



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

October 23, 2019

**Split Waiver Application Results:
Determination of Underfunded Status and
Need for a Corrective Action Plan**

Fiscal Year: 2018

Municipality Code: 160100

Sent Via Email

Cheboygan County Road Commission
clerk@chcrc.com

Dear Administrative Officer or Designee:

Thank you for submitting your retirement waiver application(s) pursuant to Public Act 202 of 2017 (the Act). **Based upon review, the following waiver application(s) has been approved:**

Plan name:

OPEB - Cheboygan County Road Commission

The state treasurer has determined the underfunded status is adequately being addressed by your local government.

However, **your waiver application(s) has been disapproved** for the following plan(s):

Plan name and reason for disapproval:

Municipal Employees Retirement System

- Your municipality failed to show improvement from the previous fiscal year by an increase in funded ratio and/or a decrease in the ADC over governmental revenue ratio.
- The fiscal year listed in Section 5 of the waiver application is significantly into the future or is to be determined, indicating prospective information will need to be monitored through a corrective action plan.
- Your municipality's unfunded liability represents a significant portion of annual revenues and/or the outstanding unfunded liability remains significant.

As a result, your local government is determined to be in underfunded status as defined by Section 3 of the Act.

How to Apply for a Corrective Action Plan

In accordance with the Act, you must create a corrective action plan **for each underfunded system**. The attached corrective action plan form has a cover sheet with detailed instructions on how to complete the corrective action plan. The completed corrective action plan is due back to the Department of Treasury (Treasury) **within 180 days of this notification** via email to LocalRetirementReporting@Michigan.gov.

- ❖ If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

The Board has approved their Best Practices and Corrective Action Plan Criteria, which includes detailed corrective action plan approval criteria regarding funding ratios, underfunded status, affordability, and legality. Please review the Board's criteria and complete a corrective action plan(s).

If you have multiple underfunded retirement systems, you are required to complete a separate corrective action plan application for each system and send a separate email for each system. Please attach each application as a separate PDF document in addition to all applicable supporting documentation. The subject line of the email should be in the following format: **Corrective Action Plan-20XX, Local Government Name** (e.g. Corrective Action Plan-2018, City of Lansing). Treasury will send an automatic reply acknowledging receipt of the email. Treasury will also provide the corrective action plan to the Municipal Stability Board (the Board) for their review.

Next Steps:

- Once your corrective action plan(s) is submitted, the Board will officially receive your plan at their next scheduled meeting;
- The Board shall then approve or disapprove a corrective action plan(s) within 45 days after it is received.

Thank you for your commitment to fiscal stability and compliance with the requirements of the Act. If you have any questions, please visit Michigan.gov/LocalRetirementReporting for step-by-step reporting instructions and helpful FAQs, or email our office at LocalRetirementReporting@michigan.gov. If you would prefer to speak with a member of our team, please schedule a phone call appointment using the Local Retirement Calendar. A team member will contact you via the phone number you provide at your scheduled time.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team