

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

RE: Compliance Form 5074 - Category 3 Unfunded Accrued Liability Plan for City of Keego Harbor

The City of Keego Harbor is pleased to submit form 5074 with the required documents per Public Act 59 Economic Vitality Incentive Program (EVIP) for category 3.

The City of Keego Harbor has chosen to track and display this data using Munetrix to make the information readily available to the public and other local units of government.

All documentation necessary to comply with the EVIP requirements are included with this letter, and we look forward to continue receiving these important funds from the State of Michigan.

Please contact me if you need any further information or clarification.

Sincerely,

Linda Voll
Interim City Manager

Michigan Department of Treasury
(Recreated) 5074 (Rev 09-13)

Economic Vitality Incentive Program/County Incentive Program Certification of Unfunded Accrued Liability Plan

Issued under authority of 2013 Public Act 59. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for Unfunded Accrued Liability Plan payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made readily available to the public Unfunded Accrued Liability Plan. The plan shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site as required by 2013 Public Act 59.
2. Submit to Treasury Unfunded Accrued Liability Plan, if selecting Option 1 of part 2 below.

City/village/township: This certification, along with Unfunded Accrued Liability Plan, **must be received by June 1, 2014** to receive the June and August payments or on or before July 31, 2014 to receive the August payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

County: This certification, along with Unfunded Accrued Liability Plan, **must be received by June 1, 2014** (or the first day of a payment month) in order to qualify for that month's payment. Post mark dates will not be considered. For questions, call (517) 373-2697.

PART 1: LOCAL UNIT INFORMATION			
Local Unit Name City of Keego Harbor		Local Unit County Name Oakland County	
Local Unit Code 632090		Contact E-Mail Address deputytreas@keegoharbor.org	
Contact Name Phyllis Brown	Contact Title Deputy Treasurer	Contact Phone Number (248) 682-1930	Extension
Website Address, if reports are available online http://munetrix.com/sections/data/municipal.php?MuniID=145&Type=City		Date of Last Audited Financial Report 2013-06-30	
PART 2: STATEMENT OF UNFUNDED ACCRUED LIABILITIES			
Indicate the option that pertains to your local unit:			
<input checked="" type="checkbox"/> 1. Unfunded Accrued Liabilities Exist A local unit who has unfunded accrued liabilities pertaining to pensions or other post-employment benefits must attach a plan as required by 2013 Public Act 59.			
<input type="checkbox"/> No Unfunded Accrued Liabilities Exist A local unit who does not have any unfunded accrued liabilities pertaining to pensions or other post-employment benefits must provide, in the box below, an explanation of why the local unit does not have any unfunded accrued liabilities.			
See notes on Page 3			
PART 3: CERTIFICATION			
<i>In accordance with 2013 Public Act 59, the undersigned hereby certifies to Treasury that the above mentioned local unit has produced an Unfunded Accrued Liability Plan and has made them available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site. The Unfunded Accrued Liability Plan, if required is attached to this signed certification.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b)		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Linda Voll	
Title Interim City Manager		Date July 03, 2014	

Completed and signed form (including required attachments) should be e-mailed to: **TreasRevenueSharing@michigan.gov**
 If you are unable to submit via e-mail, fax to (517) 335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
EVIP/CIP	Y N	EVIP/CIP Notes
Final Certification	Plan Received	

Unfunded Liability Notes

In May of 2012, The City of Keego Harbor modified its pension plan to reduce future liabilities in a variety of ways:

New Hires:

Multiplier lowered from 2.5 to 1.3 with Final Average Compensation Frozen.
Removed Cost of Living Increases & Early Retirement Rider
Increased Vesting from 8 to 10 years & Normal Retirement Age from 55 to 60
Increased Employee Contribution from 6% to 10%

Active Employees

Bridged the Multiplier from 2.5 to 1.3
Increased Employee Contribution from 6% to 10%

The City Contributes the Annual Required contribution to Fund the Plan & has been working to decrease the period in which UAL is spread. The Current Amortization is 26 years and shrinks by 1 year every year. A Regular Actuarial Experience Study is performed every 5 years.

Health Care Modifications

In May of 2012, The City adopted the State Hard Cap Health cost limitations with employees contributing the difference in premium. An incentive is paid to Employees who choose to opt-out. City paid insurance is no loner lifetime. At age 65 there is no coverage for retiree supplemental health care.

Actions that May be Taken

From Tax Year 2008 thru Tax Year 2013 the City of Keego Harbor's Taxable Values were reduced by over 30% leading to a significant decline in tax revenue. As Taxable Values increase, the City will revisit a plan to reduce its Unfunded Accrued Liability through lump sum payments. We plan to continue to implement previous actions taken to reduce our unfunded liabilities.