Municipal Stability Board

REGULAR MEETING

Wednesday, June 20, 2018 at 10:00 a.m.
Austin Building
State Treasurer's Boardroom
430 W. Allegan Street
Lansing, MI 48922

I. **Call to Order**

   A. Roll Call

   B. Approval of May 18, 2018 Minutes

II. **Public Comment**

   A. 2 minute limit

III. **Approval of Agenda**

IV. **Old Business**

V. **New Business**

   A. PA 202 Treasury Update

   B. Receipt of Corrective Action Plans

VI. **Public Comment**

   A. 2 minute limit

VII. **Board Comment**

VIII. **Adjournment**

Municipal Stability Board Minutes

Friday, May 18, 2018 at 10:00 a.m.
Austin Building
State Treasurer's Boardroom
430 W. Allegan Street
Lansing, MI 48922

Call to Order

Chairman Eric Scorsone called the meeting to order at 10:00 a.m.

Roll Call

Members Present – 3
Eric Scorsone
Daryl Delabbio
Barry Howard

Let the record show that 3 Board members eligible to vote were present. A quorum was present.

Introduction

All Board Members introduced themselves.

Agenda

Motion made to approve the agenda.

Motion moved by D. Delabbio and supported by B. Howard, the Board unanimously approved the agenda. 3 ayes, 0 nays.

Correspondence

Motion made to receive and file the State Treasurer's waiver results memo and corrective action plan template forms developed by Treasury.

Motion moved by D. Delabbio and supported by B. Howard, the Board unanimously approved the agenda. 3 ayes, 0 nays.

Public Act 202 of 2017 Overview

Chairman Eric Scorsone – Public Act 202 of 2017, the Protecting Local Government Retirement and Benefits Act (the Act), was enacted into law on December 20, 2017. The bill establishes new reporting and funding requirements for local units of government that provide defined benefit style pension plans and/or retiree healthcare benefits. The Department of Treasury is charged with implementing an evaluation system to monitor the fiscal health of these retirement systems and identify those local units of government with a retirement system that has been determined "underfunded" (as defined in the Act). The local unit may then apply for a waiver of the underfunded status determination. If the Treasurer does not issue a waiver, the local unit will be referred to the newly created Municipal Stability Board (MSB) to address corrective actions.

Dan Horn and Kevin Kubacki made a presentation to the Board on Public Act 202 of 2017 overview.

Old Business

There was no old business as this was the first MSB meeting.

New Business

Consideration of Resolution 2018-1 (Bylaws)

Motion made to approve Resolution 2018-1 to adopt the Bylaws.

Motion moved by D. Delabbio and B. Howard moved to amend the Bylaws section reference for the Board chairman. The amended Bylaws were unanimously approved. 3 ayes, 0 nays.

Consideration of Resolution 2018-2 (Designating Certain Persons to Serve as Secretary for the Municipal Stability Board

Motion made to approve Resolution 2018-2 to designate the secretary for the Municipal Stability Board.

Motion moved by D. Delabbio and supported by B. Howard, the Board Unanimously approved the designation. 3 ayes, 0 nays.

Consideration of Resolution 2018-3 (Ethics Policy)

Motion made to approve Resolution 2018-3 to adopt the Ethics Policy.

Motion moved by D. Delabbio and supported by B. Howard, the Board unanimously approved the Ethics Policy. 3 ayes, 0 nays.

Consideration of Resolution 2018-4 (Public Comment Policy)

Motion made to approve Resolution 2018-4 to adopt the Public Comment Policy.

Motion moved by D. Delabbio and supported by B. Howard, the Board unanimously approved the Public Comment Policy. 3 ayes, 0 nays.

Consideration of Resolution 2018-5 (Consent Agenda Policy)

Motion made to approve Resolution 2018-5 to adopt the Consent Agenda Policy

Motion moved by D. Delabbio and B. Howard moved to amend the Consent Agenda Policy to state that any Board member shall decide where to place an item on the agenda that is to be moved out of the consent agenda. The amended Consent Agenda Policy was unanimously approved. 3 ayes, 0 nays.

