

For Immediate Release—Official Press Release

# Press Release

## Office of Mayor William R. Wild

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### During Pandemic, Westland Finds Solution for Unfunded Pension Liability

**Westland, MI (March 11, 2021)** - Despite additional challenges for municipalities working through the COVID-19 pandemic, the City of Westland has continued to find solutions to tackle some of its biggest issues, namely its unfunded pension liability.

The City of Westland has issued \$82,470,000 in bonds to pay for a majority of the costs of its unfunded pension liability for the defined benefit pension plan for government employees administered by the Michigan Employees Retirement System of Michigan (MERS).

The 2021 Bonds will allow the City to fund 95% of its unfunded pension liability (up from 40%) by borrowing at a low all-in fixed cost of 2.39%. By issuing the 2021 Bonds at this low fixed rate, the City is expecting to see considerable cost savings over the life of the 2021 Bonds as compared to their existing projected pension cost repayment schedule. The City's financing is expected to generate over \$78.04 million in cashflow savings or 70.21% in Net Present Value (NPV) savings (as a percentage of Bonds issued) over the life of the City's projected pension liability payment schedule.

The City began phasing out the defined benefit for employees beginning in 2010 and by January 1, 2014, all new employees hired in under are in a defined contribution retirement program (similar to a 401(k) for private sector employees).

"The City of Westland remains committed to finding creative solutions to the problems we face, along with many other municipalities," commented Mayor William R. Wild. "With the much appreciated support we received from the Michigan Department of Treasury, we were able to take advantage of low interest rates and our excellent bond rating in order to honor our commitment made to our retirees without increasing taxes."

For more information, please call (734) 467-3200.

Westland has been recognized as one of 24/7 Wall Street's America's Best 50 Cities to Live, offering residents and visitors an ideal blend of single – family affordable homes, apartments and condominiums, great schools, and access to numerous outdoor activities. Public safety is delivered by full-service, professional law enforcement and firefighting personnel.

Westland is well known as a premier destination for shopping and dining in Wayne County with hundreds of shops and restaurants anchored by the Westland shopping Center, one of the country's original four regional malls.

The City is served by two public school districts; Wayne-Westland Community Schools serving 12,000 youth was recently named one of the best schools in Michigan by WXYZ-TV and is the proud recipient of 14 Golden Apple and two Michigan Blue Ribbon Exemplary School Awards. Livonia Public Schools, educating nearly 15,000 students, is proud of their MEAP/MME scores that exceed State averages and the district has also earned Golden Apple and Michigan Blue Ribbon Exemplary School awards.

The City provides competitive incentives for those who are interested in investing in Westland, making it one of the hottest investment markets in the region. Westland's Fast-Track to Business Team, which consists of key decision makers who work diligently to “cut the red tape” and expedite the approval process for new business development.