

**HOUGHTON COUNTY BOARD OF COMMISSIONERS  
RESOLUTION TO APPROVE COMPUTATION OF COST AND ASSESSMENT ROLL  
FOR THE RICE LAKE SPECIAL ASSESSMENT DISTRICT PURSUANT TO PART 307 OF  
THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT  
MCL 324.30701, et seq.**

At a regular meeting of the Board of Commissioners of Houghton County held in the City of Houghton, Michigan on October 24, 2019, at 5:00 o'clock p.m.

PRESENT: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ABSENT: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**WHEREAS**, on November 10, 2014, following a hearing on November 7, 2014, the Honorable Charles R. Goodman, Circuit Court Judge entered an Opinion and Order confirming the boundaries of the Rice Lake Special Assessment District and setting the normal lake level for Rice Lake, pursuant to Part 307 of the Natural Resources and Environmental Protection Act, Public Act 451 of 1994, MCL 324.30701 *et seq.*, (the "Lake Level Act"); and

**WHEREAS**, on October 2, 2015, the Honorable Charles R. Goodman, Circuit Court Judge entered an Opinion and Order amending the boundaries of the Rice Lake Special Assessment District, the Lake Level Act; and

**WHEREAS**, pursuant to the Lake Level Act, the Houghton County Drain Commissioner is the Delegated Authority for maintaining the court ordered lake level for Rice Lake; and

**WHEREAS**, in order to maintain the court ordered lake level, costs have been incurred, including legal, design, engineering and construction costs (the “Lake Level Maintenance Costs”); and

**WHEREAS**, the Lake Level Maintenance Costs are intended to specially benefit properties identified in the Rice Lake Special Assessment District; and

**WHEREAS**, the Houghton County Drain Commissioner, as the Delegated Authority under the Lake Level Act, prepared a computation of cost of the Lake Level Maintenance Costs and also prepared a special assessment roll; and

**WHEREAS**, a public hearing on the computation of cost and the special assessment roll was set and duly noticed according to law for the purpose of hearing objections with respect to the computation of costs and the special assessment roll; and

**WHEREAS**, on September 30, 2019, the public hearing was conducted by the Houghton County Drain Commissioner as the delegated authority under the Lake Level Act, in accordance with the notice; and

**WHEREAS**, subsequent to the public hearing, the Houghton Drain Commissioner approved the computation of cost of Sixty-Five Thousand and 00/100 Dollars (\$65,000.00) and approved the special assessment roll.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF HOUGHTON COUNTY**, as follows:

1. The Board of Commissioners of Houghton County have determined that it is satisfied with the computation of cost and special assessment roll, that the proposed assessments are in proportion to the benefits received or to be received as a result of the Lake Level Maintenance Costs and that it would be appropriate to approve and confirm the computation of cost and special assessment roll.
2. The computation of cost and special assessment roll prepared and approved by the Delegated Authority, the Houghton County Drain Commissioner, are hereby confirmed.
3. All resolutions and parts of resolutions insofar as the same may be in conflict herewith are hereby rescinded.

**AYES:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**NAYS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**RESOLUTION ADOPTED.**

STATE OF MICHIGAN                    )  
   ) ss  
 COUNTY OF HOUGHTON                )

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of Houghton County at a regular meeting held on October 24, 2019, the original of which resolution is on file in my office. I further certify that the notice of said meeting was given in accordance with the provisions of the Open Meetings Act.

\_\_\_\_\_  
 County Clerk  
 County of Houghton

## COMPUTATION OF COST

Rice Lake  
County of Houghton

In the Rice Lake, Located in Schoolcraft and Torch Lake Townships, County of Houghton, County and State aforesaid. Be it Known, That I John Pekkala, County Drain Commissioner of the County of Houghton and State of Michigan, in accordance with the statute in such case made and provided, did on the 23rd day of September, 2019 make the following computation of cost of said lake to-wit:

|    |  |                    |
|----|--|--------------------|
| 1  | Cost of Engineering and Design Services              | \$3,856.72         |
| 2  | Cost of Construction and Materials                   | \$57,081.49        |
| 3  | Construction Administration and Construction Staking | \$0.00             |
| 4  | Administration, Publishing and Postage               | \$1,080.00         |
| 5  | Triennial Inspection                                 | \$500.00           |
| 6  | Legal Consultant Fee                                 | \$0.00             |
| 7  | First Year's Interest on Bonds                       | \$0.00             |
| 8  | Bond Attorney Fees                                   | \$0.00             |
| 9  | Financial Consultant Fee                             | \$0.00             |
| 10 | Official Statement                                   | \$0.00             |
| 11 | Bond Rating  | \$0.00             |
| 12 | Sale Notice, Treasury Filing Fees, MAC Fee           | \$0.00             |
|    | <b>Gross Sum of Expenses</b>                         | <b>\$62,518.21</b> |
|    | Add: Contingent Expenses                             | 4.0% \$2,481.79    |
|    | <b>Total To Be Assessed</b>                          | <b>\$65,000.00</b> |
|    | <b>Total To Be Financed</b>                          | <b>\$0.00</b>      |

Filed in my office with other papers pertaining to the within mentioned lake  
Dated at Houghton, Michigan this 23rd day of September, 2019.

