



BOARD MONTHLY MEETING
Thursday, March 12th, 2026
9:30 a.m.
ADVISORY COUNCIL TO FOLLOW
Kent District Library Service Center
814 West River Center Drive NE, Comstock Park, MI 49321

1. CALL TO ORDER AND ROLL CALL

- a. Introduce New Members

2. APPROVAL OF AGENDA

(m) PAGES 1-2

3. PUBLIC COMMENTS

4. APPROVAL OF MINUTES

- a. February 12th 2026, Unofficial Board Minutes

(m) PAGE 3

5. FINANCIAL REPORT

- a. February Financials and Check Registers

(m) PAGE 4-9

6. PRESIDENT'S REPORT

(i)

7. COOPERATIVE DIRECTOR'S REPORT

(i) PAGES 10-14

8. COUNCIL/COMMITTEE REPORTS

- a. Advisory Council Official Minutes, November 13th, 2025

(f) PAGES 15-16

9. ONGOING/NEW BUSINESS

- a. Delivery Proposal Review and Discussion
- b. MERS Carve-out/Vesting Discussion on approving the attached revised MERS DB Adoption Agreement to carve out Drivers employees into a new division with a 5-yr vesting.
- c. Amended adjusted expenses for 2025-2026 Operating Budget as presented in the Delivery Proposal.

(m) PAGES 17-30

(m) PAGES 31-38

(m) PAGE 25 etc.

10. PUBLIC COMMENTS

11. BOARD MEMBER COMMENTS

12. NEXT MEETING: April 9th, 2026 at the Kent District Library Service Center

13. ADJOURNMENT

**LAKELAND LIBRARY COOPERATIVE
BOARD MINUTES – Unofficial
Thursday, February 12, 2026 at 9:30 a.m.
Kent District Library Service Center**

Present: John McNaughton (GRPL), Ron Suszek (MADL), Diane Kooiker (HDL), Matt Lubbers-Moore (SF), Rob Bristow (OG), Abby Black (OA), Lance Werner (KDL), Carol Dawe (LLC), Maggie McKeithan (OS)

Lakeland Staff Present: Amber McLain, Ann Langlois

Absent: None

- 1) **CALL TO ORDER AND ROLL CALL:** The meeting was called to order at 9:30 AM. by John McNaughton.
- 2) **APPROVAL OF AGENDA:** Lance Werner moved, supported by Ron Suszek, to approve the agenda as presented - *motion carried*.
- 3) **PUBLIC COMMENTS:** There were no public comments.
- 4) **APPROVAL OF MINUTES:** Lance Werner moved, supported by Rob Bristow, to approve the board minutes from January 8, 2026 – *motion carried*.
- 5) **FINANCIAL REPORT:**
 - a) January Financials and Check Register: Lance Werner moved, supported by Abby Black, to approve the January Financials as presented - *motion carried*.
- 6) **PRESIDENT'S REPORT**
 - a) John McNaughton had nothing to report.
- 7) **DIRECTOR'S REPORT**
 - a) Carol announced that the Suburban Library Cooperative has found a new director that will be starting in early March. Carol shared that the ILS Eval Committee is moving forward with the process, headed by Ann Langlois, in looking at a new ILS. She also shared that the Library Cooperatives of Michigan is putting a program on regarding the paths, barriers, and benefits of being a District Library. A millage workshop is also upcoming.
- 8) **COUNCIL/COMMITEE REPORTS**
 - a) Advisory Council Minutes from November 13, 2025 included for information.
- 9) **ONGOING/NEW BUSINESS:**
 - a) *Strategic Plan Update* – Lance Werner moved, supported by Abby Black, to approve the quarterly strategic plan updated – *motion carried*. Discussion ensued about expanding the strategic plan to include the new ILS process (IF we decide to move forward) as well as sustainability.
 - b) *Survey Discussion* – A discussion ensued regarding the survey process, what the board would like to see from the process, etc. For surveys, things like having concrete goals for what the data will be used for, keeping in mind that the results are not necessarily encompass someone's full experience with Lakeland, it may be colored by a singular experience.
- 10) **PUBLIC COMMENTS:**
 - a) None.
- 11) **BOARD MEMBER COMMENTS:**
 - a) A sort celebration of the day getting longer ensued.
- 12) **NEXT MEETING:** Thursday, March 12, 2026, at 9:30 a.m. at Kent District Library Service Center.
- 13) **ADJOURNMENT:** Lance Werner moved, supported by Abby Black to adjourn at 9:50 - *motion carried*.

Respectfully submitted by,
Amber McLain

Lakeland Library Cooperative
Operating Fund Balance Sheet
As of February 28, 2026

ASSETS

Current Assets

Checking/Savings

001 · Checking Accounts	120,125
002 · Savings Accounts	250,373

Total Checking/Savings	370,498
-------------------------------	---------

Accounts Receivable	14,242
---------------------	--------

Other Current Assets

084 · Due from Other Funds	74,429
123 · Prepaid Expenses	74,938

Total Other Current Assets	149,367
-----------------------------------	---------

Total Current Assets	534,107
-----------------------------	---------

Fixed Assets	508,367
---------------------	---------

TOTAL ASSETS	\$ 1,042,474
---------------------	---------------------

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable	8,016
------------------	-------

Other Current Liabilities

231 · Payroll Liabilities	545
237 · Benefit Liabilities	1,982

Total Other Current Liabilities	2,527
--	-------

Total Current Liabilities	10,543
----------------------------------	--------

Total Liabilities	\$ 10,543
--------------------------	------------------

Equity

370 · Nonspendable Funds	93,634
--------------------------	--------

371 · Property	508,367
----------------	---------

390 · Unassigned Funds	887,088
------------------------	---------

399 · Net Position - Unrestricted	(1,298)
-----------------------------------	---------

Net Income	(455,859)
------------	-----------

Total Equity	\$ 1,031,932
---------------------	---------------------

TOTAL LIABILITIES & EQUITY	\$ 1,042,474
---------------------------------------	---------------------

Lakeland Library Cooperative
Operating Budget vs. Actual
October 2025 through February 2026

	YTD	Budget	%
Income			
566 · State Aid Revenue	-	758,051	0.0%
630 · Service Revenue	441,440	882,879	50.0%
665 · Interest Revenue	9,339	15,000	62.3%
672 · Other Revenue	-	100	0.0%
Total Income	\$ 450,779	\$ 1,656,030	27.2%
Expense			
702 · Salaries & Wages	299,942	803,860	37.3%
710 · Benefits	64,988	125,720	51.7%
719 · Mileage	990	3,450	28.7%
720 · Professional Development	1,468	8,000	18.4%
726 · Supplies	1,377	3,840	35.9%
801 · Professional Services	21,570	74,650	28.9%
810 · Insurance	21,414	18,595	115.2%
817 · ILS & IT Expenses	344,947	385,371	89.5%
831 · RIDES	-	9,410	0.0%
860 · Delivery Expenses	19,712	60,255	32.7%
880 · Member Development	1,034	6,000	17.2%
920 · Facility Expenses	16,711	38,895	43.0%
Total Expense	\$ 794,153	\$ 1,538,046	51.6%
Net Ordinary Income	\$ (343,375)	\$ 117,984	-291.0%
Other Income/Expense			
690 · Other Financing Sources	5,500	-	0.0%
Total Other Income	5,500	-	0.0%
990 · DS-SBITA (Bibliocore)	117,984	117,984	100.0%
Total Other Expense	117,984	117,984	100.0%
Net Other Income	\$ (112,484)	\$ (117,984)	95.3%
Net Income	\$ (455,859)	\$ -	100.0%

Lakeland Library Cooperative
Operating Checks for the Month
As of February 28, 2026