Consideration of Resolution 2018-6 (2018 Meeting Schedule)

Motion to approve Resolution 2018-6 to approve and adopt the notice of regular meetings of the Municipal Stability Board for 2018.

Motion moved by B. Howard and supported by D. Delabbio, the Board unanimously approved the 2018 Meeting Schedule. 3 ayes. 0 nays.

Public Comment

No public comment.

Board Comment

Barry Howard is honored to be on the Municipal Stability Board and would like everyone to keep in mind of the laws in place. Daryl Delabbio would like to ditto what Barry Howard said and is happy to be on the Municipal Stability Board. He would like to make it known that this is a critical board for all local governments.

DRAFT

Adjournment

Motion made to adjourn. Motion moved by D. Delabbio and supported by B. Howard, the Board approved to motion to adjourn.

There being no further business, the meeting adjourned at 10:52 a.m.

DRAFT

State of Michigan
Department of Treasury

Public Act 202 of 2017

PA 202 Treasury Update

June 20, 2018

Kevin Kubacki, CPA
Community Engagement and Finance Division
Michigan Department of Treasury

PA 202 Status Update

Local Unit Update – As of June 7, 2018

- 582 local units have been evaluated
  - 416 did not have an underfunded Pension or OPEB plan

PA 202 Status Update for local units who are underfunded*	Preliminarily underfunded	Approved waivers	Ability to submit waiver	Waivers currently under review	Corrective Action Plan Required
Pensions	57	12	1	9	35
Retirement Health Care	63	8	11	5	38
Both	36	2	1	9	25
No submission	10	0	0	0	10
Total	**166**	**22**	**13**	**23**	**108***

*Includes 8 units with at least one underfund system requiring corrective action plan and at least one system that was approved for a waiver.

PA 202 of 2017 Background

- Section 6.2 of the Act states: “For any underfunded local unit of government that is not granted a waiver, the department of treasury shall do all of the following:

  a) Undertake an individualized and comprehensive internal review of the local unit of government’s retirement system.

  b) Discuss changes or reforms that have been made with the local unit of government’s designated officials.

  c) Review actuarial projections, including trends and forecasts.”

Schedulicity

- In the request for corrective action plan(s), Treasury provided the following:

Thank you for your continued compliance with the Act. If you would like to discuss your underfunded status, please schedule an appointment using the Local Retirement Calendar. A staff member will contact you at your scheduled time. If you have any questions, please email our office at LocalRetirementReporting@michigan.gov or visit Michigan.gov/LocalRetirementReporting for step-by-step reporting instructions and helpful FAQs.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team

The Phone Call

- At the scheduled time, a member of the Treasury team calls the local unit for a 30 minute discussion
- Topics include:
  - Why their waiver was denied
  - Answering questions
  - Next steps for the local unit
  - Consideration of potential options to utilize in corrective action plans
    - Focused on locally developed solutions
- Local units can also schedule additional meetings or email LocalRetirementReporting@Michigan.gov with additional questions

Usage

- Treasury expects over 100 local units with a fiscal year end of January to June to submit a corrective action plan

- As of June 15th, 20 appointments have been scheduled
  - 17 of those appointments have been completed

MSB Best Practices

- The Board is required by PA 202 to review and annually update a list of best practices and strategies that will assist an underfunded local unit of government in developing a corrective action plan
- Treasury is developing a listing of Best Practices for the Board's consideration
- Treasury is collecting input from multiple stakeholders
- A draft will be provided for consideration prior to July's meeting

Protecting Local Government Retirement and Benefits Act Corrective Action Plan:
Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: White Pine District Library Six-Digit Muni Code: 590401

Defined Benefit Pension System Name: MERS

Contact Name (Administrative Officer): Patty Rockafellow

Title if not Administrative Officer: Director

Email: whitepinelibrary1@hotmai.com Telephone Number: (989) 831-4327

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one defined benefit pension retirement system that has been determined to have an underfunded status. Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annually required contribution for all of the defined benefit pension retirement systems of the local unit of government is greater than 10% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board (the Board). The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.*** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at **LocalRetirementReporting@michigan.gov** for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System Pension Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan, a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

(i) Closing the current defined benefit plan.