  
County Drain Commissioner of Houghton County



September 12, 2019

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

**Subject: Supplemental Valuation for Houghton Co (3102), Division 02**

The purpose of this report is to show the financial implications to the employer of a change to the Current Retiree COLA provision as noted in the table below.

| <u>Division</u>      | <u>Proposed Change in Benefit</u>     |
|----------------------|---------------------------------------|
| Sheriff - Other (02) | Benefit E 2%; COLA Effective 1/1/2020 |

This report was prepared at the request of MERS staff on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. **The report may be provided to parties other than the municipality only in its entirety.** GRS is not responsible for unauthorized use of this report.

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 valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

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

- Plan Document, v03152018,
- Actuarial Policy, DOC 8062 (2019-04-25), and
- 2018 Appendix.

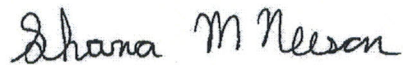
On February 28, 2019, the Board adopted new economic assumptions for use beginning with the December 31, 2019 annual valuation report. These assumptions are a 7.35% investment rate of return and a 3.00% wage inflation assumption. The Board has a review of the demographic assumptions scheduled during 2019-2020. Changes resulting from these studies will have an impact on the level of calculated employer contributions.

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 municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

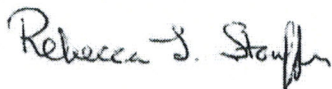
Shana M. Neeson and Rebecca L. Stouffer are members of the American Academy of Actuaries and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,



Shana M. Neeson, ASA, FCA, MAAA



Rebecca L. Stouffer, ASA, FCA, MAAA





## Important Comments

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

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

2. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.
3. The funded status shows the relationship of the assets to the amount needed to fund past service benefits, the actuarial accrued liability under valuation assumptions.
4. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
5. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
6. 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.
7. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:
  - a. The assumptions are unreasonable,
  - b. The plan provisions are missing or incorrectly described ,
  - c. Conditions have changed since the calculations were made,
  - d. The information provided in this report is inaccurate or is in any way incomplete, or
  - e. You need further information to make an informed decision.

**Houghton Co (3102) – Sheriff Other (Division 02)**  
**Employer Computed Contributions**  
**Based on 12/31/2018 Actuarial Valuation**

Under the Benefit Program E, each retirement benefit being paid before the program becomes effective is re-determined the next January 1 by multiplying the retirement benefit otherwise payable by the following percent: 100% plus 2% for each full year in the period from the date the retirement benefit became effective (or the last applicable E adoption date, if later) to the January 1 in the year the redetermination is being made (January 1, 2020). Retirees already covered under Program E-1 or E-2 are not affected by the Benefit E program.

|                               | <b>Current Benefits</b>    | <b>Proposed Benefits</b>   | <b>Difference</b>          |
|-------------------------------|----------------------------|----------------------------|----------------------------|
| 1. Benefit E                  | Benefit E (2%)<br>(1/1/19) | Benefit E (2%)<br>(1/1/20) | Benefit E (2%)<br>(1/1/20) |
| 2. Retiree Counts             |                            |                            |                            |
| a) Affected by Benefit E      | 24                         | 24                         | 0                          |
| b) Not Affected by Benefit E  | <u>1</u>                   | <u>1</u>                   | <u>0</u>                   |
| c) Total                      | 25                         | 25                         | 0                          |
| 3. Annual Retiree Benefits    |                            |                            |                            |
| a) Affected by Benefit E      | \$ 619,964                 | \$ 632,362                 | \$ 12,398                  |
| b) Not Affected by Benefit E  | <u>45,842</u>              | <u>45,842</u>              | <u>0</u>                   |
| c) Total                      | \$ 665,806                 | \$ 678,204                 | \$ 12,398                  |
| 4. Retiree Accrued Liability  | \$ 7,202,818               | \$ 7,327,016               | \$ 124,198                 |
| 5. Division Funded Percentage | 71.6%                      | 70.7%                      | -0.9%                      |

As shown in Item 4, the lump sum payment required to fully fund the adoption of the Benefit Program E is \$124,198.

