



MEMORANDUM

TO: Muskegon Lakeshore Chamber of Commerce Board of Directors
FROM: Muskegon Lakeshore Chamber of Commerce Government Affairs Committee
DATE: Friday, November 17, 2016
SUBJECT: Legacy Costs

Recommendation:

The Muskegon Lakeshore Chamber's Government Affairs Committee recommends endorsement from the Muskegon Lakeshore Chamber of Commerce Board of Directors to support state legislation to reform employee retirement plans and address unfunded liabilities by shifting new government employees to a defined contribution plan and addressing retiree healthcare.

Background:

Almost none of the largest municipalities in Michigan fully fund their pension system, with the average city funded at only 67 percent. Retiree liabilities have contributed to the fiscal crises in Detroit and Flint and will affect local municipalities in West Michigan.

Addressing unfunded liabilities was voted the top priority at the 2016 West Michigan Policy Forum, of which members of the Muskegon Lakeshore Chamber of Commerce contributed to, attended, and voted at.

Endorsed by the MLCC Government Affairs Committee – November 18, 2016

Endorsed by the MLCC Board of Directors – November 21, 2016