(ii) Implementing a multiplier limit.

(iii) Reducing or eliminating new accrued benefits.

(iv) Implementing final average compensation standards.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTIONS OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

☒ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *The system's multiplier for current employees was lowered from 2.5X to 2X for the* ***General Employees' Retirement System*** *on* ***January 1, 2017****. On page* ***8*** *of the attached actuarial supplemental valuation, it shows our funded ratio will be* ***60%*** *by fiscal year* ***2020.***

As of May 1, 2018 no new employees will be entered into Defined Benefit. New workers, if qualifying for retirement benefits by the hours (120+) will be entered into Defined Contribution. They are to receive 1% from the employer in DC.

☒ **Additional Funding –** Additional funding may include the following: Voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit provided a lump sum payment of* ***$1 million*** *to the* ***General Employees' Retirement System*** *on* ***January 1, 2017****. This lump sum payment was in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to* ***61% by 2025****. Please see page* ***10*** *of the attached enacted budget, which highlights this contribution of* ***$1 million.***

Several lump sums have been sent in to MERS. MERS has finally created a surplus division so that we can add monthly as well. We do this every month. Refer to table 5 page 19 of MERS Annual actuarial report for 2014,15 and 16. Refer to the quarterly reports to indicate 2017 and 2018. See Board minutes which indicate boosts in funding.

☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from* ***2015****. Attached is an updated actuarial valuation for* ***2017*** *that shows our funded ratio has improved to* ***62%*** *as indicated on page* ***13****.*

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the additional actions the local government is planning to implement to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

☒ **System Design Changes -** System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *Beginning with **summer 2018** contract negotiations, the local unit will seek to lower the system's multiplier for current employees from 2.5X to 2X for the **General Employees' Retirement System**. On page **8** of the attached actuarial supplemental valuation, it shows our funded ratio would be **60%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.*

As of May 1, 2018 no new employees will be entered into Defined Benefit. New workers, if qualifying for retirement benefits by the hours (120+) will be entered into Defined Contribution. They are to receive 1% from the employer in DC.

☒ **Additional Funding –** Additional funding may include the following: voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: Beginning in **fiscal year 2019,** *the local unit will provide a lump sum payment of **$1 million** to the **General Employees' Retirement System**. This lump sum payment will be in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page **10** of the attached enacted budget, which highlights this contribution of **$1 million**. Please see page **12** of the attached supplemental actuarial valuation showing the projected change to the system's funded ratio with this additional contribution.*

Refer to the quarterly reports to indicate 2017 and 2018. See Board minutes which indicate boosts in funding. And although we do not have documentation yet, the Board in intent upon using another CD when it becomes due, to add another large lump sum to the surplus category of MERS.

☒ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the pension liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the retirement system to reach a funded status of **62%** by **2022** as shown in the attached actuarial analysis on page **13**.*

We have a hard time documenting what level we will reach as we can get no firm answer from MERS. However, we are making every effort to fund the retirement of the 5 people on our MERS retirement system and the 1 employee who is still working and will retire in approx. 5-10 years.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (*insert local unit name*) White Pine District Library to make, at a minimum, the annual required contribution payment for the defined benefit pension system according to your long-term budget forecast?

☒ **Yes**
☐ **No**
If No, Explain:

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this Corrective Action Plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention	Type of Document
☒ Attachment – 1	**This Corrective Action Plan Form (Required)**
☒ Attachment – 1a	**Documentation from the governing body approving this Corrective Action Plan (Required)** Board Minutes March 14, 2018
☒ Attachment – 2a	Actuarial Analysis (annual valuation, supplemental valuation, projection) and quarterly statements
☐ Attachment – 3a	Internally Developed Projection Study
☒ Attachment – 4a	Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).
☒ Attachment – 5a	Documentation of commitment to additional payments in future years (e.g. resolution, ordinance) see Board minutes
☐ Attachment – 6a	A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio
☒ Attachment – 7a	Other documentation, not categorized above MERS Defined Contribution Plan Adoption - No new employees added to DB

7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I, Patricia Rockafellow, as the government's administrative officer (*enter title*) Director (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature Pat J Rockafellow Date 5/25/18

A Resent - First Send Waiver on 3/22/18

White Pine District Library Minutes for March 14, 2018
Meeting called to order by Michelle W. @3:30.

