skills in design, commissioning, and optimization of Distributed Antenna Systems (DAS) for large venues including stadiums, airports, hospitals, manufacturing plants, government buildings, high-rise buildings, universities, and campuses. Known for outstanding performance KPI results, reducing project costs through innovative design techniques, and enhancing signal quality to achieve higher modulation schemes by implementing design changes, PIM elimination, and optimization.

Professional Experience:

KLA Laboratories

Principal RF Engineer

December 2011 – Present

Led design, commissioning, and optimization of DAS systems for various large-scale projects.

Implemented innovative design techniques, reducing project costs and improving efficiency.

Increased signal quality in DAS systems, enabling higher modulation schemes through targeted design changes and PIM elimination.

Consistently delivered outstanding performance KPI results, enhancing overall system performance and reliability.

Senior DAS Engineer

January 2017 – December 2020

Managed complex DAS projects, overseeing design and optimization to ensure high-quality performance.

Collaborated with cross-functional teams to address technical challenges and deliver solutions.

Conducted extensive testing and validation to ensure system integrity and performance.

DAS Lead Engineer

January 2015 – December 2016

Supervised a team of engineers in the development and implementation of DAS projects.

Provided technical guidance and support, fostering a collaborative and productive work environment.

Ensured project milestones were met on time and within budget.

DAS Engineer**January 2013 – December 2014**

Developed and optimized DAS designs for various types of buildings and facilities.

Conducted site surveys and analyses to determine optimal system configurations.

Enhanced system performance through continuous monitoring and adjustment.

IT Engineer**December 2011 – December 2012**

Supported IT infrastructure and network systems, ensuring smooth operation and minimal downtime.

Assisted in the transition from IT roles to specialized DAS engineering roles, leveraging IT knowledge to support RF engineering projects.

Ford Motor Company**IT Engineer****June 2011 – December 2011**

Provided IT support and services, maintaining network systems and resolving technical issues.

Collaborated with team members to enhance IT infrastructure and support business operations.

Education:**Bachelor of Science in Information Technology**

Davenport University, 2011

Skills:

DAS Design and Optimization

Wireless Network Engineering

PIM Elimination Techniques

Signal Quality Enhancement

Project Management

Cross-Functional Team Collaboration

Performance KPI Analysis

Cost Reduction Strategies

IT Infrastructure and Support

Certifications:

iBwave Level 3 (Highest Level)

Corning Certified

JMA Certified

CommScope Certified

ADRF Certified

Cisco Certified Network Associate (CCNA)

Cisco Certified Network Professional (CCNP)

Certified RF Engineer (CRE)

OFFICE OF THE MAYOR



TO: CITY COUNCIL
FROM: MAYOR ABDULLAH H. HAMMOUD
SUBJECT: NEW APPOINTMENT - DIX-VERNOR BUSINESS DISTRICT
IMPROVEMENT AUTHORITY
DATE: MARCH 27, 2025

Pursuant to Michigan Public Act 57 of 2018 and City Council Resolution Number 12-820-09, the Mayor shall appoint members of the Dix-Vernor Business District Improvement Authority Commission, subject to approval by City Council. Recommendation for the approval of this appointment is made to serve:

Name: Amie Kerek

Status: New Appointment

Filling a Vacancy for: Janet Thompson, resigned on March 26, 2025

Current Term Ending: June 30, 2025 to complete Janet Thompson's term

Term Duration: 4 Years - To be reappointed on July 1, 2025 for current term end

Attendance: N/A

Phone: (313) 417-6604

Email: abdms5@hotmail.com

Mailing Address: 23901 Rockford Street, Dearborn, MI 48124

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development Department
cc: Law Department

OFFICE OF THE MAYOR



TO: CITY COUNCIL
FROM: MAYOR ABDULLAH H. HAMMOUD
**SUBJECT: NEW APPOINTMENT - DIX-VERNOR BUSINESS DISTRICT
IMPROVEMENT AUTHORITY**
DATE: MARCH 27, 2025

I hereby certify that the following appointment has been made to the Dix-Vernor Business District Improvement Authority in accordance with the provisions of Michigan Public Act 57 of 2018 and City Council Resolution Number 12-820-09.

See C.R. ___ *Insert the CR that confirmed this appointment* _____

Name: Amie Kerek

Status: New Appointment

Filling a Vacancy for: Janet Thompson, resigned on March 26, 2025

Current Term Ending: June 30, 2025 to complete Janet Thompson's term

Term Duration: 4 Years - To be reappointed on July 1, 2025 for current term end

Attendance: N/A

Phone: (313) 417-6604

Email: abdms5@hotmail.com

Mailing Address: 23901 Rockford Street, Dearborn, MI 48124

Respectfully submitted,

Abdullah H. Hammoud
Mayor

cc: Economic Development Department
cc: Law Department



Dearborn Commissions Application

Submission Date

March 25 2025

First Name

Amie

Last Name

Kerek

Phone

+13134176604

Email

abdms5@hotmail.com

Home Address

23901 Rockford St, Dearborn, MI 48124, USA

Years of Residency in Dearborn

45

Occupation

Branch Manager

Company

True Community Credit Union

Length of Service

3 years

Business Address

9500 Dix Ave Dearborn MI 48120

Business Telephone Number

517 784-7101

Level of Education

College Degree

Name of Educational Institution & Graduation Year

University of Phoenix , 2008

Commissions & Boards

Dix-Vernor Business District Authority

Why do you want to join this commission?

As the branch manager of True Community Credit Union in the Dearborn Dix area, I'd like to join the commission to contribute to the area's growth and development. I'm passionate about fostering community engagement, supporting local businesses, and addressing the financial needs of residents. Being part of the commission would allow me to directly impact the community by advocating for positive change and ensuring the area continues to thrive and prosper.

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

[This question was not answered]

Do you Have a Resume?

Yes

Description of Professional History

[This question was not answered]

Resume

PDF Amie-Kerek.pdf

Submitted on March 25 2025

Powered by  monday.com

Amie Kerek

Dearborn, MI 48124

abdms5@hotmail.com

+1 313 417 6604

Adaptable professional with 20 years of experience and a proven knowledge of customer service, management, banking, customer communications, and conflict resolution. Aiming to leverage my skills to successfully fill a Banking Manager position role at your company.

Authorized to work in the US for any employer

Work Experience

Branch Manager

True Community Credit Union

May 2022 to Present

Branch Manager with 3+ years of advancement and experience. Coordinate high-quality service to customers, drawing on broad expertise in various bank and loan products. Seasoned leader dedicated to raising employee morale. A background in banking, sales, and branch management. Vast knowledge of revenue generation, business development, finance, regulatory requirements, and general bank operations. Proficient multi-tasker and team leader with superb attention to detail.

Branch Banker II

PNC Financial Services Group-Dearborn, MI

September 2021 to Present

Being the face of my bank presenting a professional, friendly and helpful appearance with every interaction

Work closely with new and existing customers to understand their financial needs and deepen relationships

Provide recommendations and assist customers with a wide array of financial solutions to satisfy their spending, saving, borrowing and investing needs

Help customers bank more efficiently using web, mobile and ATM banking

Acquire new customers through outbound phone checkups and in-store prospecting

Collaborate with your partners in Wealth, Mortgage and Business Banking to help customers with more complex financial needs

Contact customers to schedule time to discuss their personal financial goals

Provide financial education and services to customers to help them fit banking into their everyday lives

Complying with all financial policies and procedures, state and local laws and regulations

Sell our bank's products no matter what type of service you are providing

Teller II

Member Focus Community Credit Union-Dearborn, MI

May 2021 to September 2021

• Crossed selling and/or referring Bank products and services to customers based on needs, maximizing profitable relationship.

- Maintained and balanced of the vault and the ATM.
- Verified and balanced assigned cash drawer.
- Reconciled any discrepancies for assigned cash drawer.
- Established new account relationships with new and current customers.
- Identified sales opportunities and referred customers to branch partners in financial services.
- Completed highly accurate, high-volume money counts via both manual and machine-driven approaches.
- Educated customers on use of banking website and mobile apps.
- Answered customer inquiries regarding account balances, transaction history, services charges and interest rates.