6

Date	Name	Memo	Account	Amount
001.01 - Main Checking-Sweep Acct				
02/09/2026	MERS	Pension	Benefits	3,768.97
02/09/2026	State of Michigan--Vendor		Payroll Liabilities	2,037.07
02/09/2026	Backstage Library Works		Authority Control	300.10
02/09/2026	Coverall - New Dreams, Inc.	Janitorial service	Facilities Contracts	170.00
02/09/2026	Dawe, Carol - vendor		Mileage	137.75
02/09/2026	Langlois, Ann - Vendor		Mileage	11.60
02/09/2026	Smith, Tisha-Vendor	Mileage and postage	-Split-	16.22
02/09/2026	Wolverine Power Systems, Inc.	Generator Maintenance	Facilities Contracts	285.75
02/10/2026	MERS 457/DC		Payroll Liabilities	374.26
02/10/2026	MERS 457/DC		Payroll Liabilities	1,858.93
02/10/2026	Payroll		-Split-	18,382.67
02/10/2026	United States Treasury		Payroll Liabilities	6,343.83
02/10/2026	Berger Chevrolet		Vehicle Repairs/Maintenance	249.95
02/10/2026	Comcast-Data Lines	Data Lines	IT Operations	575.00
02/10/2026	Consumers Energy		Utilities	452.57
02/10/2026	Flyers Energy		Vehicle Fuel	729.79
02/10/2026	Granger	Waste services	Facilities Contracts	55.62
02/10/2026	Healthiest You	Telehealth	Benefits	38.25
02/18/2026	Evergreen Lawn Care	Grounds Maintenance	Facilities Contracts	4,224.17
02/18/2026	Garbarino Construction LLC		Building Repairs/Maintenance	750.00
02/18/2026	Printing Productions Ink	Delivery supplies	Supplies	149.64
02/18/2026	West Michigan Door		Building Repairs/Maintenance	275.00
02/19/2026	Aflac		Payroll Liabilities	194.56
02/19/2026	Amazon		Supplies	80.50
02/19/2026	BCBS	Health Insurance	Benefits	3,392.05
02/19/2026	BCN	Health Insurance	Benefits	8,501.98
02/19/2026	Berger Chevrolet		Vehicle Repairs/Maintenance	248.45
02/19/2026	Cintas	Floor Mats	Facilities Contracts	128.73
02/19/2026	Delta Dental	Dental/Vision Insurance	Benefits	421.10
02/19/2026	DTE Energy		Utilities	467.65
02/19/2026	DTE Energy		Utilities	64.01
02/19/2026	First National Bank	IT, phones, training, fees	-Split-	3,310.72
02/19/2026	MiDEAL		Memberships	180.00
02/19/2026	SS Power Wash		Vehicle Repairs/Maintenance	90.00
02/19/2026	Standard Insurance - MERS group	LTD/Life Insurance	Benefits	274.80
02/23/2026	Heimler Consulting	IT	Consulting	8,160.00
02/23/2026	Grand Rapids Income Tax Dept.		Payroll Liabilities	118.14
02/23/2026	Walker City Treasurer		Payroll Liabilities	243.97
02/24/2026	Payroll		-Split-	18,982.04
02/24/2026	United States Treasury		Payroll Liabilities	6,462.40
			TOTAL	92,508.24

Lakeland Library Cooperative
Pass Through & Capital Funds Balance Sheet
As of February 28, 2026

	Pass Through	Capital
ASSETS		
Current Assets		
Checking/Savings		
001 · Checking Accounts		
001.1 · Fund - Checking	32,241	8,514
001.3 · eCommerce - Checking	8,191	
Total 001 · Checking Accounts	40,431	8,514
002 · Savings Accounts		72,060
Total Checking/Savings	40,431	80,574
Accounts Receivable	2,471	
Total Current Assets	42,903	80,574
TOTAL ASSETS	\$ 42,903	\$ 80,574
 LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
214 · Due To Other Funds	40,000	34,429
Total Other Current Liabilities	40,000	34,429
Total Current Liabilities	40,000	34,429
Total Liabilities	\$ 40,000	\$ 34,429
 Equity		
390 · Unassigned Funds		15,675
399 · Net Position - Unrestricted		29,195
Net Income	2,903	1,275
Total Equity	\$ 2,903	\$ 46,145
TOTAL LIABILITIES & EQUITY	\$ 42,903	\$ 80,574

Lakeland Library Cooperative
Pass Through & Capital Budget vs. Actual
 October 2025 through February 2026

	Pass Through			Capital & Growth		
	YTD	Budget	%	YTD	Budget	%
Income						
628 · Group Supply Revenue	3,132	10,700	29.3%			
629 · Group Collections	47,856	94,000	50.9%			
635 · Group Services	10,924	36,350	30.1%			
637 · Ecommerce Fines	13,718	28,000	49.0%			
665 · Interest Revenue				1,275	2,000	63.8%
672 · Other Revenue	547	1,750	31.3%			
Total Income	\$ 76,177	\$ 170,800	44.6%	1,275	2,000	63.8%
Expense						
728 · Library Supply Expense	3,132	10,700	29.3%			
729 · Collection Expenses	53,136	94,000	56.5%			
805 · Group Subscriptions	10,924	36,350	30.1%			
807 · Fines Paid	5,535	28,000	19.8%			
880 · Member Development	-	1,000	0.0%			
969 · Other Services	547	750	72.9%			
970 · Capital Outlay						
971 · Building/Grounds Improvements				-	7,500	0.0%
975 · Technology				-	15,000	0.0%
980 · Vehicles				-	-	0.0%
Total 970 · Capital Outlay	-	-	0.0%	-	22,500	0.0%
Total Expense	\$ 73,274	\$ 170,800	42.9%	\$ -	\$ 22,500	0.0%
Net Ordinary Income	\$ 2,903	\$ -	100.0%	\$ 1,275	\$ (20,500)	-6.2%
Other Income						
699 · Fund Balance Transfers In				-	20,500	0.0%
Total Other Income	-	-	0.0%	-	20,500	0.0%
Net Income	\$ 2,903	\$ -	100.0%	\$ 1,275	\$ -	100.0%

Lakeland Library Cooperative
Pass Through & Capital - Monthly Checks
 As of February 28, 2026

Date	Name	Memo	Account	Amount
001 · Checking Accounts				
001.1 · Fund - Checking				
001.11 · Checking - Pass Through				
02/04/2026	ID Label, Inc.	Barcodes	Library Supplies	2,004.21
02/09/2026	Library Ideas, LLC	VOX books	Other Collections	455.46
02/19/2026	OverDrive	audio and ebooks	Group Collections	5,261.20
02/23/2026	Library Ideas, LLC	Vox books	Other Collections	342.02
Total 001.11 · Checking - Pass Through				<u>8,062.89</u>
001.12 · Checking - Capital				
Total 001.12 · Checking - Capital				<u>0.00</u>
Total 001.1 · Fund - Checking				<u>8,062.89</u>
001.3 · eCommerce - Checking				
Total 001.3 · eCommerce - Checking				<u>0.00</u>
TOTAL				<u><u>8,062.89</u></u>



LAKELAND LIBRARY COOPERATIVE

LEADING • LEARNING • LENDING

COOPERATIVE DIRECTOR'S REPORT March 5, 2026

We wish Diane Kooiker the best of luck as she retires from Herrick District Library and we wish Ron Suszek congratulations as he becomes the new director at Herrick. We thank them for their service and offer our best wishes as they start their new chapters!

Terry Cross has announced his retirement effective April 30th. His 16 years of service have provided the Cooperative with exceptional delivery, strong departmental leadership, and a building that is expertly maintained. We wish him the best as this new chapter unfolds and new adventures await! Thank you, Terry for your service, collaboration and leadership.

With every change, there is opportunity. There is a detailed proposal in the board packet addressing options that insure continued reliable delivery and a path toward improving and enhancing our shared integrated library system and long-term sustainability for the cooperative overall. The board president and treasurer have been involved in this process. The delivery staff was made aware of the possible changes yesterday (3/4). All of this is explained in my narrative.

I briefly discussed this with Advisory Council Leadership today (3/5). Once the board makes their decision on Thursday, we can discuss this in detail at the next Advisory Council Meeting on April 9th, 2026.

Agenda Items:

Board: Three motions regarding the delivery proposal are explained in the narrative and included on the Board agenda.