Board Members in attendance Michelle W, Michelle C, Kris, Jen, Kim, Amy and Jackie.

The secretary's report from the February meeting was read and approved. The motion was made by Kris and seconded by Michelle C. Motioned carried.

The treasurer's report was given and approved. The motion was made by Kim and seconded by Jackie. Motion carried

The librarians report was read by Patty.

The bills were approved. The motion was made by Jen and seconded by Michelle C. Motion carried.

Old Business:
The director evaluation is to be complete by April. Kim brought in an example of a form to use. The board agreed to use this form with the option to add to it. Patty will email the new form out to all the board members to be filled out and returned by the April meeting.

The strategic plan was tabled for the month of March – QSAC – we will discuss this again at the April meeting.

The new security camera is up and running. Patty can view everything from her phone. There are plans to eventually to view it from a computer.

Still no news about the house next door. Patty is still trying to make contact with the home owner.

We tabled the grant for another time.

Patty got a quote from Tim Parr on painting the outside of the library. $3,327.00 for the entire building and an extra $525.00 for the eaves. It was suggested that she get 2 more quotes for comparison.

New Business:
Motion by Jen Rolston, Seconded by Michelle Coe to allow for the application for a waiver and plan because we were underfunded in our retirement plan with MERS. We were flagged for being underfunded and now need this waiver that explains how we have been trying to catch up. Motion approved.

There will be a budget meeting May 9th at 3:25. This information needs to be printed in the paper and an affidavit returned. It will also be posted on Facebook and within the library. Amy made a motion to put the notice in the paper Jackie seconded the motion. The motion carried.

Michelle W and Michelle C along with Patty attended the personnel budget meeting. It was discussed a wage increase for the library employees. They discussed a 1%, 2% 3% and merit pay. A motion was made by Kim and seconded by Jen for a 2% wage increase and merit pay for the new fiscal year. The motion carried.

Michelle C is resigning from the board of directors. She has hired in as a library employee. We are now searching for a person to replace her vacancy.

Tesha Peterman was invited by Michelle W to sit in on the board meeting. She was invited to join the board as Michelle C replacement. She has accepted the position. Welcome to the board Tesha!!!!

Kris Thwaites is attending the RLC. She will be representing the board and attending board member meeting.

No public comment.

A motion was made by Jen and seconded by Kris to adjourn the meeting. The motion carried.

Next month's meeting is April 11th.

New Business:

A motion was made by Kris and Seconded by Jackie to have the board meeting dates for 2018 be printed in the paper. Patty will do an affidavit to change the dates. This motion was approved.

The Ernest Rogers family made a memorial donation to the library. The funds can be used for anything the library needs. A few ideas are scanners installed on the adult computers, and music cd's for the adult section.

Patty was informed that the house next door to the library might go up for sale. She opened it up for discussion as a possible purchase in the future so the library will have room to expand.

December 14th is the Holiday Happening Reindeer Games party at the library.

Kim checked on the CD rates with Sidney State Bank.

A motion was made by Jackie and seconded by Jen to adjourn the meeting. The motion was carried.

MERS Defined Contribution Plan Adoption Agreement

MERS® Municipal Employees' Retirement System

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 | www.mersofmich.com

The Employer, a participating municipality or court within the state of Michigan that has adopted MERS coverage, hereby establishes the following Defined Contribution Plan provided by MERS of Michigan, as authorized by 1996 PA 220 in accordance with the MERS Plan Document.

I. Employer Name White Pine District Library **Municipality #:** 5904

If new to MERS, provide your municipality's/court's fiscal year: ________ (Month) through ________ (Month).

II. Effective Date

Check one:

A. ☐ If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of __________, 20__.

☐ This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible participant shall be credited as follows (choose one):

☐ Vesting credit from date of hire ☐ No vesting credit

☐ This division is for new hires, rehires, and transfers of current Defined Benefit* division #________ and/or current Hybrid division #________

Closing this division will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation. (The amount may be adjusted for any benefit modifications that may have taken place since then.)