Teller II

Huntington National Bank-Dearborn, MI

December 2019 to April 2021

- Engaging the client by welcoming them warmly with a pleasant demeanor, using the client's name whenever possible
- Assisting customers and making clients feel appreciated
- Developing an expert knowledge of our self-service and digital platforms to help customers learn how to complete their banking needs anyway possible
- Exhibiting strong customer service skills, presenting consumer-bank focused products and services while proactively educating clients on utilizing available access channels
- Proactively collaborating with others to help customers
- Helping build relationships with customers by connecting them with team members who can help them address their financial needs
- Ensuring financial transactions are completed accurately and efficiently, while complying with all policies, procedures and regulatory and banking requirements
- Supporting customers with traditional banking needs and complex service transactions putting the customer's needs at the center of everything
- Providing proactive customer outreach to gauge success and offer new tools to help customers meet their consumer banking and investment goals

Office Management

Quality Auto Sales & Repair-Detroit, MI

January 2002 to December 2019

OFFICE MANAGER

Quality Auto Sales & Repair, Detroit , MI

- Establish and maintain relationships with individual or business customers or provide assistance with problems these customers may encounter.
- Manage staff, preparing work schedules and assigning specific duties.
- Review financial statements, sales and activity reports, and other performance data to measure productivity and goal achievement and to determine areas needing cost reduction and program improvement.
- Check to ensure that appropriate changes were made to resolve customers' problems.
- Determine charges for services requested, collect deposits or payments, or arrange for billing.
- Keep records of customer interactions or transactions, recording details of inquiries, complaints, or comments, as well as actions taken.

Education

Bachelor's in Business

University of Phoenix-Online Campus
Present

Associate in Business

University of Phoenix-Online Campus
January 2006 to June 2009

High school or equivalent

Edsel Ford High School - Dearborn, MI
September 1993 to June 1997

Skills

- Scheduling
- Time Management
- Excel
- Sales Experience
- Microsoft Word
- Customer Service
- Cash Handling
- Microsoft Office
- Microsoft Excel
- Payroll
- Data Entry
- Arabic
- Management (10+ years)
- Conflict Management
- Banking
- Mobile Applications
- Financial Services
- Sales
- Process management
- Microsoft Powerpoint
- Bilingual
- Supervising experience
- Leadership
- Business coaching (4 years)
- Financial services
- Time management

Certifications and Licenses

Driver's License

Additional Information

Arabic Speaking Fluently



EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Approval of the annual "Green Brain Free Comic Book Day" special event.

DEPARTMENT:

Parks & Recreation

BRIEF DESCRIPTION:

Green Brain Comics will be hosting their 24th annual "Free Comic Book Day" event on Saturday, May 3, 2025 from 10:00 a.m. to 6:00 p.m. They are requesting City Council approval for temporary road closures between the city-owned alley, located North of Michigan Avenue between Middlesex and Horger streets in order to conduct their event safely. It is also being requested that all city noise ordinances be waived for this event.

PRIOR COUNCIL ACTION:

24th Annual Event.

BACKGROUND:

The Green Brain Free Comic Book Day is an open house event that features free comics, local creators, a writer/artist workshop and children's craft tables. This nationally recognized day promotes reading by way of free books.

FISCAL IMPACT:

DPW to deliver and pick up barricades.

COMMUNITY IMPACT:

Minimal road closures are necessary for the event to be held, presenting minimal disruption to traffic flow in the city-owned alley between Middlesex and Horger streets.



EXECUTIVE SUMMARY AND MEMORANDUM

IMPLEMENTATION TIMELINE:

Immediate Effect is Requested.

COMPLIANCE/PERFORMANCE METRICS:

Parks & Recreation, along with DPW and the Police Department will communicate as-needed to ensure event requests and logistics are being managed accordingly.



**PARKS
& RECREATION**

EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: Sean Fletcher, Director of Parks & Recreation
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Green Brain Free Comic Book Day
DATE: 3/21/2025

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

The Green Brain Free Comic Book Day is an open house event that features free comics, local creators, a writer/artist workshop and children's craft tables. On May 3, 2025, the "Green Brain Comic Book Day" event is celebrating its 24th Anniversary, and along with 2,000 other shops worldwide and in all 50 states, will be giving away more than 3.3 million comic books. In order to successfully conduct the "Green Brain Free Comic Day" event, Green Brain Comics respectfully requests City Council approval for the following:

- Closure and use of the City-owned alley (1/2 block west-end), located North of Michigan Avenue between Middlesex and Horger Streets from 4:00 P.M. on Friday, May 2, 2025, to approximately 3:00 P.M. on Sunday, May 4, 2025.

(Please Note that access to the City-owned parking lot, located north of the Green Brain Comic Book store and across the alley, will be maintained for the duration of the event.)

- Permission to erect a non-staked 20' x 40' tent in the City-owned alley.
- 6 barricades delivered and picked up from DPW to Green Brain Comic Book store.

* The city noise ordinance to be waived for the duration of the event.



**PARKS
& RECREATION**

EXECUTIVE SUMMARY AND MEMORANDUM

Immediate effect is requested.

Background and Justification

It is respectfully requested that City Council approve this agenda item as presented.



**PARKS
& RECREATION**

EXECUTIVE SUMMARY AND MEMORANDUM

Signature Page

Signed by:
Jonathon Golich
CF454FEACT8C456...
Jonathon Golich 3/21/2025

Assistant Director - Parks & Recreation

DocuSigned by:
Sean R Fletcher
503D989E1A7C481...
Sean R Fletcher 3/21/2025

Director of Parks & Recreation

DocuSigned by:
Issa Shahin
1053E1C7585A436...
Issa Shahin 3/24/2025

Police Chief

DocuSigned by:
Tim Hawkins
35BABC958ED3455...
Tim Hawkins 3/25/2025

Director of Public works & Facilities



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

REQUEST: Authorization to Commit and Purchase Road Salt through the State of Michigan Cooperative Program for 2025-26 Winter Season

DEPARTMENT: Department of Public Works & Facilities, in conjunction with Purchasing

BRIEF DESCRIPTION: Participate in the State of Michigan Road Salt Solicitation for the 2024/25 winter season.

PRIOR COUNCIL ACTION: 4-131-24 Commitment to purchase road salt for the 2024/2025 season

BACKGROUND:

- The city has benefited from this program over the past several seasons when salt availability was limited and prices sky-rocketed.
 - The State-contracted vendors have always held firm to their commitment to supplying participating communities before releasing salt for sale on the open market.
 - Dearborn has participated in salt purchases under the MiDeal program since 2000.
-

FISCAL IMPACT:

- Commit to purchasing 3000 tons of early delivery salt and 3000 tons of seasonal backup salt through the MiDeal Cooperative program.
 - Requested Amount will be determined after pricing is available from the State of Michigan.
-

COMMUNITY IMPACT:

- Safer roads and street that have been salted during hazardous weather.
-

IMPLEMENTATION TIMELINE:

- Immediate effect is requested in order to meet the State's deadline to commit.
 - Purchase to be made in August 2026
-

COMPLIANCE/PERFORMANCE METRICS:

- The Public Service Division Operations Manager will oversee the use of the road salt.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

TO: City Council
FROM: City Administration
VIA: Mayor Abdullah H. Hammoud
SUBJECT: Authorization to Commit and Purchase Road Salt through the State of Michigan Cooperative Program for 2025-26 Winter Season
DATE: March 18, 2025

Budget Information

Budget amount: \$359,500 (Pending FY26 Budget Adoption)
Requested amount: To be determined after pricing is available from the State of Michigan
Sources of Funding: General Fund, Public Works, Highways Division, Maintenance Roads & Streets, Rock Salt

Summary of Request

Purchasing, on behalf of the Department of Public Works & Facilities/Highways Division, is seeking authorization to participate in the State of Michigan Road Salt Solicitation for the 2025/26 winter season and commit to purchasing 3000 tons of early delivery salt and 3000 tons of seasonal backup salt through the MiDeal Cooperative program. This commitment constitutes an order as it comes with the requirement that the City must purchase 100% of the early delivery and a minimum of 80% of the seasonal backup salt. The City also has the option to purchase up to a maximum of 30% more of the seasonal backup materials if necessary.