The Advisory agenda will provide discussion for Summer Reading Planning, Networking Opportunities and gauging interest in a bus for ALA this summer.

I have been quite busy with the above issue. My LLC colleagues continue to do the important work for all of you. I am in awe of their professionalism, enthusiasm and expertise.

Two additional items of note:

1. March 9th is the District Library Workshop for Trustees and Directors: You can still sign up here:
<https://woodlands.zoom.us/meeting/register/mtXfpsBiRHqDUuJMR97RQw#/registration>

2. The Lakeland Team is still looking at the Survey results but due to staffing issues, we will have more to report in April and May.

Manager/Specialist Reports:

Cataloging Services Manager - Jeff Lezman

February 2026 activities

E-mail & telephone consulting contacts: 47

Sierra records manually edited: 655

Hoopla records added to Sierra: 15

Thanks to the efforts of both Allison VanDenBos-Hipskind and Nicki Johnson we continue to make good progress in reducing our backlog of cataloging from December and January.

January 2026 Statistics

The statistics for January 2026 show an increase in the number of cataloging requests we received, with a decrease in the number of records cataloged compared to January of last year.

The number of requests received to be cataloged in January was up by 16% compared to January 2025. The number of requests received that were already in the database decreased by 30%.

The number of records copy-cataloged in January was equal to January 2025, while the number of original records cataloged decreased by 43%. The total number of records cataloged was down by 10% compared to January 2025.

Cataloging	January 2026	YTD	January 2025	YTD	Monthly %	YTD PCT
Requests Received	1484	5984	1282	6081	16%	-2%
Requests already in database	110	269	157	491	-30%	-45%

Requests to be cataloged	1374	5715	1125	5590	22%	2%
Copy Cataloging	1313	4272	1313	4876	0%	-12%
Original Cataloging	230	828	402	1287	-43%	-36%
Total Cataloged	1543	5100	1715	6163	-10%	-17%

Cataloging Center Statistics

These statistics show the number of bibliographic records cataloged monthly by Lakeland and the other Cataloging Centers (Hackley, Herrick, Loutit, and MADL). The chart shows how the workload of cataloging is becoming more equitably distributed among all of the Cataloging Centers.

Month	Total	Lakeland Cataloging	Other Cataloging Centers
January	2644	1421	1223
Total	2644	1421	1223

Delivery & Facility Manager - Terry Cross

February 2026 – Number of Bags & Bins Loaded Daily on the Trucks at Lakeland

	February – 2026	February – 2025	Difference	% Change
Total Book Bags & Bins	2,822	2,716	106	3%

In February, there were 2,822 book bags and bins sorted, loaded, and delivered to member libraries. This represents a 3% increase as compared to the 2,716 bags and bins that were sorted and delivered in February of the prior year.

MelCat/Rides Statistics

	# Of Incoming Bins Received from Rides Courier			# Of Outgoing Bins Received from Member Libraries		
	February 2026	February 2025	Difference	February 2026	February 2025	Difference
# Of Bins	176	145	31	204	161	43

In addition to the book bags and bins that were received from member libraries, there were 176 MelCat bins that were received and sorted in February 2026. This was an increase of 31 bins as compared to the 145 bins that were received in February 2025. Also in February 2026, 204 bins were sent out, which was 43 more than the 161 bins that were sent out in February 2025.

An oil change was done on Truck # 37. No other truck repairs were performed in February. All trucks are currently up to date with their preventative maintenance schedules and are in good operating condition.

A driver successfully passed the annual DOT re-certification examination and received the Medical Examiner's Certificate. All staff members currently operating trucks are up to date with the required DOT requirements.

The Summary of Work-Related Injuries and Illnesses Form MIOSHA-300A was posted on February 1. There were no work-related injuries at Lakeland during the 2025 calendar year.

Digital Services Specialist – Nicki Johnson

Vendor Contacts: 7 Member Contacts: 10 Tickets: 40

On March 3, I attended the Digital Lenders Forum online. Though made up mostly of academic libraries, it was interesting to hear other libraries discuss their thoughts on digital books and the future of lending.

BookPage renewal is ongoing. I presented to all libraries, not just current subscribers, and we have three new libraries joining the group! Responses are due by March 20.

Vox Books continue to trickle in. They are being shipped to libraries as soon as we receive them at Lakeland.

Finance & HR Assistant - Janet Cornell

Janet has been so busy helping me with these proposals that she will skip her report this month!

ILS Manager – Ann Langlois

February email, Zoom, and phone consults: member libraries: 44; vendors: 7

February help tickets opened: 211

February help tickets closed: 193

Sierra upgrade to 6.5 has been scheduled for March 18 at 9 p.m.: please make sure all staff log out before 9 p.m. this date. Innovative has said that this upgrade should mitigate the slowness in checking out while using Biblioapp. Some new features include the ability to open and edit a patron record from an item record. The look of it will change slightly with updated product branding, refreshed login screens, and revised color palettes for both the Glacier Point and Half Dome themes. There is improved screen-reader support, clearer focus indicators, updated color contrast, and additional enhancements aligned with accessibility guidelines.

Removing Dynix date from item records: I am going to remove old Dynix dates from item records as part of cleaning up the ILS.

Change in GRPL/KDL/LLC patron lookup tool password: GRPL is updating some security procedures and in agreement with LLC, will be changing the password twice a year going forward, at the beginning of March and September. [Here's the link](#) to the tool that can be used to look up GRPL, KDL, and LLC patrons to see if they're in good standing.

Pennies: at the last meeting, the vote on a policy of pennies and rounding up/down was tabled after discussion. It will be up to each library how they deal with pennies at their location.

Inventory: this month the inventory project is due to be completed. Phew, a year went by fast! Thanks to everyone for the work on this.

Member Services Manager – Amber McLain

Email/Phone Consults with Libraries: 41

Email/Phone Consults with Vendors: 14

BiblioCommons

BiblioCommons continues to function as usual.

BiblioSuggest

BiblioSuggest continues to function as usual. I have sent out February's patron suggestions from the LLC Parent catalogs to the affected libraries.

BiblioApp

BiblioApp continues to function as usual. We have been told that the next Sierra update should (knock on wood) fix the connectivity timeout that users experience during the self-checkout process.

Patron Point

Patron Point continues to function as usual, bar a few isolated issues that I am working directly with their support team to resolve.

Number of Applications in December 2025: 767

Number of Auto-Renews in December 2025: 3009

Website

I am continuing to work on the Lakeland website with a focus on structure, usability, and accessibility to meet WCAG 2.1 AA guidelines.

For accessibility, my current process is to do a multi-tier approach.

- First, I run the WAVE extension and address the issues it brings up. I do this one first because it tends to be the pickiest in my experience, so if I fix the things it nitpicks, the next resources will have fewer things to catch.
 - <https://wsc.us.org/tool-wave>
- Next, I run Google Chrome's native accessibility checker, called Lighthouse, which can check both the desktop and mobile versions of pages.
 - <https://wsc.us.org/tool-lighthouse>
- Finally, I run Axe DevTools to catch anything the first two didn't catch. There is a paid version of this extension, but the free version will scan for WCAG 2.1 AA errors and best practices.
 - <https://wsc.us.org/tool-axe>
- Then I also do a tab test to make sure that every link on the page is able to be reached by tabbing through the website.
 - <https://webaim.org/techniques/keyboard/>
- And I also do a screen reader test.
 - https://webaim.org/articles/screenreader_testing/

Respectfully submitted,

Carol Dawe

**LAKELAND LIBRARY COOPERATIVE
ADVISORY COUNCIL MINUTES – Unofficial
Thursday, January 8, 2025 at 9:30 a.m.
At the KDL Service Center**

Council Members Present: Elyshia Hoekstra (OC), Stef Reed (MG), Joe Zappacosta (SM), Carol Dawe (LLC)

Lakeland Staff Present: Amber McLain (LLC), Ann Langlois (LLC)