Current active (defined benefit or hybrid) employees (select one of the following and see *Plan Document, Section 64* for more information):

☐ Will have a one-time opportunity to convert the value of their current defined benefit from the existing defined benefit or hybrid plan into the new Defined Contribution Plan as a lump sum, or continue accruing service in the Defined Benefit. (Complete *MERS Defined Contribution Conversion Addendum*.)

☐ Will have a one-time opportunity to cease service accrual in the current plan and transfer to the new Defined Contribution plan for future service accrual, or continue accruing service in the Defined Benefit. The deadline for participants to make their election is: __/__/____

☐ Will be required to cease service accrual in Defined Benefit and will transfer to Defined Contribution for future service accrual.

** By completing the section above, the Employer acknowledges receiving Projection Study results and understands the municipality's obligation to continue funding the liability associated with the closed Defined Benefit division.*

B. ☒ If this is an **amendment** of an existing Adoption Agreement (existing division number 110278), the effective date shall be the first day of May 1, 2018

Note: You only need to mark ***changes*** to your plan throughout the remainder of this Agreement.

MERS Defined Contribution Plan Adoption Agreement

C. ☐ If this is to **separate employees** *from an existing Defined Contribution division* (existing division number(s) ________________________________) into a new division, the effective date shall be the first day of ________________, 20___.

D. ☐ If this is to **merge division(s)**________________ into division(s) ________________, the effective date shall be the first of ________________, 20___.

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

Library Director & anyone hired after 12/31/14 who works at least 30 hrs/week

(Name of Defined Contribution division – e.g. All Full Time Employees, or General After 7/01/13)

To further define eligibility, (check all that apply):

☐ **Probationary periods** are allowed in one-month increments, no longer than 12 months. During this introductory period the Employer will not report or make contributions for this period, including retroactively. Service will begin after the probationary period has been satisfied.

The probationary period will be ______ month(s).

☐ **Temporary employees** in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement.

The temporary exclusion period will be ______ month(s).

MERS Defined Contribution Plan Adoption Agreement

IV. Provisions

1. Vesting (Check one):
   - ☐ Immediate
   - ☐ Cliff Vesting (fully vested after below number years of service)
     ☐ 1 year ☐ 2 years ☐ 3 years ☐ 4 years ☐ 5 years
   - ☐ Graded Vesting
     _____ % after 1 year of service
     _____ % after 2 years of service
     _____ % after 3 years of service (min 25%)
     _____ % after 4 years of service (min 50%)
     _____ % after 5 years of service (min 75%)
     _____ % after 6 years of service (min 100%)

   Vesting will be credited using (check one):
   - ☐ Elapsed time method – Participants will be credited with one vesting year for each 12 months of continuous employment from the date of hire.
   - ☐ Hours reported method – Participants will be credited with one vesting year for each calendar year in which _____ hours are worked

In the event of disability or death, a participant's (or his/her beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the balance of such account has not previously been forfeited.

Normal Retirement Age (presumed to be age 60 unless otherwise specified) __________

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

2. Contributions
   a. Will be remitted (check one):
   - ☐ Weekly
   - ☐ Bi-Weekly (every other week)
   - ☐ Semi-Monthly (twice each month)
   - ☐ Monthly
   - ☐ Other (must specify) ______________________________

   b. Employee/Employer contribution structure (subject to limitations of Section 415(c) of the Internal Revenue Code)

	Enter % or $ for contribution amounts					
Employee Contribution						
Employer Contribution						

   ☐ Direct mandatory employee contributions as pre-tax

   c. Voluntary employee contributions may be made after-tax, subject to the Section 415(c) limitations of the Internal Revenue Code

3. Compensation:

Employers may designate the definition of compensation per division participating in Defined Contribution pursuant to section 49 of the MERS Plan Document (check one):

