

# CITY OF OTSEGO

Otsego MI 49078

269-692-3391

269-692-2643 (F)

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Commissioner .

the following Resolution and moved for its adoption, supported by

## CITY OF OTSEGO ALLEGAN COUNTY, MICHIGAN

### RESOLUTION NO. 2023-07

#### REQUEST THAT LEGISLATURE/GOVERNOR INCLUDE FUNDING IN THE 2023 BUDGET FOR COMMUNITIES FOLLOWING PENSION BEST PRACTICES ESTABLISHED BY THE STATE

WHEREAS, The City of Otsego has taken difficult steps to avoid creating a pension program, due to high uncontrollable costs, this was a hardship on current employees and attracting future employees; and

WHEREAS, The City of Otsego does not offer a pension program, however it recommends following best practices established by the State of Michigan which kept many financially responsible governmental units operationally viable in the face of enormous financial pressure; and

WHEREAS, HB 5054 of 2022 would have divided \$250 million between financially responsible governmental units, that made the tough decisions and followed those best practices; and

WHEREAS, financially responsible governmental units are ineligible for \$750 million in pension relief allocated by the State in 2022 despite experiencing the same pension-related financial stresses as those who will receive that relief; and

WHEREAS, these stresses have been amplified by market losses in 2022 and a volatile market in 2023; and

WHEREAS, this \$250 million would have immeasurable impact on responsible municipalities' ability to address their pension liabilities, maintain employment levels, and provide the services their taxpayers depend upon; and

WHEREAS, both the \$750 million allocated and the \$250 million requested here had broad, bipartisan support in the House a year ago; and

WHEREAS, HB 5054 created an equitable balance between those with pensions the House considered substantially underfunded and those who had followed best practices to achieve a higher funding ratio; and

WHEREAS, unallocated revenues are available to the State in 2023 to again make this pension assistance equitable by helping those communities struggling with pension costs, but ineligible for the \$750 million;

THEREFORE, BE IT RESOLVED THAT, The City of Otsego asks the State of Michigan Legislature and Governor's Office to revisit HB 5054; and

BE IT FURTHER RESOLVED, that the Legislature and Governor give bipartisan support to the inclusion of the \$250 million in the 2023 State budget to be divided between communities that meet the best practices required in that Bill.

YEAS: Commissioners:


NAYS: Commissioners:

ABSTAIN: Commissioners:

ABSENT: Commissioners:

RESOLUTION DECLARED ADOPTED.

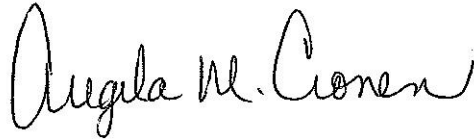
Dated: April 17, 2023



Angela M. Cronen, City Clerk

CERTIFICATE

I, Angela M. Cronen, the duly appointed clerk of the City of Otsego do hereby certify the foregoing is a true and complete copy of a resolution adopted by the Otsego City Commission at a regular meeting held Monday, April 17, 2023, in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, the minutes of the meeting were kept and will be or have been made available as required by said Act.



Attest:

Angela M. Cronen, City Clerk