- 1) **CALL TO ORDER AND ROLL CALL:** The meeting was called to order at time by **name**.
- 2) **APPROVAL OF AGENDA:** David Edelman moved, supported by Ellen Peters to approve the agenda - *motion carried*.
- 3) **PUBLIC COMMENTS:**
 - a) Virginia DeMumbrum shared that White Lake got a grant worth \$83k in conjunction with
- 4) **APPROVAL OF MINUTES:** John McNaughton moved, supported by Mary Cook, to approve the Advisory Council minutes from November 13, 2026 – *motion carried*.
- 5) **COUNCIL PRESIDENT REPORTS:** Nothing to report.
- 6) **BOARD REPORT:** Nothing to report.
- 7) **ILS MANAGER'S REPORT:** Ann shared that she is working on YTD rollover reports and will send an email when those reports are completed. Ann also shared that the ILS Evaluation group will be having a second demo this month. Ann will be presenting our Inventory Process at IUG. Please let her know when you are finished with Inventory. Also, our quarterly meeting is Thursday, 1/15.
- 8) **MEMBER SERVICE MANAGER'S REPORT:** Amber shared that the Reason For Outage (RFO) has not been posted for the BiblioCommons outages in December. She also shared that stats for Patron Point and BiblioApp will now be posted on the reports site monthly rather than being put into the directors report in the board packet.
- 9) **COOPERATIVE DIRECTOR'S REPORT:** Carol shared that she sent a sympathy card to the staff at the Library of MI. A survey has gone out regarding LLC services and satisfaction. Carol also nudged everyone to complete state aid.
- 10) **COMMITTEE REPORTS:**
 - a) None.
- 11) **OTHER REPORTS:**
 - a) Adult Services minutes included for information.
 - b) Circulation minutes included for information.
 - c) **MLA:** Meetings were cancelled over the holidays. Dale shared that the Republican majority house has decided to put together a Michigan "DOGE Committee." Dale also brought House Bill 5379 to our attention, regarding school districts and taxes.
- 12) **NEW AND ONGOING BUSINESS**
 - a) Outages Update
 - i) Sierra Outage – Essentially, it was a perfect storm of Innovative being understaffed due to the holiday, it being a weekend, and then trying to troubleshoot.
 - b) Continuing Education at your libraries
 - i) Ellen Peters from OL shared that the American Heart Association came in to train the staff on AEDs.
 - ii) Abby Black from OA shared that they do an in-service day offsite and cover different topics – things like customer response, active shooter training, AI in libraries. She also shared that Matt Laidlaw is a good resource for restorative practices, from Mindful Counseling GR.
 - iii) Maggie McKeithan from OS has the Pine Rest Employee Assistance Program that they pay into, and Pine Rest provides trainings, including de-escalation training.
 - iv) Amber from LLC shared that during de-escalation training, one of the most valuable things is what the team brings up as issues that the director may not know about.
 - v) Stef Reed from MG shared that they do in-service that is more collaborative – so discussions on policy or strategic planning as a team. They also shared that a facilities tour is helpful.

- vi) Joe Zappacosta from SM shared that their team did a DISC assessment.
- vii) Ann from LLC shared that in the past they have had a “what to do when” training with fire departments, policies and procedures, etc. Practical things.
- viii) Debby from OJ shared that she is doing an in-service soon and she’s going back to basics with shelf reading, and motivating with food.

13) **PUBLIC COMMENTS:**

- a) Stef Reed of MG asked about other libraries’ 3d printers and their policies.

14) **NEXT MEETING:** Thursday date, following the 9:30 a.m. Board Meeting at Kent District Library Service Center.

15) **ADJOURNMENT:** Abby Black moved, supported by name, to adjourn at time- *motion carried*.

Respectfully submitted by,
Amber McLain

Staffing and Delivery Proposal

March 4th 2026.

As I've mentioned in past meetings, we have some decisions to make about the future of Lakeland.

Terry Cross, our longtime Delivery and Facility Manager, announced his retirement on March 4th. He had shared this information with me approximately 10 months ago and we have been working together to come up with sustainable and equitable solutions that will continue to provide reliable and cost-effective delivery. He felt strongly about keeping his decision confidential until now but I am grateful that we had these many months to research, analyze and draft a proposal with multiple scenarios for the board.

Timing is important here. We didn't want to provide a window for a disruption of service due to some of the options described below. I have consulted with the board president and the treasurer in the past several months and they have reviewed these options. There simply wasn't the opportunity for full committee reviews while maintaining confidentiality. I spoke with the drivers and sorters about future on March 4th so that no one is blindsided. As always, Ron and Jeff have been exemplary in their actions, attitudes and work ethic. We are so fortunate to have these gentlemen represent us daily. The sorters praised Terry's leadership and are open to changes and new opportunities.

I am asking the board to choose an option to either outsource or keep delivery in house so we can move forward prior to Terry's departure on April 30th. As you read below, I am providing information so that you can make informed decisions about delivery and the best way to provide a sustainable future for the cooperative. I am not asking the board to decide on a new ILS but in order to provide you with a variety of options, the ILS needs, estimated costs, and options also need to be considered.

1. Options for your consideration:

- i. Keep delivery (drivers and vehicles) in-house. Maintain the current status of drivers, sorters, and a delivery facility manager. The biggest concern with this scenario is sustainability. It is my experience that most new employees are not only searching for salary and work-life balance but also health insurance.

1. Replacing the Delivery and Facility Manager:

- a. A replacement salary may be lower than the current pay of \$70,800 but we will have to budget for family health insurance, which is about \$20,000-26,000 a year depending on age and spouse and or children. This new hire would have to act as a substitute driver as well as manager of the building and delivery.

2. Drivers:

- a. One driver has stated he will retire after he is vested in February 2027. The other driver may follow suit in February 2028.
- b. At present neither driver takes our medical insurance. One driver does utilize our dental and vision option but that is a minimal cost for the cooperative.
- c. Due to hiring trends, it is most likely that whomever we hire as drivers will want both individual or family health insurance. I

do not believe this is financially sustainable to add \$12,000 (low end) \$50,000 (high end for family coverage for 2-3 employees) to our annual personnel costs.

- ii. Outsource drivers, eliminate our truck fleet, reduce the full-time Delivery and Facility Manager to a part-time role as Building Manager, promote or hire a sorter as Lead Sorter, and add additional sorter hours.
 - a. Current Drivers: A major concern is treating the current drivers fairly. One driver will be vested for retirement in 2/27 and the other in 2/28. They have been exemplary employees and this is a very difficult decision.
 - i. After consulting with MERS, we can provide a vested plan for the two drivers by moving them to their own pension division which would be limited to these two drivers and closed to new employees. We can move their vesting from 8 years to 5 which means upon board approval they would be vested as of April 30th, 2026. This would cost us a one-time fee of \$4,567. If we were to continue with their employment, the cost for their annual MERS contribution by Lakeland would be \$4,079. I think this is both fair and equitable.
 - 1. The board would need to vote on this change to our MERS plan. It is on the agenda.
 - b. Sorters and Building Manager: The scenarios included in this packet allow for increased sorting hours for a supervisor, sorters, and a 25 hour a week building manager. We budgeted for probably more than we needed but we didn't want to end up short either. Staffing costs would go down even with additional sorter hours and a part-time building manager and there would not be increased liability for health benefits.
 - i. I have anticipated some questions about who will handle specific duties and hope this is helpful.
 - 1. Group purchases will be managed by Amber.
 - 2. Janet will take over some of the financial duties.
 - 3. The Lead Sorter will supervise the sorters and report to the Cooperative Director and then perhaps the building manager depending on what is best. At present, one sorter has taken the lead in this area already and is interested in this role which would provide more clarity and direction for the other sorters.
 - 4. We need to test assumptions and take this in steps to ensure the best service and outcomes.
 - c. Driver and Truck Outsourcing Options:

