

Georgetown Charter Township Water/Sewer Committee Minutes

November 1, 2006

Present: Carlton, Mohr & Sterk (Members)

Retirement Health Care Actuary Results

The committee reviewed the results of the actuary for the cost of retirement health care. The committee recommends the Township Board approve the following.

- Amending the 2006 General fund budget from fund balance to fully fund the amount required to meet the estimated present value of accrued liability. (See attached estimate)
- Authorizing a retirement health savings plan for employees to contribute for the cost of health care during retirement.
- Offering a voluntary buyout based on the actuary's estimate of the present value of the future benefit based on the following schedule.
 - 100 % for employees with at least 15 years of service as of 12/31/06 and retirees.
 - 66% for employees with at least 10 years of service as of 12/31/06.
 - 33% for employees with at least 5 years of service as of 12/31/06.
 - 16% for employees with less than 5 years of service as of 12/31/06.
 - Employees would have until 12/31/06 to accept the voluntary buyout.
 - The minimum buyout would be \$500.
 - Retirees would have until 12/31/06 to accept and until 2/28/07 to drop the health insurance plan. Any premiums paid for January or February would be deducted from the actuary's estimate.

Sewer man-hole repairs

The committee reviewed the need that several man-holes may need to be repaired. The committee recommends making the repairs as necessary.

Baldwin St Improvements

The committee recommends the following items to the Township Board.

- Participating up to the amount \$500,000 to the Ottawa County Road Commission provided
 - Concrete is used in the road-way.
 - The county waives all inspection fees for the Township.
- Approving Decorative Street Lighting up to the amount \$200,000.
- Approving Installation of Underground utilities up to the amount of \$320,00

GEORGETOWN TOWNSHIP

ANNUAL REQUIRED CONTRIBUTION

	Group B	Group C	Group G	Total
1. Present value of projected benefits				
a. Retired participants and beneficiaries	400,485	0	0	400,485
b. Active participants	624,892	317,308	26,624	968,824
c. Total	1,025,377	317,308	26,624	1,369,309
2. Present value future normal cost	64,113	217,944	22,821	304,878
3. Projected unit credit accrued liability	961,264	99,364	3,803	1,064,431
4. Fair value of plan assets	300,000	0	0	300,000
5. Unfunded accumulated post-retirement benefit obligation	661,264	99,364	3,803	764,431
6. Normal cost as of December 31, 2005	13,704	14,000	950	28,654
7. 15-year amortization of unfunded liability	64,232	9,652	369	74,253
8. Annual Required Contribution, (ARC), (6)+(7)	77,936	23,652	1,319	102,907

GEORGETOWN TOWNSHIP

Assumptions

Discount: 6.00%

Mortality: RP 2000 combined healthy (sex-distinct) mortality

Retirement		Turnover		Monthly Benefits	
Age	Rate	Age	Rate	Medical	Single
55	10%	25	4.89%		
56	11%	30	3.70%	Pre - 65	\$407.07
57	11%	35	2.35%		
58	12%	40	1.13%	65 and over	\$407.07
59	14%	45	0.27%		
60	17%	50	0.00%	Self-pay	None
61	23%				
62	30%			Inflation	
63	32%			Initial rate	11%
64	36%			Ultimate rate	5%
65	100%			Year of ultimate rate	2012