

OUR COMMUNITY

42,452 population

\$1,760,492,416 TV

\$21,852,705 Total General Fund Budget (\$13,353,340 public safety)

165 FT employees, 96 PT employees

CHARTER TOWNSHIP OF MERIDIAN

Elizabeth Ann LaCoff
Direct. Daylies
Julie Brizio
Frank L. Weber

Supervisor
Clerk
Treasurer
Manager



Milton L. Spales
Rosa/J. Styba
John Venstra
Angela Wilson

Treasurer
Treasurer
Treasurer

August 30, 2013

Members of the Meridian Township Board
5151 Marsh Road
Okemos, Michigan 48864-1198

Dear Board Members:

On behalf of Finance Director Gretchen Gomolka and the entire Meridian Charter Township team, I am pleased to present you with a DRAFT copy of the 2014 Meridian Township Budget. The Charter Township Act requires that the chief executive officer submit a budget plan 120 days prior to the start of the fiscal (calendar) year. I want to provide special acknowledgement to our Executive Assistant Carol Hasse and Director Gretchen Gomolka for their unparalleled effort over the past two months to help shape the budget.

INTRODUCTION

Preparing for the 2014 Budget has been extremely challenging given our lack of experience in Meridian Township finances. Because Director Gomolka and I are new to the Township, we have spent a great deal of time trying to ascertain our financial position. After reviewing the 2013 budget, it became quite clear that rising legacy costs are beginning to take a toll on our ability to fund capital projects. This year alone, we are allocating an additional \$525,000 in pension costs above the 2013 level. The Township's practice of limiting the use of Fund Balance to one-time expenses has contributed to maintaining a healthy fund balance. The challenge in 2014 is to maintain a proper fund balance, continue to provide exemplary services to our 40,000 residents, and meet our community goals.

CHANGING PROPERTY VALUES

Township property owners saw their 2013 taxable values go down by an average of 1.77%, thus reducing the July and December 2013 tax levies. Preliminary data are trending toward a slight positive growth in value for 2014. Although we have budgeted for no growth in the general fund tax amount, it is possible that we may experience a 1% growth in 2014. A 1% growth in property taxes equates to approximately \$85,000 in additional revenue. With the alarming number of assessment challenges that the Township has faced over the past 30 months, I want

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www.meridian.mi.us

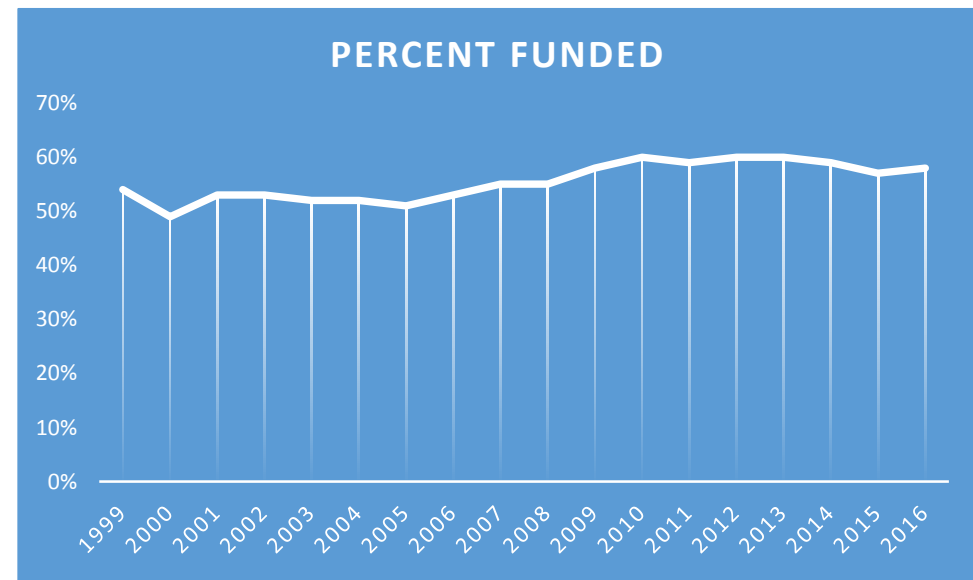


“After reviewing the 2013 budget, it became quite clear that rising legacy costs are beginning to take a toll on our ability to fund capital projects. This year alone, we are allocating an additional \$525,000 in pension costs above the 2013 level.”

