White Lake Township

Memo

To: White Lake Twp. Board of Trustees

From: Mike Roman

Date: May 20, 2025

Re: 2025 OPEB Employer Contributions

In 2024 the Board budgeted for the following OPEB (Other Post Employment Benefits) employer contributions from the General, Water and Building Departments for retiree health care benefits: Rather than use Public Safety funds this year, I am asking the board to allocate $200,000 from Current tax interest income towards the employer contribution this year.

Fund/Department	Amount
General Fund	135,000
Current tax interest	200,000
Water Dept.	70,000
Building Dept.	50,000
Total Contribution	**455,000**

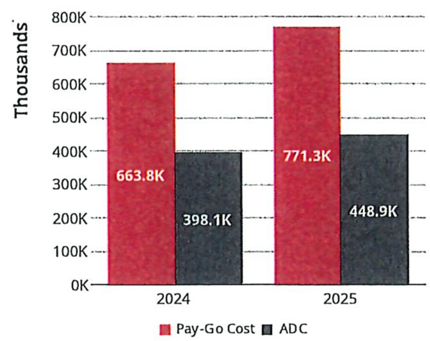
I recommend the Board to authorize the Treasurer to transfer the funds to the OPEB investment fund. Note, the actuarial determined contribution for 2025 is $448,868.

Actuarially Determined Contributions

Charter Township of White Lake GASB 74/75 Valuation For Fiscal Year Ending December 31, 2024

		FY 2024		FY 2025
Discount rate (Funding)		7.00%		6.93%
Payroll growth factor used for amortization		N/A		N/A
Actuarial cost method		Entry Age Normal Level % of Salary		Entry Age Normal Level % of Salary
Amortization type		Level Dollar		Level Dollar
Amortization period (years)		24		23
Actuarial Accrued Liability (AAL) - beginning of year	$	11,603,917	$	13,579,672
Actuarial Value of Assets (AVA) - beginning of year		(8,696,500)		(10,020,736)
Unfunded AAL - beginning of year	$	2,907,417	$	3,558,936
Normal Cost	$	135,167	$	126,274
Amortization of Unfunded AAL		236,911		293,503
Total normal cost plus amortization	$	372,078	$	419,777
Interest to end of year		26,045		29,091
Actuarially Determined Contribution - Preliminary	$	398,123	$	448,868
Expected Benefit Payments		663,838		771,305
Actuarially Determined Contribution - Final	$	**398,123**	$	**448,868**

Cash Vs Accrual Accounting



Actuarially Determined Contribution (ADC) is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. This is typically higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

* The FY 2025 ADC is updated to follow the amortization period and not required to be at least the expected benefit payments. The contributions are assumed payable at the end of the fiscal year.