The unit price and vendor information will be available after the State awards the solicitation in September. Historical pricing information is provided below:

Season	Early Delivery/Vendor	Seasonal Back-up/Vendor
2024-25	\$62.29/ Detroit Salt Co.	\$58.42/ Detroit Salt Co.
2023-24	\$56.55/ Detroit Salt Co.	\$55.05/ Detroit Salt Co.
2022-23	\$56.55/ Detroit Salt Co.	\$53.45/ Detroit Salt Co.
2021-22	\$53.48/ Detroit Salt Co.	\$43.58/ Detroit Salt Co.

It is respectfully requested that the Purchasing Manager be authorized to make a commitment to participate in the State of Michigan Road Salt Solicitation under the MiDeal program to place an order of 3000 tons of early delivery and 3000 tons of seasonal backup salt for the 2025-26 winter season from the State of Michigan’s awarded vendor(s). Immediate effect is requested in order to meet the State’s deadline to commit.



FINANCE EXECUTIVE SUMMARY AND MEMORANDUM

Background and Justification

The City has realized benefits from this program over the past several seasons when salt availability was limited and prices sky-rocketed. The State-contracted vendors have always held firm to their commitment to supplying participating communities before releasing salt for sale on the open market. Dearborn has participated in salt purchases under the MiDeal program since 2000.

Prepared By:

DocuSigned by:
Mark Rozinsky
017FF8C142E34C3
Mark Rozinsky, Purchasing Manager

Department Approval:

DocuSigned by:
Tim Hawkins
35B8DC65ED3455
Tim Hawkins, Director, Public Works and Facilities

Budget Approval:

DocuSigned by:
Michael Kennedy
F77018D1421447F
Michael Kennedy, Finance Director/Treasurer

Initial
AK

Corporation Counsel Approval:

DocuSigned by:
Jeremy Romer
E7A573BA25E3460
Jeremy J. Romer, Corporation Counsel

OFFICE OF THE 34TH CITY COUNCIL



2025 Autism Awareness Month Resolution:

WHEREAS, Autism Spectrum Disorder is a neurological and developmental disorder that affects communication and behavior of those affected by it; and

WHEREAS, as more health professionals become proficient in diagnosing autism, more children are being diagnosed on the autism spectrum, resulting in rates as high as 1 in 44 children nationally with Michigan having the fifth largest autism population as compared to other states; and

WHEREAS, while there is no cure for autism, it is well-documented that if individuals with autism receive early treatment, it often is possible for those individuals to lead significantly improved lives; and

WHEREAS, individuals with autism often require a lifetime of specialized and community support services needed to ensure their health, safety and opportunities to pursue their full potential and happiness and to support families' resilience as they manage the psychological and financial burdens autism presents; and

WHEREAS, to raise awareness and encourage acceptance, the Dearborn-based nonprofit organization Blue Hands United is Working with the Dearborn police and fire departments to lead local efforts to educate parents, professionals, and the general public about autism and increase overall awareness and acceptance of autism by holding a public event, providing lawn signs, and lighting neighborhoods throughout the month of April to promote participation from the community in this multi-faceted effort; be it therefore

RESOLVED, that the members of the 34th Dearborn City Council hear-by recognize April 2025 as National Autism Awareness Month in the City of Dearborn and we call this observance to the attention of all of our employees, residents and members of the business community signed this day of April 8, 2025.

A handwritten signature in black ink, appearing to read "Michael T. Sareini".

Michael T. Sareini
Council President

OFFICE OF THE 34TH CITY COUNCIL



IMMEDIATE EFFECT

To: City Clerk

From: City Council

Date: March 28, 2025

Subject: Council Acknowledgment-Ali Khashab & Mohamed Othman

The 34th City Council wishes to recognize Wayne Metro Liaisons Ali Khashab and Mohamed Othman for their continued residential support and assistance, with a Council Citation supported unanimously. This item shall be given immediate effect.

A handwritten signature in blue ink, appearing to read "Kamal M. Alsawafy".

Kamal M. Alsawafy
Councilman



REQUEST: Receipt and file of the Bi-Annual Actuarial report for the City's Post Employment Health Care System.

DEPARTMENT: Finance

BRIEF DESCRIPTION: Receipt and File of the report.

PRIOR COUNCIL ACTION: Council has received similar memos in the past to receive and file the actuarial valuation reports.

BACKGROUND: The Bi-Annual Actuarial Report measures the System's funding progress, and determines the City's required contributions for the upcoming two fiscal years.

The 06/30/2024 Actuarial Report was received March 13, 2025. As such, the FY2026 proposed budget will be revised to incorporate the required contributions. Council will be made aware of such changes before adoption.

FISCAL IMPACT: \$6,282,974 Actuarially Computed Employer Contribution for FY2026.

IMPACT TO COMMUNITY: N/A

IMPLEMENTATION TIMELINE: July 1, 2025 – June 30, 2026 (FY2026)

COMPLIANCE/PERFORMANCE METRICS: N/A



FINANCE

TO: City Council

FROM: Michael Kennedy, Director of Finance/Treasurer

VIA: Mayor Abdullah H. Hammoud

SUBJECT OPEB Actuary Report – Receipt and File

DATE: March 13th, 2025

The Bi-Annual Actuarial Report measures the System’s funding progress, and determines the City’s required contributions for the upcoming two fiscal years. The 06/30/2024 Actuarial Report was received March 13, 2025. As such, the FY2026 proposed budget will be revised to incorporate the required contributions. Council will be made aware of such changes before adoption.

Attached is the Actuarial Report for the City’s Post Employment Health Care System. As indicated in the report, the City’s Actuarially Computed Employer Contribution is as follows:

	FY2025	FY2026	FY25-264 Variance
General Employees	\$2,223,981	\$1,748,424	\$(-475,557)
Police/Fire	4,457,969	4,534,550	76,581
Total	\$6,681,950	\$6,282,974	\$(-398,976)

These reports have been prepared in compliance with Public Act 728 of 2002 which amended Public Act 314 of 1965 (The Public Employee Retirement System Investment Act.)

Please receive and file the report.


 Michael Kennedy
 Finance Director/Treasurer


 Robert Benak
 Pension Accountant

City of Dearborn Retiree Health Care Plan – Results by Group as of June 30, 2024

	General	Police & Fire	Total
A. Present Value of Future Benefits			
i) Retirees and Beneficiaries	\$ 56,221,730	\$ 81,861,913	\$ 138,083,643
ii) Vested Terminated Members ⁽¹⁾	434,125	402,392	836,517
iii) Active Members	<u>13,390,345</u>	<u>54,753,442</u>	<u>68,143,787</u>
Total Present Value of Future Benefits	\$ 70,046,200	\$ 137,017,747	\$ 207,063,947
B. Present Value of Future Normal Costs	1,331,118	11,499,235	12,830,353
C. Actuarial Accrued Liability (A.-B.)	68,715,082	125,518,512	194,233,594
D. Actuarial Value of Assets	56,883,512	103,906,358	160,789,870
E. Unfunded Actuarial Accrued Liability (C.-D.)	\$ 11,831,570	\$ 21,612,154	\$ 33,443,724
F. Funded Ratio (D./C.)	82.8%	82.8%	82.8%
G. Fiscal Year Ending June 30, 2026			
i) Employer Normal Cost	\$ 295,675	\$ 1,880,884	\$ 2,176,559
ii) Amortization of UAAL ⁽²⁾	<u>1,452,749</u>	<u>2,653,666</u>	<u>4,106,415</u>
Actuarially Computed Employer Contribution	\$ 1,748,424	\$ 4,534,550	\$ 6,282,974
H. Fiscal Year Ending June 30, 2027			
Actuarially Computed Employer Contribution	\$ 1,711,620	\$ 4,442,117	\$ 6,153,737

⁽¹⁾ For Police & Fire, includes any liability for DROP members.

⁽²⁾ The Unfunded Actuarial Accrued Liabilities (UAAL) were amortized as a level dollar amount over a closed period of 12 years for the fiscal year ending June 30, 2026 and decreasing by 1 each year thereafter.

We assumed the City will make contributions which are approximately equal to the full Actuarially Computed Employer Contribution. As such, the long-term rate of investment return used in this valuation is 6.00%.