- i. Quotes were received from SameDay Delivery and Reliable Delivery. After careful review, we decided to only focus on SameDay. The cost was less and multiple references were excellent. KDL has used them for many years so they have library experience. Reliable Delivery did not. The specifics of the services provided and the attention to detail from SameDay was far superior.
 - ii. **The attached quote** shows what outsourcing would cost in year one (for the last 5 months) and then annually (May to April) for 4 additional years at one fixed price. There was quite a bit of negotiation involved and I do think this is the best scenario. Having fixed pricing for 4 years provides us with financial security even with oil pricing, staffing, and state aid in flux. The reason for the jump from year 1 to years 2-4 is because year one pricing is from a quote last year. I stood firm for this pricing because it keeps our costs more manageable at the beginning. If we were to have gone with their other quote, we would have been paying more by year 3. This provides stability long-term.
 - iii. SameDay may be able to purchase our trucks as well but that is a separate line item from the Fund Balance and doesn't impact the outsourcing option. It simply makes it an easier transition. Either way, trucks will be sold and no further trucks purchased which is both a savings and far less to manage and maintain.
 - iv. We would also eliminate health benefits for the drivers with this option and we would no longer have a full-time delivery manager.
2. General concerns and considerations:
- a. With any change there are risks and uncertainties.
 - i. SameDay assures us that they can make this transition work by May 1st with 6 weeks' notice.
 - ii. SameDay will hire drivers especially for Lakeland and provide replacement drivers for absents, vacations etc.
 - iii. Terry and our drivers will help train the new outsourced drivers, introduce them to the member libraries and their staffs and work toward a smooth transition.
 - iv. The same security and safety protocols will be followed.
 - v. SameDay will provide proof of insurance, bonding etc.
 - vi. Billing is monthly. Our sales manager, Dan, will also coordinate this project until we both sign off and feel that the drivers have been integrated into daily delivery with our member libraries. Terry will continue to serve

us well until May 1st but I will be the lead contact on this project.

- b. One factor that needs to be considered before we discuss specific costs is the prospect of a migrating to a new ILS.
 - i. LET ME BE CLEAR: The ILS Evaluation Committee has yet to make a recommendation to the Advisory Council or the Board. HOWEVER, they are getting close and the quotes received by two vendors are very encouraging. It is very clear to me that we can anticipate improved functionality, enhanced functionality, and significant cost savings. This is important because no matter which way we move forward with delivery, Lakeland's delivery costs will increase but I believe with foresight and planning we can not only improve services but keep costs down.
 - ii. If we move to a new ILS, we can anticipate going live in 2027 or early 2028. If we continue with Sierra, we would have a few years to plan for increased costs but that would most likely involve increases in operating fees for the member libraries and/or reduction in services.

3. Costs:

- a. Please note the following when reviewing the four scenarios.
 - i. All costs are estimates.
 - ii. This budget scenario only addresses Delivery (including staffing changes, health care, and other additions and outsourcing) and ILS costs. It doesn't address annual budget increases for all salaries, benefits, utilities and other line items.
 - iii. For the ILS quote, we took the lesser of the two quotes since at present it was also the first choice of the committee. Again, these are estimates but also an accurate reflection of what we can expect. This ILS scenario does not include Bibliocommons as our discovery layer since the committee has shown interest in going in a different direction.
 - iv. Our Bibliocommons contract has just begun its final year. We have not requested new costs as of yet.
 - v. The same is true with Sierra. We don't have new quotes. We are on a year-to-year contract with them at this time until we make a decision. This will be addressed by the committee and staff as needed.

4. Scenarios:

- a. Each of these has pros and cons.

- i. The Summary sheet is explained in the notes.
 - ii. Each scenario keeps current the current budget in mind and hopes to move us back to that number in 4-5 years. Again, these are estimated delivery and ILS costs.
 - iii. Each scenario has us using the fund balance to make sure that we keep costs in check and so that member libraries don't see an immediate cost increase except for the typical 5-8% annual increases.
 - iv. We did not factor in any increase in state aid.
- b. Four Options: (My recommendation is highlighted)
1. **Outsourcing Delivery and Selecting a new ILS: This is the most economical choice and the only option that keeps costs sustainable after 4 years. It also offers the most impact in terms of change, costs and uncertainty, but also provides us with a much better functioning ILS (regardless of what vendor is chosen.) In 5-years we recover almost all of our costs and have a sustainable cost model for the future.**
 2. Outsourcing Delivery and Keeping the same ILS: not as cost effective and would put a lot of pressure on the member libraries to pay more after year 4. It is also a significant change in terms of delivery but less change and uncertainty in regards to the ILS; there's no improvement in ILS functionality.
 3. In House Delivery with a new ILS: More expensive and less sustainable but with added functionality.
 4. In House Delivery with same ILS: More expensive and not sustainable with no new functionality.

This is a complex decision but I believe the option of outsourcing and moving forward as planned with the committee's consideration of an improved and cost-effective new ILS will serve the cooperative well for many years.

I look forward to our discussion.

Respectfully submitted,

Carol Dawe

LAKELAND LIBRARY COOPERATIVE

4138 Three MILE ROAD NW

GRAND RAPIDS, MI 49534-1134

VENDOR RESPONSE FORM-PAGE 1 of 2

Company Name: Same Day Delivery, Inc.

COST ESTIMATE

A. Estimated cost of Providing Full Service Contracted Delivery.

1). Cost of Providing Full-Service Contracted Delivery	Year #1 <u>\$264,079.00</u>
2). Cost of Providing Full-Service Contracted Delivery	Year #2 <u>\$288,753.58</u>
3). Cost of Providing Full-Service Contracted Delivery	Year #3 <u>\$288,753.58</u>
4). Cost of Providing Full-Service Contracted Delivery	Year #4 <u>\$288,753.58</u>
5. Cost of Providing Full-Service Contracted Delivery	Year #5 <u>\$288,753.58</u>

Five Year Cost of Full-Service Contracted Delivery Five Year Total

\$1,419,093.32

AVERAGE ANNUAL RATE 283,818.66

LAKELAND LIBRARY COOPERATIVE

4138 Three MILE ROAD NW

GRAND RAPIDS, MI 49534-1134

VENDOR RESPONSE FORM-PAGE 2 o 2

Projected Start Date: May 1, 2026

Contract Date to Accommodate Start Date: March 13, 2026

Billing Terms: Invoiced Monthly, 30 day net

Same Day Delivery, Inc.  _____ Date _____
Daniel Savage

Lakeland Library Cooperative _____ Date _____

LAKELAND LIBRARY COOPERATIVE
 Summary of Proposed Delivery and ILS Changes
 FY2026 through FY2029

DRAFT

Summary of Scenarios

	Outsource with		In House with		NOTES
	New ILS	Current ILS	New ILS	Current ILS	
Total Costs Per Year					1
Current FY2026	1,656,030	1,656,030	1,656,030	1,656,030	
Adjusted FY2026	1,656,030	1,656,030	1,687,283	1,687,283	
FY2027	1,656,030	1,670,357	1,741,345	1,775,672	
FY2028	1,656,030	1,682,203	1,824,688	1,800,331	
FY2029	1,656,030	1,693,853	1,758,907	1,818,620	
Beginning Fund Balance	\$ 930,660	\$ 930,660	\$ 930,660	\$ 930,660	*
Transfer to Operating Expenses	133,748	283,201	14,327		
Capital Outlay-ILS Migration	72,420		72,420		
Capital Outlay-Trucks			120,000	120,000	
Cash Sale of Trucks	(60,000)	(60,000)			
Total Use of Fund Balance	146,168	223,201	206,747	120,000	
Ending Fund Balance	\$ 784,492	\$ 707,459	\$ 723,913	\$ 810,660	

***May be adjusted with final audit**

LAKELAND LIBRARY COOPERATIVE
Proposed Delivery Outsourcing - No ILS Changes
Estimated Changes to Expenses and Fund Balance
FY2026 through FY2029

DRAFT

	Current Expenses*	Adjusted Expenses	Estimated Expenses	Estimated Expenses	Estimated Expenses	Notes
	Total	Total	Total	Total	Total	
	FY2025-26	FY2025-26	FY2026-27	FY2027-28	FY2028-29	

Expenses:

Salary & Wage Expenses	\$ 805,775	\$ 760,105	\$ 681,790	\$ 681,790	\$ 681,790	14
Benefits	129,695	133,199	114,429	114,429	114,429	15
Mileage	3,450	3,450	3,450	3,450	3,450	
Professional Development	7,000	8,000	8,000	8,000	8,000	
Supplies	3,840	3,840	3,840	3,840	3,840	
Professional Services	71,260	74,650	74,650	74,650	74,650	
Insurance	18,595	17,795	9,570	9,570	9,570	16
ILS & IT Expenses	503,355	503,355	517,682	529,528	541,178	17
Rides Delivery	9,410	9,410	9,410	9,410	9,410	
Delivery Expenses	60,255	139,762	288,754	288,754	288,754	18
Member Development	6,000	6,000	6,000	6,000	6,000	
Facility	37,395	38,895	38,895	38,895	38,895	
Total Operating Expenses	\$ 1,656,030	\$ 1,698,461	\$ 1,756,470	\$ 1,768,316	\$ 1,779,966	19

Use of Fund Balance

Transfer-Additional Delivery Expenses		42,431	68,544	86,113	86,113	20
Capital Outlay-New Trucks		-	-	-	-	21
Total use of Fund Balance		\$ 42,431	\$ 68,544	\$ 86,113	\$ 86,113	

Less Cash Sale of Trucks		(42,431)	(17,569)			22
Total Costs Per Year	\$ 1,656,030	\$ 1,656,030	\$ 1,670,357	\$ 1,682,203	\$ 1,693,853	

LAKELAND LIBRARY COOPERATIVE
NEW ILS and Anticipated Delivery Staff Retirements and Replacements
Estimated Changes to Expenses and Fund Balance
FY2026 through FY2029

DRAFT

	Current	Adjusted	Estimated	Estimated	Estimated	Notes
	Expenses*	Expenses	Expenses	Expenses	Expenses	
	Total	Total	Total	Total	Total	
	FY2025-26	FY2025-26	FY2026-27	FY2027-28	FY2028-29	

Expenses:

Salary & Wage Expenses	\$ 805,775	\$ 816,470	\$ 832,109	\$ 831,604	\$ 831,604	26
Benefits	129,695	141,363	174,125	201,314	201,314	27
Mileage	3,450	3,450	3,450	3,450	3,450	
Professional Development	7,000	8,000	8,000	8,000	8,000	
Supplies	3,840	3,840	3,840	3,840	3,840	
Professional Services	71,260	74,650	74,650	74,650	74,650	
Insurance	18,595	21,595	23,038	24,654	26,464	28
ILS & IT Expenses	503,355	503,355	517,682	421,465	421,465	29
Rides Delivery	9,410	9,410	9,410	9,410	9,410	
Delivery Expenses	60,255	60,255	64,473	68,986	73,815	30
Member Development	6,000	6,000	6,000	6,000	6,000	
Facility	37,395	38,895	38,895	38,895	38,895	
Total Expenditures	\$ 1,656,030	\$ 1,687,283	\$ 1,755,672	\$ 1,692,268	\$ 1,698,907	

Use of Fund Balance

Transfer-Additional ILS Expenses		-	14,327			31
Capital Outlay-ILS Migration Expenses				72,420		32
Capital Outlay-New Trucks		60,000		60,000	60,000	33
Total Use of Fund Balance		\$ 60,000	\$ 14,327	\$ 132,420	\$ 60,000	

Total Costs Per Year

Total Costs Per Year	\$ 1,656,030	\$ 1,747,283	\$ 1,741,345	\$ 1,824,688	\$ 1,758,907
-----------------------------	---------------------	---------------------	---------------------	---------------------	---------------------

Anticipated Delivery Staff Retirements and Replacements - No ILS Changes
 Estimated Changes to Expenses and Fund Balance
 FY2026 through FY2029

DRAFT

	Current	Adjusted	Estimated	Estimated	Estimated	Notes
	Expenses	Expenses	Expenses	Expenses	Expenses	
	Total	Total	Total	Total	Total	
	FY2025-26	FY2025-26	FY2026-27	FY2027-28	FY2028-29	
						34
						35
						36

Expenses:

						37
Salary & Wage Expenses	\$ 805,775	\$ 816,470	\$ 832,109	\$ 831,604	\$ 831,604	38
Benefits	129,695	141,363	174,125	201,314	201,314	40
Mileage	3,450	3,450	3,450	3,450	3,450	39
Professional Development	7,000	8,000	8,000	8,000	8,000	
Supplies	3,840	3,840	3,840	3,840	3,840	
Professional Services	71,260	74,650	74,650	74,650	74,650	
Insurance	18,595	21,595	23,038	24,654	26,464	40
ILS & IT Expenses	503,355	503,355	517,682	529,528	541,178	41
Rides Delivery	9,410	9,410	9,410	9,410	9,410	
Delivery Expenses	60,255	60,255	64,473	68,986	73,815	42
Member Development	6,000	6,000	6,000	6,000	6,000	
Facility	37,395	38,895	38,895	38,895	38,895	

Total Operating Expenses	\$ 1,656,030	\$ 1,687,283	\$ 1,755,672	\$ 1,800,331	\$ 1,818,620
---------------------------------	---------------------	---------------------	---------------------	---------------------	---------------------

Use of Fund Balance

Transfer-Additional Expenses		-	-			43
Capital Outlay-New Trucks		60,000		60,000	60,000	44
Total Use of Fund Balance		\$ 60,000	\$ -	\$ 60,000	\$ 60,000	

Total Costs Per Year	\$ 1,656,030	\$ 1,687,283	\$ 1,755,672	\$ 1,800,331	\$ 1,818,620
-----------------------------	---------------------	---------------------	---------------------	---------------------	---------------------

:

Notes:**These are estimates.**

1. This summary page with the recommended scenario in **bold** shows how we can use the fund balance for a few years to manage change and insure sustainability. By 2028-29, the cooperative is back down to 2025-26 levels with only minimal use of the fund balance in the final year due to savings from the new ILS. The other scenarios also save money but the use of the Fund Balance would either have to be ongoing (which is not realistic) or we would have to increase operating fees for member libraries by unrealistic amounts. Remember these scenarios do NOT include all budget increases such as annual salaries, utilities, insurance premium increases etc. These only highlights delivery and ILS costs within each scenario.

The remaining notes details each scenario:

2. Current 2025-26 Includes Director Salary and recent staff addition of cataloger etc.
3. Adjusted 2025-26 includes changes for new staffing and delivery models and adjustments to balance budget.
4. FY-2027-2029 only includes Delivery and ILS Changes. Not all annual budget changes.
5. No annual wage increases included. Drivers excluded, added sorters and part-time building manager
6. No annual rate increases applied but deductions in health care, MERs etc.
7. Vehicle insurance only through May 2026
8. Estimated costs savings for a ILS in FY28 and FY29
9. Regular Delivery Expenses through May 2026 then outsourced at flat rate for FY27-FY30.
10. Transfer FB to Operating for additional Delivery costs in FY26 and FY27
11. New ILS implementation
12. Savings of not purchasing new trucks every 2-3 years.
13. Sale of Trucks would reduce expenses in first 2 years of outsourcingCurrent 2025-26 Includes Director Salary and recent staff addition of cataloger etc.
14. Adjusted 2025-26 includes changes for new staffing and delivery models and adjustments to balance budget.
15. FY-2027-2029 only includes Delivery and ILS Changes. Not all annual budget changes.
16. No annual wage increases included. Drivers excluded, added sorters and part-time building manager
17. No annual rate increases applied but deductions in health care, MERs etc.
18. Vehicle insurance only through May 2026
19. Annual increases of 3% under current ILS
20. Regular Delivery Expenses through May 2026 then outsourced at flat rate for FY27-FY30.
21. Includes additional costs for Delivery Expenses and annual increases for current ILS
22. Transfer FB to Operating for additional expenses
23. Savings of not purchasing new trucks every 2-3 years.
24. Sale of Trucks would help reduce expenses in first 2 years of outsourcing
25. Current 2025-26 Includes Director Salary and recent staff addition of cataloger etc.
26. Adjusted 2025-26 includes changes for new staffing and delivery models and adjustments to balance budget.