**The report may be provided to parties other than the municipality only in its entirety.**



MEMBERS OF HOUGHTON COUNTY PLANNING COMMISSION – 2019

| Name                             | Address   | Term                                    | Community Interest Group  |
|----------------------------------|---|---|---|
| Allan T. Aho<br>Chassell Twp.    | 19940 E. Chassell-Painesdale Rd.<br>Chassell, MI 49916<br><a href="mailto:ataho@moyleusa.com">ataho@moyleusa.com</a><br>370-1739                              | January 1, 2018 to<br>December 31, 2020 | Agriculture & Forestry<br>Land Use  |
| Matt Huuki<br>Stanton Twp.       | 13895 Rava Rd.<br>Atlantic Mine, MI<br><a href="mailto:Matt.huuki@yahoo.com">Matt.huuki@yahoo.com</a><br>231-4569 or 482-6161                                 | January 1, 2017 to<br>December 31, 2019 | Economic Development<br>and Tourism   |
| John Larson<br>Calumet Twp.      | 56230 Bear lake Rd.<br>Hancock, MI 49330<br><a href="mailto:jl Larson@clkschools.org">jl Larson@clkschools.org</a><br>483-0498 (h)                            | January 1, 2018 to<br>December 31, 2020 | Education   |
| Eugene Londo<br>Calumet Twp.     | 56529 Rockland St.<br>Calumet, MI 49913<br><a href="mailto:genelondo@calumetmachine.com">genelondo@calumetmachine.com</a><br>369-4654 (c)                     | January 1, 2017 to<br>December 31, 2019 | Local Governmental<br>Planning and Zoning   |
| Evan McDonald<br>Hancock Twp.    | 54739 St. John's Creek Rd.<br>Hancock, MI 49930<br><a href="mailto:evanmcdonald@keweenawlandtrust.org">evanmcdonald@keweenawlandtrust.org</a><br>281-1407 (c) | January 1, 2018 to<br>December 31, 2020 | Environment   |
| Horst Schmidt<br>Torch Lake Twp. | 26380 7 <sup>th</sup> St.<br>Hubbell, MI 49934<br><a href="mailto:Horsthear@yahoo.com">Horsthear@yahoo.com</a><br>369-3797                                    | January 1, 2019 to<br>December 31, 2021 | Recreation and Culture  |
| Timothy Sears<br>Franklin Twp.   | 53410 West Pontiac Rd.<br>Hancock, MI 49930<br><a href="mailto:timothytoddsars@msn.com">timothytoddsars@msn.com</a>   | January 1, 2019 to<br>December 31, 2021 | Sanitation, Environmental<br>Health, Housing, and<br>Human Services                           |
| Chris Van Arsdale                | Emergency Management<br>Houghton County Courthouse<br>Houghton, MI 49931<br><a href="mailto:OEM@houghtoncounty.net">OEM@houghtoncounty.net</a><br>482-6400    | Indefinite                              | Emergency Response  |
| To Be Announced                  |   | January 1, 2019 to<br>December 31, 2020 | Houghton County Board of<br>Commissioners<br>Transportation and<br>Communication<br>Utilities |

# HOUGHTON COUNTY BOARD OF COMMISSIONERS

## RESOLUTION SUPPORTING PASSAGE OF LEGISLATION TO ADOPT 4-YEAR TERMS FOR COUNTY COMMISSIONERS

**WHEREAS** the 1963 Michigan Constitution stipulation four-year terms for the County Board of Supervisors, the preceding body to today's Board of Commissioners; and

**WHEREAS** the Legislature voted in 1966 to abolish Boards of Supervisors and formally replace them with Boards of Commissioners after the 1968 elections; and

**WHEREAS** Public Act of 261 of 1966 promulgated that the length of terms for the new county commissioners shall be concurrent with that of state representatives, as specified in Article IV, Section 3 of the Michigan Constitution; and

**WHEREAS** the scope of duties of a County Commissioner has greatly increased in the last century—road patrols, indigent defense, mental health treatment and substance abuse prevention programming, solid waste pick-up and disposal, food and water supply safety, park operations, economic development efforts, emergency management and response; and

**WHEREAS** Michigan is one of only five states in the United States that provides for exclusively two-year terms for County Commissioners; and

**WHEREAS** all other County and Township elected officials in Michigan are elected to terms of at least four years; and

**WHEREAS** the position of County Commissioner is a highly complex oversight role that requires years to matter; and

**WHEREAS** legislation to amend state law to enact four-year terms has been filed in the form of House Bills 4397-98 and Senate Bills 504-505; and

**WHEREAS** the Michigan Association of Counties supports the legislation as introduced;

**THEREFORE, BE IT RESOLVED**, that Houghton County supports House Bills 4937-98 and Senate Bills 504-505 to enact four-year terms for County Commissioners.

Motion Moved by:

Motion Supported by:

Roll Call Vote: Yes: Commissioners:  
No:

Motion carried.

**RESOLUTION DECLARED ADOPTED.**

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ALBERT KOSKELA, CHAIRMAN  
Board of Commissioners for Houghton County

STATE OF MICHIGAN        )  
COUNTY OF HOUGHTON    )

I hereby certify that the foregoing is a true and complete copy of a Resolution Supporting Passage of Legislation to Adopt 4-Year Terms for County Commissioners by the Board of Commissioners for the County of Houghton, Michigan at a regular meeting on the 24<sup>th</sup> day of October, 2019, the original of which Resolution is on file in my office. I further certify that the meeting was held and the minutes therefore were filed in compliance with Act No. 267 of the Public Acts of 1976.

**IN WITNESS WHEREOF**, I have hereunto affixed my official signature this 24<sup>th</sup> day of October, 2019.

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JENNIFER KELLY, COUNTY CLERK  
County of Houghton