Assets have been allocated to each of the groups (General, Police, and Fire) based on the total accrued liability on the valuation date.



City of Dearborn Retiree Health Care Plan – Results by Group as of June 30, 2022

	General	Police & Fire	Total
A. Present Value of Future Benefits			
i) Retirees and Beneficiaries	\$ 64,471,323	\$ 80,736,053	\$ 145,207,376
ii) Vested Terminated Members	862,038	0	862,038
iii) Active Members	<u>16,122,214</u>	<u>47,917,472</u>	<u>64,039,686</u>
Total Present Value of Future Benefits	\$ 81,455,575	\$ 128,653,525	\$ 210,109,100
B. Present Value of Future Normal Costs	1,748,076	12,256,607	14,004,683
C. Actuarial Accrued Liability (A.-B.)	79,707,499	116,396,918	196,104,417
D. Actuarial Value of Assets	62,465,922	91,219,031	153,684,953
E. Unfunded Actuarial Accrued Liability (C.-D.)	\$ 17,241,577	\$ 25,177,887	\$ 42,419,464
F. Funded Ratio (D./C.)	78.4%	78.4%	78.4%
G. Fiscal Year Ending June 30, 2024			
i) Employer Normal Cost	\$ 356,864	\$ 1,687,785	\$ 2,044,649
ii) Amortization of UAAL ⁽¹⁾	<u>1,909,501</u>	<u>2,788,445</u>	<u>4,697,946</u>
Actuarially Computed Employer Contribution	\$ 2,266,365	\$ 4,476,230	\$ 6,742,595
H. Fiscal Year Ending June 30, 2025			
Actuarially Computed Employer Contribution	\$ 2,223,981	\$ 4,457,969	\$ 6,681,950

⁽¹⁾ The Unfunded Actuarial Accrued Liabilities (UAAL) were amortized as a level dollar amount over a closed period of 14 years for the fiscal year ending June 30, 2024 and decreasing by 1 each year thereafter.

We assumed the City will make contributions which are approximately equal to the full Actuarially Computed Employer Contribution. As such, the long-term rate of investment return used in this valuation is 6.00%.

Assets have been allocated to each of the groups (General, Police, Fire) based on the total accrued liability on the valuation date.



City of Dearborn Retiree Health Care Plan

Health Care Premium Coverages During Retirement
Actuarial Valuation Report
as of June 30, 2024



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March 13, 2025

Mr. Michael Kennedy
Finance Director/Treasurer
City of Dearborn Retiree Health Care Plan
16901 Michigan Avenue, Suite # 1
Dearborn, Michigan 48126

**Re: City of Dearborn Retiree Health Care Plan Actuarial Valuation as of June 30, 2024
Actuarial Disclosures**

Dear Mr. Kennedy:

The results of the June 30, 2024 Actuarial Valuation of the City of Dearborn Retiree Health Care Plan are presented in this report.

This report was prepared at the request of the City of Dearborn and is intended for use by the City and those designated or approved by the City. This report may be provided to parties other than the City of Dearborn only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the plan's funding progress and to determine the Annual Computed Employer Contributions for the fiscal years ending June 30, 2026 and June 30, 2027. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different. This report does not include actuarial information needed to satisfy reporting requirements under Governmental Accounting Standards Board Statements No. 74 or No. 75.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

Results presented in this report are developed using the actuarial assumptions and methods disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. This report does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of the investment and other significant risks that may have a material effect on the plan's financial condition.

Mr. Michael Kennedy

March 13, 2025

Page 2

The findings in this report are based on information furnished by the City of Dearborn concerning retiree health care benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability 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.

This report was prepared using assumptions adopted by the City of Dearborn. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice. Additional information about the actuarial assumptions is included in the section of this report entitled Actuarial Cost Methods and Assumptions.

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 retiree health programs. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Mark Buis, Francois Pieterse and Richard C. Koch, Jr. are Members of the American Academy of Actuaries (MAAA). These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor, and all actuarial assumptions used in this report are reasonable for the purposes of this valuation.

Gabriel, Roeder, Smith & Company will be pleased to answer any questions pertaining to the valuation.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Mark Buis, FSA, EA, FCA, MAAA



Francois Pieterse, ASA, FCA, MAAA



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

MB/FP/RK:ah



EXECUTIVE SUMMARY

Executive Summary

Annual Computed Employer Contribution

We have calculated the Actuarially Computed Employer Contribution for the fiscal years ending June 30, 2026 and June 30, 2027, using an interest rate assumption of 6.00%. Below is a summary of the results. The Actuarially Computed Employer Contributions and estimated claims and premiums shown below include an adjustment for any implicit rate subsidy present in your pre-65 rates.

Fiscal Year Ending	Actuarially Computed Employer Contribution	Estimated Claims and Premiums Paid for Retirees
June 30, 2026	\$ 6,282,974	\$ 11,082,457
June 30, 2027	6,153,737	11,617,597

For additional details please see the section titled "Valuation Results."

Liabilities and Assets

1. Present Value of Future Benefit Payments	\$207,063,947
2. Actuarial Accrued Liability	194,233,594
3. Plan Assets	160,789,870
4. Unfunded Actuarial Accrued Liability (2) – (3)	33,443,724
5. Funded Ratio (3)/(2)	82.8%

The Present Value of Future Benefit Payments (PVFB) is the present value of all benefits projected to be paid from the plan for past and future service. The Actuarial Accrued Liability is the portion of the PVFB allocated to past service by the Plan's funding method (see the section titled "Actuarial Cost Methods and Actuarial Assumptions").

SECTION A

VALUATION RESULTS

City of Dearborn Retiree Health Care Plan – Results by Group as of June 30, 2024

	General	Police & Fire	Total
A. Present Value of Future Benefits			
i) Retirees and Beneficiaries	\$ 56,221,730	\$ 81,861,913	\$ 138,083,643
ii) Vested Terminated Members ⁽¹⁾	434,125	402,392	836,517
iii) Active Members	<u>13,390,345</u>	<u>54,753,442</u>	<u>68,143,787</u>
Total Present Value of Future Benefits	\$ 70,046,200	\$ 137,017,747	\$ 207,063,947
B. Present Value of Future Normal Costs	1,331,118	11,499,235	12,830,353
C. Actuarial Accrued Liability (A.-B.)	68,715,082	125,518,512	194,233,594
D. Actuarial Value of Assets	56,883,512	103,906,358	160,789,870
E. Unfunded Actuarial Accrued Liability (C.-D.)	\$ 11,831,570	\$ 21,612,154	\$ 33,443,724
F. Funded Ratio (D./C.)	82.8%	82.8%	82.8%
G. Fiscal Year Ending June 30, 2026			
i) Employer Normal Cost	\$ 295,675	\$ 1,880,884	\$ 2,176,559
ii) Amortization of UAAL ⁽²⁾	<u>1,452,749</u>	<u>2,653,666</u>	<u>4,106,415</u>
Actuarially Computed Employer Contribution	\$ 1,748,424	\$ 4,534,550	\$ 6,282,974
H. Fiscal Year Ending June 30, 2027			
Actuarially Computed Employer Contribution	\$ 1,711,620	\$ 4,442,117	\$ 6,153,737

⁽¹⁾ For Police & Fire, includes any liability for DROP members.

⁽²⁾ The Unfunded Actuarial Accrued Liabilities (UAAL) were amortized as a level dollar amount over a closed period of 12 years for the fiscal year ending June 30, 2026 and decreasing by 1 each year thereafter.

We assumed the City will make contributions which are approximately equal to the full Actuarially Computed Employer Contribution. As such, the long-term rate of investment return used in this valuation is 6.00%.

Assets have been allocated to each of the groups (General, Police, and Fire) based on the total accrued liability on the valuation date.

Comments

Comment A: The actuarially computed employer contribution decreased from \$6,681,950 for the fiscal year ending June 30, 2025 to \$6,279,420 for the fiscal year ending June 30, 2026. Reasons for the decrease include, but are not limited to:

- More favorable post-65 premium experience than expected.