20 Year High- 60%

Valuation Date	Percent Funded
1999	54%
2000	49%
2001	53%
2002	53%
2003	52%
2004	52%
2005	51%
2006	53%
2007	55%
2008	55%
2009	58%
2010	60%
2011	59%

Valuation Date	Percent Funded
2012	60%
2013	60%
2014	59%
2015	57%
2016	58%



DPW Benefit Provisions	
Multiplier	2.25%
Retirement Age	60
Vesting	6 years
F.A.C.	5 years
Employee Contribution	2.30%

Fire Benefit Provisions	
Multiplier	2.75%
Retirement Age	60
Vesting	10 years
F.A.C.	3 years
Employee Contribution	7.76%
COLA Retirees	2.50%
D-2	(25%)

Admin Professional Benefit Provisions	
Multiplier	2.50%
Retirement Age	60
Vesting	10 years
F.A.C.	5 years
Employee Contribution	3.90%

Police Patrol Benefit Provisions	
Multiplier	2.75%
Retirement Age	60
Vesting	10 years
F.A.C.	3 years
Employee Contribution	8.29%
COLA Retirees	2.50%
D-2	(25%)

Police Command Benefit Provisions	
Multiplier	2.75%
Retirement Age	60
Vesting	10 years
F.A.C.	3 years
Employee Contribution	11.24%
COLA Retirees	2.50%
D-2	(25%)

Results of Contract Negotiations

DPW Benefit Provisions	Changes in Bold
Multiplier	2.25%, 1.50% new hires
Retirement Age	60
Vesting	6 years
F.A.C.	5 years
Employee Contribution	2.30% to 5% everyone

Admin Professional Benefit Provisions	Changes in Bold
Multiplier	Bridged to 2.25% 1.50% new hires
Retirement Age	60
Vesting	10 years
F.A.C.	5 years, Termination
Employee Contribution	3.90% to 5% everyone

Results of Contract Negotiations

Fire Benefit Provisions	Changes in Bold
Multiplier	Bridged to 2.50%
Retirement Age	60
Vesting	10 years
F.A.C.	3 years, Termination
Employee Contribution	7.76%
COLA Retirees	2.50%
D-2	(25%)

Police Patrol Benefit Provisions	P.A. 312 of 1969
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Police Command Benefit Provisions	P.A. 312 of 1969
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PA 312 of 1969 Results