27. FY-2027-2029 only includes Delivery and ILS Changes. Not all annual budget changes.
28. New delivery manager in FY26 at \$70K/year, driver retiring in FY27 and FY28 and replacements at \$22/hour (Mar-Sept each)
29. Insurance added to cover new hires w/spouse
30. Avg 12% increase for Vehicle insurance
31. New ILS in FY28
32. Avg 7% increase in expenses
33. Regular Delivery expenses would be incurred in operating expenses
34. New ILS implementation Current 2025-26 Includes Director Salary and recent staff addition of cataloger etc.
35. Adjusted 2025-26 includes changes for new staffing and delivery models and adjustments to balance budget.
36. FY-2027-2029 only includes Delivery and ILS Changes. Not all annual budget changes.
37. The drivers' retirements are based on the year they reach pension vesting requirements. 1 in FY27, 1 in FY28
38. New delivery manager in FY26 at \$70K/year, driver retiring in FY27 and FY28 and replacements at \$22/hour (Mar-Sept each)
39. Insurance added to cover new hires w/spouse
40. Avg 12% increase for Vehicle insurance
41. Annual increases of 3% under current ILS
42. Avg 7% increase in expenses
43. Regular spending increases would be incurred in operating expenses
44. Replace 2 trucks every 2-3 years



September 19, 2025

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

RE: Carve-Out and Benefit Change: Lakeland Lib Coop (4106) - Division 10

The purpose of this report is to show the financial implications to the employer of different retirement plan designs for Lakeland Lib Coop (4106) – Division 10. This report is based on the December 31, 2024 annual actuarial valuation and contains information corresponding to the different options under consideration.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. The report may be provided to parties other than the municipality only in its entirety. GRS is not responsible for unauthorized use of this report.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Shana M. Neeson and Mark Buis are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Shana M. Neeson". The signature is written in a cursive, flowing style.

Shana M. Neeson, ASA, FCA, MAAA

A handwritten signature in black ink that reads "Mark Buis". The signature is written in a cursive, flowing style.

Mark Buis, FSA, EA, FCA, MAAA

Executive Summary

A summary of the proposed retirement plan design options considered in this study are shown below. The results of our calculations are included on the following pages. The proposed retirement plan design options considered may trigger the “Minimum Funding Rules for New Employers and Plan Changes” of the MERS Actuarial Policy. Additional detail can be found in the “Additional Contributions Required Under the Actuarial Policy” section of this report.

Exhibit	Option	Division	Proposed
1	Before Carve-Out	Non-Union hired after 11/1/10 (10)	Provisions/census as modeled in the 2024 Annual Actuarial Valuation
1	After Carve-From	Non-Union hired after 11/1/10 (10)	Reflects Carve-Out Census Change
1	After Carve-To	New (From 10)	Reflects Carve-Out Census Change
2	After Carve -To	New (From 10)	Reflects Carve-Out Census Change
2	After Carve -To Option 1	New (From 10)	Vesting: 5 Years
3	After Carve -To	New (From 10)	Reflects Carve-Out Census Change
3	After Carve -To Option 2	New (From 10)	Vesting: 6 Years

Report Specific Comments

1. Totals may not add due to rounding.



Additional Contributions Required Under the Actuarial Policy

The MERS' Actuarial Policy includes funding requirements in Section IV. Minimum Funding Rules for New Employers and Plan Changes. As applicable select subsections of Section IV. 2. Permanent and Temporary Benefit Enhancements are restated below.

“For purposes of this Section IV(2) of this Policy, a benefit enhancement is any formula or feature change that increases the Plan’s actuarial liability and/or increases the actuarial present value of benefits. A benefit enhancement will include situations where the merger of two or more divisions, or the transfer of more than one member from one to another division of the employer outside of the course of ordinary employment transfers, results in a benefit increase for the members of one or more of the merged divisions or transferred employees. A benefit enhancement will not include corrections of errors over one or more divisions that result in benefit increases for members.

MERS requires that the affected division and the employer as a whole be 100% funded in order to be eligible to adopt an enhanced benefit provision (whether permanent or temporary), and the affected division(s) must be 100% funded after adoption of an enhanced benefit provision. Exceptions to this policy are:”

- “Provided the employer is at least 80% funded, a division that is at least 80% funded may adopt a permanent enhanced benefit provision if the employer contributes, in a lump sum*, 100% of the increased liability associated with the benefit enhancement, and both the division and the employer remain at least 80% funded following the benefit enhancement.”

“ Required lump sum amounts may be adjusted for interest from the date of valuation to the date the lump sum is paid.”*

As of December 31, 2024,

- The employer is above 80% funded,
- Division 10 is above 80% funded,
- Proposed Option 1 results in an increase in actuarial present value of benefits and actuarial liability, which meets the definition of benefit enhancement, and
- Proposed Option 2 results in an increase in actuarial present value of benefits and actuarial liability, which meets the definition of benefit enhancement.

The additional one-time employer contribution amounts required, including treatment in the various report exhibits, are summarized in the following table.

Additional Market Value Contributions Required as of December 31, 2024

Option	To	Reason under Actuarial Policy Section IV.	Amount ¹	Included In Exhibits
1	Division 10	Impact of Benefit Change	\$ 4,567	Yes
2	Division 10	Impact of Benefit Change	4,202	Yes

¹ Actual additional market value contribution requirements may be adjusted by MERS staff with interest from the valuation date to the date of contribution. The contributions shown above were calculated based on the December 31, 2024 assumptions.



Supplemental Valuation Results – Exhibit 1 Employer Computed Contributions

Division Description	10 Before Carve-Out		10 After Carve-From ⁵		New (From 10) After Carve-To ⁵	
Benefits						
Benefit Multiplier	1.50% Multiplier (no max)		1.50% Multiplier (no max)		1.50% Multiplier (no max)	
Normal Retirement Age	60		60		60	
Vesting	8 years		8 years		8 years	
Early Retirement (Reduced)	50/25		50/25		50/25	
Early Retirement (Reduced)	55/15		55/15		55/15	
Final Average Compensation	5 years		5 years		5 years	
Member Contribution Rate	5.00%		5.00%		5.00%	
Status						
Division	Open		Open		Closed	
Link	Linked		Linked		Not Linked	
Participant Summary						
Active	7		5		2	
Vested Former Members	0		0		0	
Retired	1		1		0	
Refunds	2		2		0	
Total	10		8		2	
Annual Payroll	\$423,377		\$334,160		\$89,217	
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees	\$241,863		\$201,233		\$40,630	
ii. Vested Former Employees	0		0		0	
iii. Retirees and Beneficiaries	41,824		41,824		0	
iv. Pending Refunds	11,733		11,733		0	
v. Total ¹ [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]	\$295,420		\$254,790		\$40,630	
b. Valuation Assets (VA) ²	\$266,158		\$229,552		\$36,606	
c. UAL [1.a. - 1.b.]	\$29,262		\$25,238		\$4,024	
d. Division Percent Funded [1.b. / 1.a.]	90.1%		90.1%		90.1%	
2. Employer Contribution Development ³ (Fiscal Year Beginning October 1, 2026)	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll
a. Total Normal Cost ⁴	\$43,380	8.90%	\$36,024	9.22%	\$6,216	7.68%
b. Employee Contribution Rate	<u>24,372</u>	<u>5.00%</u>	<u>19,536</u>	<u>5.00%</u>	<u>4,044</u>	<u>5.00%</u>
c. Employer Normal Cost [2.a - 2.b.]	19,008	3.90%	16,488	4.22%	2,172	2.68%
d. Amortization of UAL	<u>3,060</u>	<u>0.63%</u>	<u>2,628</u>	<u>0.67%</u>	<u>420</u>	-
e. Employer Contribution [2.c. + 2.d., not less than 0]	\$22,068	4.53%	\$19,116	4.89%	\$2,592	-
Other Assumptions						
1. Valuation Date	12/31/2024		12/31/2024		12/31/2024	
2. Increase in Final Compensation	0.50 %		0.50 %		0.50 %	

¹ The value of future benefits earned through the valuation date.

² Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.