Partially offsetting this was an increase due to:

- Less favorable pre-65 premium experience than expected;
- Reflecting prior years scheduled gains and losses, there was a net asset loss to the plan for the year ended June 30, 2024; and
- Assumption changes:
 - Updating the health care trend cost rates; and
 - Updating actuarial assumptions for the City of Dearborn Chapter 21, 22 and 23 groups based on recently performed experience studies.

The combined impact of the assumption changes and premium experience noted above lead to a net decrease in actuarial accrued liabilities of approximately \$300,000.

Comment B: The Michigan Department of Treasury provides required assumptions to be used for purposes of Public Act 202 reporting. These assumptions are for reporting purposes only and do not impact required contributions. Please refer to the State Reporting page found in the City of Dearborn Retiree Health Care Plan GASB Statements No. 74 and No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions dated August 28, 2024, for information for this filing.

Comment C: The GASB issued Statements No. 74 and No. 75 for OPEB valuations. GASB Statement No. 74 for the plan OPEB disclosures is effective for fiscal years beginning after June 15, 2016. GASB Statement No. 75 for employer OPEB disclosures is effective for employer fiscal years beginning after June 15, 2017. The City currently pre-funds the benefits, and has assets set aside in a qualified trust. As a result, the City began compliance with GASB Statement No. 74 beginning with the fiscal year ending June 30, 2017 and GASB Statement No. 75 beginning with the fiscal year ending June 30, 2018. A report satisfying GASB Statements No. 74 and No. 75 has been provided separately.

Comment D: Unless otherwise indicated, a funded status measurement presented in this report is based upon the actuarial accrued liability and the funding value of assets. Unless otherwise indicated, with regards to any funded status measurements presented in this report:

- The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations;
- A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit; and
- The measurement is inappropriate for assessing the need for or the amount of future employer contributions.

SECTION B

RETIREE PREMIUM RATE DEVELOPMENT

Retiree Premium Rate Development

Rate Development

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 combined at the end to create a single set of rates for use in the valuation.

The BCBS and HAP self-insured rates were calculated using paid claims and exposure data for the period of July 2021 to June 2024, adjusted for catastrophic claims, plus the load for administration, network access fee, and stop loss premiums. Medical data for post-65 participants not on Medicare was included in the analysis. Prescription drug claims and the medical claims exhibit different trends and claim payment patterns; therefore, we analyzed these claims separately. Prescription drug claims used are gross of prescription drug rebates.

For Medicare coverage, the options include a fully-insured HAP Medicare Advantage Prescription Drug plan and a fully-insured BCBSM Medicare Advantage plan with a corresponding Humana PDP plan. The January 1, 2025 fully-insured rates, provided by the City, were used as the basis of the initial per capita cost without adjustments, since the rates reflect the demographics post-65 retiree group.

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.

The combined monthly one-person medical, and drug premiums at select ages are shown below. These premiums reflect expected Plan costs from July 1, 2024 to June 30, 2025.

Non-Public Safety Groups:

For Those Not Eligible for Medicare (Pre-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
40	\$ 458.97	\$ 745.80	\$ 458.97	\$ 745.80
50	743.99	916.52	743.99	916.52
60	1,264.44	1,245.04	1,264.44	1,245.04
64	1,537.59	1,451.07	1,537.59	1,451.07

For Those Eligible for Medicare (Post-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
65	\$ 366.02	\$ 345.23	\$ 366.02	\$ 345.23
75	428.24	417.87	428.24	417.87
85	452.84	458.17	452.84	458.17



Retiree Premium Rate Development

Public Safety Groups:

For Those Not Eligible for Medicare (Pre-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
40	\$ 458.97	\$ 745.80	\$ 458.97	\$ 745.80
50	743.99	916.52	743.99	916.52
60	1,264.44	1,245.04	1,264.44	1,245.04
64	1,537.59	1,451.07	1,537.59	1,451.07

For Those Eligible for Medicare (Post-65)				
Age	Future Retirees		Current Retirees	
	Male	Female	Male	Female
65	\$ 402.62	\$ 379.75	\$ 402.62	\$ 379.75
75	471.06	459.65	471.06	459.65
85	498.12	503.98	498.12	503.98

Health Care Trend Assumption

The health care cost trend rate is the rate of change in per capita health care claims over time as a result of factors such as medical inflation, utilization of health care services, plan design, and technological improvements. It is a crucial economic assumption that is required for measuring retiree health care benefit obligations.

Retiree health care valuations use a health care cost trend assumption (trend vector) that changes over the years. The trend vector used in this valuation begins with a near-term trend assumption and declines over time to an ultimate trend rate. The near-term rates reflect the increases in the current cost of health care goods and services. The process of trending down to a lower ultimate trend relies on the theory that premiums will moderate over the long term, otherwise, the health care sector would eventually consume the entire GDP. It is on this basis that we project premium rate increases will continue to exceed wage inflation for the next fifteen years, but by less each year until leveling off at a rate assumed to be 3.50% in this valuation.

While experience is often the best starting point for future costs, GRS does not rely on a group's experience in setting the near-term trend assumptions since trends vary significantly from year to year and are not credible for most groups. Therefore, professional judgment, trends from GRS's book of business and industry benchmarks (e.g., trend reports from various Pharmacy Benefit Management (PBM) organizations and national health care benefit consulting firms) are used to establish the trend assumptions.

Retiree Premium Rate Development


Year Beginning July 1,	Pre-65	Post-65
	Health Care Trend Inflation Rates Medical/Drug	Health Care Trend Inflation Rates Medical/Drug
2025	7.25%	6.50%
2026	7.00	6.25
2027	6.75	6.00
2028	6.50	5.75
2029	6.25	5.75
2030	6.00	5.50
2031	5.75	5.25
2032	5.50	5.00
2033	5.00	4.75
2034	4.75	4.50
2035	4.50	4.25
2036	4.25	4.25
2037	4.00	4.00
2038	3.75	3.75
2039 & later	3.50	3.50

Actuarial Disclosures

The premium rates used in this valuation were developed using proprietary Excel models which, in Kurt Dosson’s professional judgment, provide initial projected costs which are consistent with the purposes of the valuation. We performed tests to ensure that the models, in their entirety, reasonably represent that which is intended to be modeled.

Aging factors used in the premium development models were developed based on information and data from a 2013 study commissioned by the Society of Actuaries entitled "Health Care Costs - From Birth to Death."

Kurt Dosson is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to certify the per capita retiree health care rates shown above.



Kurt Dosson, ASA, FCA, MAAA

SECTION C

SUMMARY OF BENEFITS

City of Dearborn Retiree Health Care Plan

Summary of Benefits as of June 30, 2024

Plan Participants

Full-Time Employees of the City of Dearborn are eligible to receive retiree health care benefits.

Except:

- E & A:** employees hired on or after July 1, 2002.
- Communication Supervisors:** hired on or after July 1, 2001.
- Court:** employees hired on or after January 1, 2002.
- STP:** employees hired on or after October 11, 2010.
- Dispatch:** employees hired on or after September 7, 2010.
- MWD:** employees hired on or after October 11, 2010.
- POAD:** employees hired on or after June 20, 2012.
- Teamsters:** employees hired on or after November 15, 2010.
- Fire:** employees hired on or after August 26, 2013.

Normal Retirement Benefits

Normal retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Police & Fire: 25 years of service or 10 years of service and 55 years old. New Hires: Police effective April 2009 and Fire effective May 2009 are eligible at 25 years of service and 50 years old.

General employees: 25 years of service and 55 years old or 10 years of service and 60 years old.

Dispatchers: 25 years of service and 50 years old or 10 years of service and 60 years old.

Health Care Benefit Provided by Plan

Member: City pays 100% of the premium with varying prescription drug co-pays.

Spouse & Dependents: City pays 100% of premium as long as the spouse continues to receive a pension and dependents are eligible.

Early Retirement Benefits

Certain Members and eligible dependents retiring under early retirement conditions are eligible for retiree health care as and if/when negotiated.



City of Dearborn Retiree Health Care Plan

Summary of Benefits as of June 30, 2024

Deferred Retirement Benefits

Deferred retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Police & Fire: Benefit commences when member would have been eligible for normal retirement until January 1, 1999 for non-supervisory police and July 1, 1998 for Sergeants & Lieutenants and Fire. Thereafter no health care for deferred retirees.