Richard Block- East Lansing, MI

Thomas Brookover- Bloomfield Hills, MI

Target \$75,000

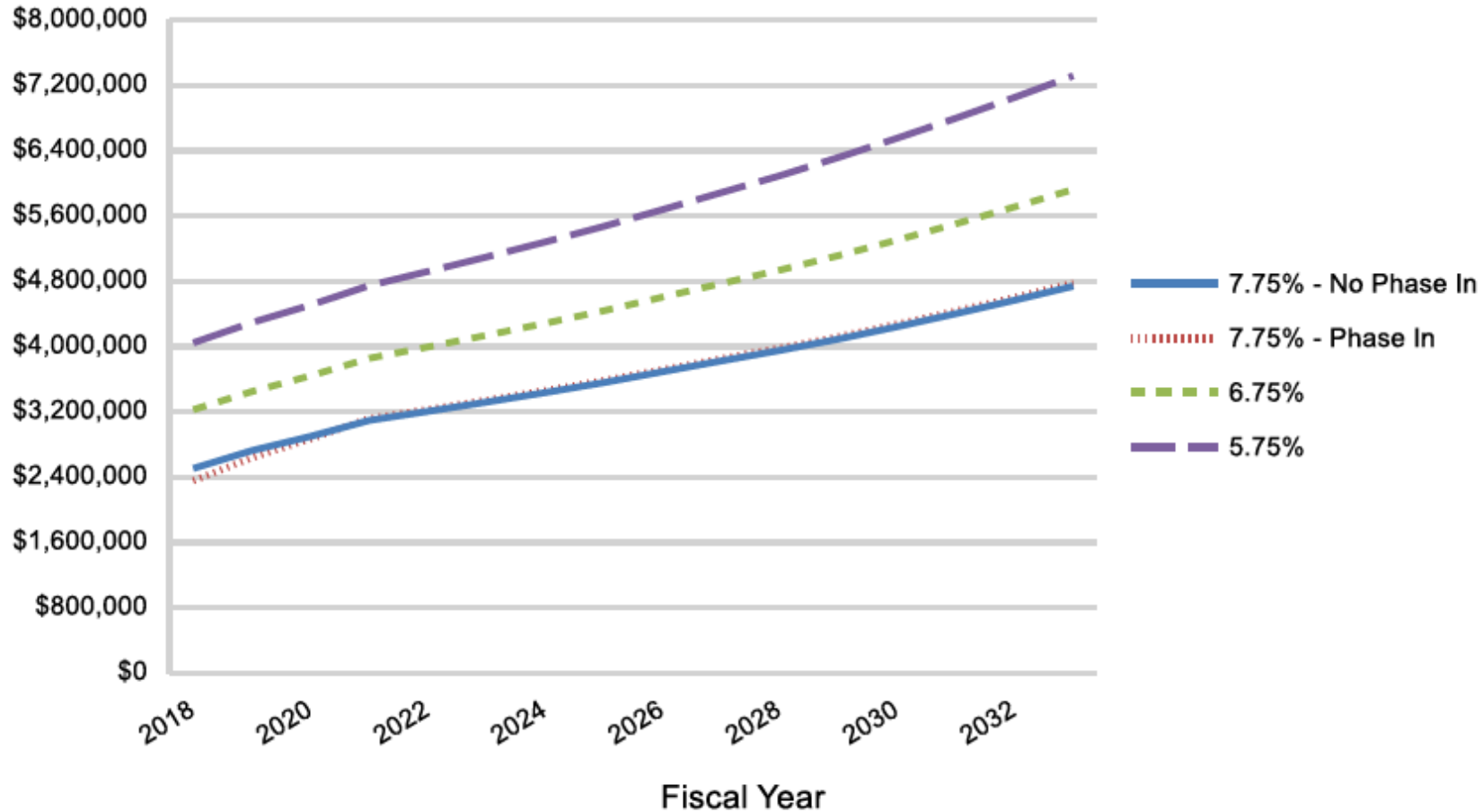
Property Technician position- \$57,000

12 hour shift change- \$119,000

Total Savings: \$176,000

Pathway to Bankruptcy

Computed Annual Employer Contribution



Police and Fire Millage

2017 Action Plan

C. Continue our efforts to ratify five unresolved collective bargaining agreement and implement a decisive global strategy to eliminate our pension debt.

F. Develop a plan that affords the community an opportunity to fund our exemplary police and fire departments at an appropriate level.

ASSUMING THAT EXPERIENCE OF THE PLAN MEETS ACTUARIAL ASSUMPTIONS

(MERS VALUATION REPORT 2015-PAGE 9)

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the entire employer would be \$ 340,378, instead of \$ 219,164.

Total cost over 10 years is \$40,845,360

- To accelerate to a 100% funding ratio in 20 years, estimated monthly employer contributions for the entire employer would be \$ 232,770, instead of \$ 219,164.

Total cost over 20 years is \$55,864,800



FIRE & POLICE MILLAGE

TUESDAY, AUGUST 8, 2017

ANNUAL MILLAGE APPROPRIATION

EQUIPMENT	\$500,000
2 NEW FIREFIGHTERS	\$250,000*
2 NEW POLICE OFFICERS	\$250,000*
ELIMINATE PENSION LIABILITY	\$1,500,000

\$2.5 MILLION ANNUALLY OVER 10 YEAR PERIOD

* includes salary, benefits, equipment, and training





FIRE & POLICE MILLAGE

TUESDAY, AUGUST 8, 2017



REQUESTING:
1.483 MILLS
FOR 10
YEARS

COST TO
\$200,000
HOMEOWNER

\$12.36
PER MONTH

\$148.32
PER YEAR



Additional Payments

2016- \$1,000,000

2017- \$1,200,000

2018- \$1,500,000

Results?

Division	Percent Funded after changes and additional contributions
DPW	85% to 85%
Administrative Professionals	72% to 81%
Firefighters	46% to 50%
Police Patrol	78% to 80%
Police Command	53% to 56%
TOTAL MUNICIPALITY	58% to 64%

Normal Cost	Current Employer Contribution
\$668,016	\$2,508,720