³ Percentages of pay are not developed for a closed division.

⁴ The total normal cost is the ongoing cost of the plan under the applicable benefit structure.

⁵ The carve-out process includes the use of a single layer of 12 years for Division 10 (After Carve-From) and New (From 10). In future years the remaining amortization period is scheduled to decrease 1 year each year.

This report may be provided to parties other than the municipality only in its entirety.



Supplemental Valuation Results – Exhibit 2 Employer Computed Contributions

Division Description Description	New (From 10) After Carve-From ⁵	New (From 10) After Carve-From ⁵ Proposed Option 1	Difference
Benefits			
Benefit Multiplier	1.50% Multiplier (no max)	1.50% Multiplier (no max)	
Normal Retirement Age	60	60	
Vesting	8 years	5 years	5 years
Early Retirement (Reduced)	50/25	50/25	
Early Retirement (Reduced)	55/15	55/15	
Final Average Compensation	5 years	5 years	
Member Contribution Rate	5.00%	5.00%	
Status			
Division	Closed	Closed	
Link	Not Linked	Not Linked	
Participant Summary			
Active	2	2	0
Vested Former Members	0	0	0
Retired	0	0	0
Refunds	0	0	0
Total	2	2	0
Annual Payroll	\$89,217	\$89,217	\$0
Results			
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded			
a. Accrued Liability			
i. Active Employees	\$40,630	\$45,197	\$4,567
ii. Vested Former Employees	0	0	0
iii. Retirees and Beneficiaries	0	0	0
iv. Pending Refunds	0	0	0
v. Total ¹ [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]	\$40,630	\$45,197	\$4,567
b. Valuation Assets (VA) ²	\$36,606	\$41,472	\$4,866
c. UAL [1.a. - 1.b.]	\$4,024	\$3,725	(\$299)
d. Division Percent Funded [1.b. / 1.a.]	90.1%	91.8%	1.7%
2. Employer Contribution Development ³ (Fiscal Year Beginning October 1, 2026)	As an Annual \$	As a % of payroll	As an Annual \$
a. Total Normal Cost ⁴	\$6,216	7.68%	\$6,660
b. Employee Contribution Rate	<u>4,044</u>	<u>5.00%</u>	\$6,660
c. Employer Normal Cost [2.a - 2.b.]	2,172	2.68%	8.58%
d. Amortization of UAL	<u>420</u>	-	<u>384</u>
e. Employer Contribution [2.c. + 2.d., not less than 0]	\$2,592	-	\$3,168 [^]
			\$444
			<u>(168)</u>
			612
			<u>(36)</u>
			\$576
			-
Other Assumptions			
1. Valuation Date	12/31/2024	12/31/2024	
2. Increase in Final Compensation	0.50 %	0.50 %	

¹ The value of future benefits earned through the valuation date.

² Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.

³ Percentages of pay are not developed for a closed division.

⁴ The total normal cost is the ongoing cost of the plan under the applicable benefit structure.

⁵ The carve-out process includes the use of a single layer of 12 years for New (From 10). In future years the remaining amortization period is scheduled to decrease 1 year each year.

[^] **Note: The proposed retirement plan design option triggers the “Minimum Funding Rules for New Employers and Plan Changes” of the MERS Actuarial Policy. Additional detail can be found in the “Additional Contributions Required Under the Actuarial Policy” section of this report.**

This report may be provided to parties other than the municipality only in its entirety



Supplemental Valuation Results – Exhibit 3 Employer Computed Contributions

Division Description	New (From 10) After Carve-From ⁵		New (From 10) After Carve-From ⁵ Proposed Option 2		Difference	
Benefits						
Benefit Multiplier	1.50% Multiplier (no max)		1.50% Multiplier (no max)			
Normal Retirement Age	60		60			
Vesting	8 years		6 years		6 years	
Early Retirement (Reduced)	50/25		50/25			
Early Retirement (Reduced)	55/15		55/15			
Final Average Compensation	5 years		5 years			
Member Contribution Rate	5.00%		5.00%			
Status						
Division	Closed		Closed			
Link	Not Linked		Not Linked			
Participant Summary						
Active	2		2		0	
Vested Former Members	0		0		0	
Retired	0		0		0	
Refunds	0		0		0	
Total	2		2		0	
Annual Payroll	\$89,217		\$89,217		\$0	
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees	\$40,630		\$44,832		\$4,202	
ii. Vested Former Employees	0		0		0	
iii. Retirees and Beneficiaries	0		0		0	
iv. Pending Refunds	0		0		0	
v. Total ¹ [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]	\$40,630		\$44,832		\$4,202	
b. Valuation Assets (VA) ²	\$36,606		\$41,083		\$4,477	
c. UAL [1.a. - 1.b.]	\$4,024		\$3,749		(\$275)	
d. Division Percent Funded [1.b. / 1.a.]	90.1%		91.6%		1.5%	
2. Employer Contribution Development ³ (Fiscal Year Beginning October 1, 2026)						
	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll	As an Annual \$	As a % of payroll
a. Total Normal Cost ⁴	\$6,216	7.68%	\$6,444	8.27%	\$228	0.59%
b. Employee Contribution Rate	<u>4,044</u>	<u>5.00%</u>	<u>3,900</u>	<u>5.00%</u>	<u>(144)</u>	<u>0.00%</u>
c. Employer Normal Cost [2.a - 2.b.]	2,172	2.68%	2,544	3.27%	372	0.59%
d. Amortization of UAL	<u>420</u>	-	<u>384</u>	-	<u>(36)</u>	-
e. Employer Contribution [2.c. + 2.d., not less than 0]	\$2,592	-	\$2,928 [^]	-	\$336	-
Other Assumptions						
1. Valuation Date	12/31/2024		12/31/2024			
2. Increase in Final Compensation	0.50 %		0.50 %			

¹ The value of future benefits earned through the valuation date.

² Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.

³ Percentages of pay are not developed for a closed division.

⁴ The total normal cost is the ongoing cost of the plan under the applicable benefit structure.

⁵ The carve-out process includes the use of a single layer of 12 years for New (From 10). In future years the remaining amortization period is scheduled to decrease 1 year each year.

[^] **Note: The proposed retirement plan design option triggers the “Minimum Funding Rules for New Employers and Plan Changes” of the MERS Actuarial Policy. Additional detail can be found in the “Additional Contributions Required Under the Actuarial Policy” section of this report.**

This report may be provided to parties other than the municipality only in its entirety



General Comments

1. The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:
 - a. Plan Document, v12052024,
 - b. Actuarial Policy, DOC 8062 (2025-06-11), and
 - c. 2024 Appendix to the Annual Actuarial Valuation Report.
2. This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.
3. The liabilities were calculated using the actuarial assumptions and methods adopted by the MERS Retirement Board and do not assume 100% retirement when first eligible. Actuarial assumptions and methods do not determine the cost of the benefits provided; they only impact the pattern of employer contributions. If future experience is unfavorable compared to the assumptions used, employer contribution rates will increase in future years, and vice versa. For example, if members retire when first eligible, the actual liabilities would be higher than calculated resulting in higher employer contributions.
4. The proposed change may affect the risk profile of the Plan. At this time, we do not believe additional risk assessment is necessary.
5. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.
6. Contribution requirements take into consideration prior service with other MERS entities (for eligibility service only), reflected in the difference between benefit and vesting service. If members have service not reflected on the results page (e.g., prior MERS or Act 88 service, if applicable), the unfunded liabilities and employer contributions may be understated.
7. Employer contributions are based on a percentage of members' reported pay for open divisions. If actual reported payroll is substantially lower than the payroll used in this report, the actuaries recommend a minimum contribution of the dollar developed in the "Results" section.
8. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).
9. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.
10. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.



General Comments (Concluded)

11. Valuation results are developed through the use of multiple models.

Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

12. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:
- a. The assumptions are unreasonable,
 - b. The plan provisions are missing or incorrectly described,
 - c. Conditions have changed since the calculations were made,
 - d. The information provided in this report is inaccurate or is in any way incomplete, or
 - e. You need further information to make an informed decision.