General employees: Benefit commences when deferred retiree with 25 or more years of service attains age 55 or 50 years old for dispatchers. 25 or more years of service required to obtain deferred retiree health care.

Health Care Benefit Provided by Plan

Member: City pays 100% of the premium with varying prescription drug co-pays.

Spouse & Dependents: City pays 100% of premium as long as the spouse continues to receive a pension and dependents are eligible.

Duty Death-in-Service Retirement Benefits

Duty Death retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Benefit commences immediately.

Health Care Benefit Provided by Plan

Spouse & Dependents: City pays 100% of premium as long as the spouse continues to receive a pension and dependents are eligible.

Non-Duty Death-in-Service Retirement Benefits

Non-Duty Death retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Benefit commences immediately.

Health Care Benefit Provided by Plan

Spouse & Dependents: City pays 100% of premium as long as the spouse continues to receive a pension and dependents are eligible.



City of Dearborn Retiree Health Care Plan

Summary of Benefits as of June 30, 2024

Duty Disability Retirement Benefits

Duty Disability retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Benefit commences immediately.

Health Care Benefit Provided by Plan

Member: City pays 100% of premium.

Spouse & Dependents: City pays 100% of premium as long as the spouse continues to receive a pension and dependents are eligible.

Non-Duty Disability Retirement Benefits

Non-Duty Disability retirement eligibility conditions for retiree health care benefits are as follows:

Health Care Benefit Eligibility Conditions

Fire: Any age with 25 years of service.

Non-Supervisory Police: Effective July 1, 2009, non-duty disability retirees, spouse and eligible dependents will have the premium paid in accordance with the schedule below.

Lieutenants and Sergeants: Non-duty disability retirees, spouse and eligible dependents will have the premium paid in accordance with the schedule below:

<u>Years of Service Completed</u>	<u>Percent Paid by City</u>
0 through 9 years	0%
10 through 14 years	40%
15 through 19 years	60%
20 through 24 years	80%
25 years and over	100%

General employees: 25 years of service and 55 years old or 10 years of service and 60 years old. Benefit commences when member would have been eligible for normal retirement.

Dispatchers: 25 years of service and 50 years old or 10 years of service and 60 years old. Benefit commences when member would have been eligible for normal retirement.

Health Care Benefit Provided by Plan

Member: City pays 100% of the premium.

Spouse & Dependents: City pays 100% of the premium as long as the spouse continues to receive a pension and dependents are eligible.



City of Dearborn Retiree Health Care Plan

Summary of Benefits as of June 30, 2024

Benefits for Spouses of Retired Employees

(Currently at retirement)

Spouses of retired employees are eligible to receive retiree health care benefits. Coverage continues to surviving spouses of deceased retirees. All eligible spouses must be spouse at time of retirement.

Non-Medicare and Medicare-Eligible Provisions

(Currently)

Retirees are required to enroll in Medicare once eligible. Retiree pays Medicare premiums and will be enrolled in one of the two Medicare Advantage plans.

Vision Coverage

Health Care Benefit Eligibility Conditions

Members who retire are not eligible for vision coverage.

Dental Coverage

Health Care Benefit Eligibility Conditions

Members & dependents may receive dental benefits.

Health Care Benefit Provided by Plan

Member: must pay 100% of premium.

Spouse & Dependents: must pay 100% of premium.

This is a brief summary of the City of Dearborn Retiree Health Care Plan provisions. In the event that any description contained herein differs from the actual eligibility or benefit, the appropriate employee contract or governing document will prevail.



SECTION D

VALUATION DATA

City of Dearborn Retiree Health Care Plan

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	<u>\$ 341,809</u>
Investments	
Fixed Income	\$ 51,289,206
Domestic Equities	100,758,076
International Equities	0
Real Estate	5,963,285
Other	0
Total Investments	<u>\$ 158,010,567</u>
Total Assets	<u>\$ 160,238,830</u>
 Liabilities	
Payables	
Accounts Payable - Purchase of Investments	\$ 0
Accrued Expenses	42,135
Accounts Payable - Other	0
Total Liabilities	<u>\$ 42,135</u>
Net Position Restricted for OPEB	<u>\$ 160,196,695</u>

City of Dearborn Retiree Health Care Plan Statement of Changes in Fiduciary Net Position

	<u>June 30, 2023</u>	<u>June 30, 2024</u>
Additions		
Contributions		
Employer	\$ 6,074,676	\$ 7,015,465
Nonemployer contributing entities	10	0
Active Employees	0	0
Other	0	0
Total Contributions	<u>\$ 6,074,686</u>	<u>\$ 7,015,465</u>
Investment Income		
Net Appreciation in Fair Value of Investments	\$ 6,638,808	\$ 15,133,343
Interest and Dividends	4,526,292	3,196,424
Less Investment Expense	(192,998)	(109,999)
Net Investment Income	<u>\$ 10,972,102</u>	<u>\$ 18,219,768</u>
Other	\$ 0	\$ 0
Total Additions	<u>\$ 17,046,788</u>	<u>\$ 25,235,233</u>
Deductions		
Benefit Payments	\$ 10,317,394	\$ 9,806,351
OPEB Plan Administrative Expense	37,068	21,290
Other ⁽¹⁾	0	0
Total Deductions	<u>\$ 10,354,462</u>	<u>\$ 9,827,641</u>
Net Increase in Net Position	<u>\$ 6,692,326</u>	<u>\$ 15,407,592</u>
Net Position Restricted for OPEB		
Beginning of Year	\$ 138,096,777	\$ 144,789,103
End of Year	<u>\$ 144,789,103</u>	<u>\$ 160,196,695</u>



City of Dearborn Retiree Health Care Plan Funding Value of Assets as of June 30, 2024

Year Ended June 30:	2023	2024	2025	2026	2027	2028
A. Funding Value Beginning of Year	\$ 153,684,953	\$ 155,374,360				
B. Market Value End of Year	144,789,103	160,196,695				
C. Market Value Beginning of Year	138,096,777	144,789,103				
D. Non-Investment Net Cash Flow	(4,242,708)	(2,790,886)				
E. Investment Return						
E1. Total: B-C-D	10,935,034	18,198,478				
E2. Amount for Immediate Recognition (6.00%)	9,093,816	9,238,735				
E3. Amount for Phased-in Recognition: E1-E2	1,841,218	8,959,743				
F. Phased-in Recognition of Investment Return						
F1. Current Year: 0.20 x E3	368,244	1,791,949				
F2. First Prior Year	(7,147,408)	368,244	\$ 1,791,949			
F3. Second Prior Year	5,429,118	(7,147,408)	368,244	\$ 1,791,949		
F4. Third Prior Year	(1,474,242)	5,429,118	(7,147,408)	368,244	\$ 1,791,949	
F5. Fourth Prior Year	(337,413)	(1,474,242)	5,429,118	(7,147,409)	368,242	\$ 1,791,947
F6. Total Recognized Investment Gain	(3,161,701)	(1,032,339)	441,903	(4,987,216)	2,160,191	1,791,947
G. Funding Value End of Year: (A+D+E2+F6)	155,374,360	160,789,870				
H. Difference Between Market Value & Funding Value	\$ (10,585,257)	\$ (593,175)	\$ (1,035,078)	\$ 3,952,138	\$ 1,791,947	\$ 0
I. Recognized Rate of Return	3.91%	5.33%				
J. Market Rate of Return	8.04%	12.69%				
K. Ratio of Funding Value to Market Value	107.31%	100.37%				

The Funding Value of Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than Market Value. The Funding Value of Assets is *unbiased* with respect to Market Value. At any time it may be either greater or less than Market Value.



City of Dearborn Retiree Health Care Plan Members Included in the June 30, 2024 Valuation

Active

Active Members	Number	Average Attained Ages
General	61	54.4 years
Police & Fire	164	44.9 years
Total	225	

Terminated Vested

Terminated Vested	Number
General	3
Police & Fire ⁽¹⁾	2
Total	5

⁽¹⁾ Includes 1 member in the DROP plan.

Retirees and Beneficiaries

Retired Members	Number	Average Age
General	431	73.9 years
Police & Fire	388	69 years
Total⁽¹⁾	819	

⁽¹⁾ Excludes 236 participants that have opted-out of post-retirement health coverage or who are eligible for pension benefits but not health benefits; also excludes beneficiaries reported to GRS as a separate single health contract where instead a two-person health contract was valued.

SECTION E

SUPPLEMENTARY INFORMATION

Supplementary Information

Valuation Date	June 30, 2024
Actuarial Cost Method	Individual Entry-Age
Amortization Method	Level Dollar Closed
Remaining Amortization Periods	12 Years
Asset Valuation Method	5-year smoothed market
Actuarial Assumptions:	
Investment Rate of Return	6.00%
Projected Salary Increases	2.75% - 9.70%
Health Care Cost Trend Rate	7.25% Initial (Pre-65) 6.50% Initial (Post-65) 3.50% Ultimate

SECTION F

ACTUARIAL COST METHODS AND ACTUARIAL ASSUMPTIONS

Actuarial Methods for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Actuarial Cost Method. Normal cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities. Unfunded Actuarial Accrued Liabilities (UAAL) (full funding credit if assets exceed liabilities) were amortized as a level dollar amount. The UAAL was determined using the actuarial value of assets and actuarial accrued liability calculated as of the valuation date and projected to the beginning of the fiscal year at the assumed rate of investment return.

Actuarial Value of Assets. The Actuarial Value of Assets recognizes assumed investment income fully each year. Differences between actual and assumed investment income are phased-in over a closed five-year period. During periods when investment performance exceeds the assumed rate, actuarial value of assets will tend to be less than market value. During periods when investment performance is less than the assumed rate, actuarial value of assets will tend to be greater than market value.

The following amortization factors were used in developing the actuarially computed employer contributions for the fiscal years shown:

6.00% Interest	Fiscal Year Ending June 30,	
	2026	2027
All Groups (Level Dollar)	8.6329	8.1212

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

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, 2018 through June 30, 2023 dated October 14, 2024.

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, 2018 through June 30, 2023 dated October 14, 2024.

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.

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

The rate of investment return was 6.00% a year, compounded annually net after expenses.

The assumed real return is the rate of return in excess of price inflation. Considering other assumptions used in the valuation, the 6.00% nominal rate translates to a net real return of 3.25% a year.

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 benefits will be based.

Sample Ages	Base Economic	Merit and Seniority				TOTAL			
		General Operative	General Non-Operative	Fire	Police	General Operative	General Non-Operative	Fire	Police
20	2.75 %	4.80 %	4.80 %	3.75 %	3.75 %	7.55 %	7.55 %	6.50 %	6.50 %
25	2.75	3.30	3.30	3.75	3.75	6.05	6.05	6.50	6.50
30	2.75	1.60	1.60	2.75	2.85	4.35	4.35	5.50	5.60
35	2.75	1.20	1.20	2.00	2.25	3.95	3.95	4.75	5.00
40	2.75	0.90	0.90	2.00	2.00	3.65	3.65	4.75	4.75
45	2.75	0.80	0.80	1.75	1.45	3.55	3.55	4.50	4.20
50	2.75	0.60	0.60	1.45	1.20	3.35	3.35	4.20	3.95
55	2.75	0.50	0.50	1.00	1.00	3.25	3.25	3.75	3.75
60	2.75	0.40	0.40	0.75	1.00	3.15	3.15	3.50	3.75
Ref:		131	131	612	611				

Sample Years of Service	Base Economic	Merit and Seniority	TOTAL	Sample Years of Service	Base Economic	Merit and Seniority	TOTAL
		MERS Pol/Fire	MERS Pol/Fire			MERS Pol/Fire	MERS Pol/Fire
1	3.00 %	6.70 %	9.70 %	21	3.00 %	0.60 %	3.60 %
2	3.00	4.60	7.60	22	3.00	0.60	3.60
3	3.00	3.20	6.20	23	3.00	0.50	3.50
4	3.00	2.70	5.70	24	3.00	0.40	3.40
5	3.00	2.30	5.30	25	3.00	0.40	3.40
6	3.00	1.90	4.90	26	3.00	0.40	3.40
7	3.00	1.70	4.70	27	3.00	0.30	3.30
8	3.00	1.30	4.30	28	3.00	0.30	3.30
9	3.00	1.20	4.20	29	3.00	0.30	3.30
10	3.00	1.20	4.20	30	3.00	0.30	3.30
11	3.00	1.10	4.10	31	3.00	0.20	3.20
12	3.00	1.10	4.10	32	3.00	0.20	3.20
13	3.00	0.90	3.90	33	3.00	0.20	3.20
14	3.00	0.90	3.90	34	3.00	0.20	3.20
15	3.00	0.80	3.80	35	3.00	0.20	3.20
16	3.00	0.70	3.70	36	3.00	0.10	3.10
17	3.00	0.70	3.70	37	3.00	0.10	3.10
18	3.00	0.60	3.60	38	3.00	0.10	3.10
19	3.00	0.60	3.60	39	3.00	0.10	3.10
20	3.00	0.60	3.60	40 and Over	3.00	0.00	3.00
Ref:		852		Ref:		852	



Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

General Group

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and projection scale MP-2021. 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-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 PubNS-2010, Amount-Weighted, Disabled Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.

Sample Attained Ages	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Future Life		Future Life		Future Life	
	Expectancy (Years) ⁽¹⁾		Expectancy (Years) ⁽¹⁾		Expectancy (Years) ⁽¹⁾	
	Men	Women	Men	Women	Men	Women
50	39.20	41.36	35.61	38.53	26.41	29.36
55	34.20	36.25	30.72	33.55	22.91	25.76
60	29.29	31.22	25.99	28.68	19.73	22.42
65	24.52	26.29	21.48	23.94	16.77	19.12
70	19.86	21.45	17.21	19.40	13.94	15.73
75	15.32	16.73	13.27	15.14	11.16	12.43
80	10.90	12.17	9.79	11.31	8.57	9.47

⁽¹⁾ Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The sample values shown are for individuals with the indicated attained ages in 2024.

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

MERS Police and Fire Defined Benefit Group

Mortality Tables. The mortality tables used for individual members are based upon the sex distinct Pub-2010 tables, as published by the Society of Actuaries, and include a margin for future mortality improvements projected using a fully generational improvement scale. The tables used were as follows:

- **Healthy Pre-Retirement Mortality:** Sex distinct Pub-2010 General Employees table without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries. Ninety percent (90%) of active member deaths are assumed to be non-duty deaths and 10% of the deaths are assumed to be duty related.
- **Healthy Post-Retirement Mortality:** Sex distinct Pub-2010 General Healthy Retiree tables scaled by a factor of 106%. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.
- **Disability Retirement Mortality:** Sex distinct PubNS-2010 Disabled tables without adjustment. The base year is 2010 and future mortality improvements are assumed each year using scale MP-2019, as published by the Society of Actuaries.

Sample Attained Ages	Healthy Pre-Retirement Future Life Expectancy (Years) ⁽¹⁾		Healthy Post-Retirement Future Life Expectancy (Years) ⁽¹⁾		Disabled Retirement Future Life Expectancy (Years) ⁽¹⁾	
	Men	Women	Men	Women	Men	Women
	50	39.02	41.35	35.32	38.30	26.39
55	33.95	36.18	30.45	33.33	22.95	25.67
60	28.98	31.09	25.74	28.46	19.83	22.45
65	24.13	26.08	21.25	23.72	16.91	19.20
70	19.39	21.16	16.98	19.18	14.06	15.83
75	14.74	16.35	13.05	14.93	11.28	12.55
80	10.20	11.68	9.59	11.11	8.69	9.60

⁽¹⁾ 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 2024.

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Police and Fire

Mortality Tables. The mortality rates utilized are based upon the Pub-2010, based on data from public pension systems only, and projection scale MP-2021. 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-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 Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2021.

Sample Attained Ages	Future Life Expectancy (Years) ⁽¹⁾					
	Healthy Pre-Retirement		Healthy Post-Retirement		Disabled Retirement	
	Males	Females	Males	Females	Males	Females
40	48.83	51.28	45.98	48.16	44.15	46.47
45	43.70	46.14	40.79	42.90	39.20	41.45
50	38.58	41.01	35.65	37.69	34.26	36.44
55	33.50	35.91	30.60	32.58	29.40	31.55
60	28.50	30.87	25.70	27.66	24.71	26.91
65	23.62	25.88	21.09	23.00	20.33	22.54
70	18.90	20.96	16.79	18.60	16.28	18.40
75	14.42	16.22	12.87	14.52	12.55	14.48
80	10.23	11.75	9.43	10.89	9.31	10.89

⁽¹⁾ Life expectancy in future years is determined by the fully generational MP-2021 projection scale. The sample values shown are for individuals with the indicated attained ages in 2024.

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

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		Operative Members	Police	Fire	Years of Service	MERS Police/Fire ⁽¹⁾	Police	Fire
	Males	Females							
45-49				24%	38%	5-9	15%		
50				24%	38%	10-20	20%		
51				24%	38%	21	22%		
52				24%	38%	22	24%		
53				24%	38%	23	26%		
54				24%	38%	24	30%		
55	36%	28%	27%	24%	38%	25	34%	72%	53%
56	23%	16%	27%	24%	38%	26	25%	48%	38%
57	23%	16%	27%	24%	38%	27	25%	30%	38%
58	23%	16%	27%	24%	38%	28	25%	30%	38%
59	23%	16%	27%	24%	38%	29	25%	30%	38%
60	32%	24%	27%	24%	38%	30	25%	60%	38%
61	23%	16%	27%	24%	38%	31	28%	60%	38%
62	27%	20%	36%	24%	38%	32	28%	60%	75%
63	27%	20%	36%	24%	38%	33	28%	100%	100%
64	27%	20%	36%	24%	38%	34	28%		
65	54%	44%	36%	100%	100%	35	25%		
66	27%	20%	36%			36	25%		
67	32%	24%	36%			37	25%		
68	41%	36%	36%			38	25%		
69	45%	36%	36%			39	25%		
70	100%	100%	100%			40 and Over	25%		
Ref	2994	2995	2998	3583	3585		3081	3584	3586

⁽¹⁾ Rates of retirement are set to 100% beginning at age 85.

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. The probability of retirement for Police Dispatch members are the same as those for General members with the exception being that between the ages of 50 and 55 the rate of retirement for Police Dispatch members is 27% for males and 24% for females.



Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Rates of separation from active membership are used to estimate the number of employees at each age or years of service that are expected to terminate employment before qualifying for retirement benefits. The rates of separation from active membership do not apply to members eligible to retire, and do not include separation on account of death or disability. Sample rates of separation from active employment are shown below.

Sample Ages	% of Active Members Separating within Next Year				
	General		Operative Members	Police	Fire
	Males	Females			
25	10.0 %	10.0 %	4.0 %	1.35 %	0.88 %
30	8.8	8.8	4.0	1.17	0.73
35	6.8	6.8	4.0	0.69	0.38
40	4.5	4.8	3.4	0.27	0.15
45	2.6	3.4	2.4	0.15	0.13
50	1.4	2.4	1.4	0.15	0.13
55	0.7	1.4	0.7	0.15	0.13
60	0.2	0.0	0.5	0.15	0.13

Sample Years of Service	% of Active Members Separating within the Next Year
	MERS Police/Fire
0	13.90%
1	11.60
2	9.40
3	7.40
4	6.10
5	4.90
10	3.20
15	2.40
20	1.80
25 and Over	1.50

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Rates of disability among active members.

Sample Ages	% of Active Members Separating within Next Year				
	General		Operative Members		MERS Pol/Fire
	Males	Females	Males	Females	
25	0.04 %	0.03 %	0.06 %	0.08 %	0.02 %
30	0.04	0.03	0.06	0.08	0.02
35	0.04	0.03	0.06	0.08	0.05
40	0.10	0.09	0.15	0.27	0.08
45	0.13	0.10	0.20	0.30	0.20
50	0.25	0.14	0.37	0.43	0.29
55	0.45	0.19	0.67	0.57	0.38 ^o
60	0.71	0.25	1.06	0.76	0.39
Ref:	9 x 50%	10 x 25%	9 x 75%	10 x 75%	1106 x 100%

For MERS Police/Fire, 80% of the disabilities are assumed to be non-duty and 20% of the disabilities are assumed to be duty related.

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Sample Ages	% of Active Members Separating within Next Year			
	Police			
	Duty Disability		Non-Duty Disability	
	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
60	0.99	0.71	0.42	0.31
Ref:	9 x 70%	10 x 70%	9 x 30%	10 x 30%

Sample Ages	% of Active Members Separating within Next Year			
	Fire			
	Duty Disability		Non-Duty Disability	
	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
60	0.28	0.20	0.10	0.07
Ref:	9 x 20%	10 x 20%	9 x 7%	10 x 7%

Actuarial Assumptions for the City of Dearborn Retiree Health Care Plan as of June 30, 2024

Health Care Coverage at Retirement: The table below shows the assumed portion of future retirees electing one-person or two-person/family coverage, or opting-out of coverage entirely.

General				
	One-Person	Two-Person/Family		Opt-Out
		Electing	Continuing	
Male	20%	60%	100%	20%
Female	20%	60%	100%	20%

Fire				
	One-Person	Two-Person/Family		Opt-Out
		Electing	Continuing	
Male	15%	80%	100%	5%
Female	15%	80%	100%	5%

Police				
	One-Person	Two-Person/Family		Opt-Out
		Electing	Continuing	
Male	8%	80%	100%	12%
Female	8%	80%	100%	12%

Data was not available regarding members who opt back in. We have assumed that members do not opt-in once they opt-out. However, data should be collected on these members in future valuations so that a better estimate can be made. To the extent that a significant number of members opt back into the program in the future, liabilities shown in this report may be understated.

The data about persons now covered was furnished by the Controller'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).

Miscellaneous and Technical Assumptions

Decrement Operation	Disability and turnover decrements do not operate 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.
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.

APPENDIX

GLOSSARY

Glossary

Accrued Service. The service credited under the plan which was rendered before the date of the actuarial valuation.

Actuarial Accrued Liability. The difference between (i) the actuarial present value of future plan benefits, and (ii) the actuarial present value of future normal cost. Sometimes referred to as "accrued liability" or "past service liability."

Actuarial Assumptions. Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision 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 future plan benefits" between the actuarial present value of future normal cost and the actuarial accrued liability. Sometimes referred to as the "actuarial funding method."

Actuarial Equivalent. A single amount or series of amounts of equal value to another single amount or series of amounts, computed on the basis of the rate(s) of interest and mortality tables used by the plan.

Actuarial Present Value. The amount of funds presently required to provide a payment or series of payments in the future. It is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.

Actuarially Computed Employer Contribution. The actuarially computed employer contribution is the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the current period. The actuarially computed employer contributions is an amount that, if paid on an ongoing basis, would be expected to provide sufficient resources to fund both the normal cost for each year and the amortized unfunded actuarial accrued liability.

Amortization. Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

Governmental Accounting Standards Board (GASB). GASB is the private, nonpartisan, nonprofit organization that works to create and improve the rules U.S. state and local governments follow when accounting for their finances and reporting them to the public.

Implicit Rate Subsidy. It is common practice for employers to allow retirees to continue in the employer's group health insurance plan (which also covers active employees), often charging the retiree some portion of the premium charged for active employees. Under the theory that retirees have higher utilization of services, the difference between the true cost of providing retiree coverage and what the retiree is being charged is known as the implicit rate subsidy.

Glossary (Concluded)

Medical Trend Rate (Health Care Inflation). The increase in the cost of providing health care benefits over time. Trend includes such elements as pure price inflation, changes in utilization, advances in medical technology, and cost shifting.

Normal Cost. The annual cost assigned, under the actuarial funding method, to current and subsequent plan years. Sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost.

Other Postemployment Benefits (OPEB). OPEB are postemployment benefits other than pensions. OPEB generally takes the form of health insurance, dental, vision, prescription drugs, life insurance or other health care benefits.

Reserve Account. An account used to indicate that funds have been set aside for a specific purpose and are not generally available for other uses.

Unfunded Actuarial Accrued Liability. The difference between the actuarial accrued liability and valuation assets. Sometimes referred to as "unfunded actuarial accrued liability."

Valuation Assets. The value of current plan assets recognized for valuation purposes.