- ☐ Medicare taxable wages reported in Box 5 of Form W-2
- ☐ All income subject to income tax reported in Box 1 of Form W-2, plus elective deferrals
- ☐ Compensation, for retirement purposes, is defined as base wages. Any of the following may be included:
  - ☐ Longevity pay
  - ☐ Overtime pay
  - ☐ Shift differentials
  - ☐ Pay for periods of absence from work by reason of vacation, holiday, and sickness
  - ☐ Workers' compensation weekly benefits (if reported and are higher than regular earnings)
  - ☐ A member's pre-tax contributions to a plan established under Section 125 of the IRC
  - ☐ Transcript fees paid to a court reporter
  - ☐ A taxable car allowance
  - ☐ Short term or long term disability payments
  - ☐ Payments for achievement of established annual (or similar period) performance goals
  - ☐ Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
  - ☐ Lump sum payments attributable to the member's personal service rendered during the FAC period
  - ☐ Other: ______________________________
  - ☐ Other 2: ______________________________

NOTE: In either of the above elections, an employee's compensation shall not exceed the annual limit under section 401(a)(17) of the Internal Revenue Code.

4. **Loans:** ☐ shall be permitted ☐ shall not be permitted
If Loans are elected, please complete and attach the *MERS Defined Contribution Loan Addendum*.

5. Rollovers from qualified plans are permitted and the plan will account separately for pre-tax and post-tax contributions and earnings thereon.

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Contribution Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, the provisions of the Plan Document control.

VI. Modification of the terms of the Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

MERS Defined Contribution Plan Adoption Agreement

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the *MERS Reporting and Contribution Enforcement Policy*, the terms of which are incorporated herein by reference;
4. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains, pursuant to the Internal Revenue Code;
5. Should the Employer fail to make its required contribution(s) when due, MERS may implement any applicable interest charges and penalties pursuant to the *MERS Reporting and Contribution Enforcement Policy* and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty to administer (or to have administered) the MERS Defined Contribution Plan, to authorize the transfer of any defined benefit assets to the MERS Defined Contribution Plan, or to continue administration by MERS or any third-party administrator of the MERS Defined Contribution Plan.

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by White Pine Dist Lib. Board on
(Name of Approving Employer)
the 15 day of May, 2018.

Authorized signature: [signature]

Title: Director

Witness signature: Wendy Sprungler

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: ______________, 20____ Signature: ______________
(Authorized MERS Signatory)

Defined Benefit Plan Surplus Division Adoption Addendum

MERS®
Municipal Employees' Retirement System

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 | www.mersofmich.com

The Municipal Employees' Retirement System of Michigan ("MERS")

and White Pine District Library (Municipality name), # 5904 (Municipality number)

entered into an Adoption Agreement effective January 2017 (Month, Year); and

Employer wishes from time to time to remit Employer Contributions to its reserve account with MERS in excess of the annual required Employer Contributions as determined by MERS' actuary, or in excess of the amount currently due from Employer, without such amounts being immediately attributable to the reserve of any of its employee divisions ("Surplus Contributions"). MERS has advised Employer that in order to accomplish this, MERS must establish a division to account such Surplus Contributions ("Surplus Division").

To establish the Surplus Division(s) and memorialize the terms and conditions agreed to by MERS and Employer concerning their establishment, Employer and MERS hereby enter into this Surplus Contribution Addendum to Employer's Adoption Agreement ("Addendum"), to be effective as of the date set out below.

I MERS Establishment of Surplus Division: Commencing on the effective date of this Addendum, MERS shall establish the following Surplus Division(s) for Employer:

Associated Surplus Divisions:

a) Surplus Division __________, to be associated with __________.

b) Surplus Division __________, to be associated with __________.

c) Surplus Division __________, to be associated with __________.

Unassociated Surplus Divisions:

d) Surplus Division S1, to be unassociated with any Employee Division.

e) Surplus Division __________, to be unassociated with any Employee Division.

f) Surplus Division __________, to be unassociated with any Employee Division.

II Employer Remittance of Surplus Contributions: From time to time, at Employer's sole and exclusive discretion (which shall include Employer's obligations under terms agreed to by Employer in the course of collective bargaining, if any), Employer may remit contributions to MERS that Employer expressly designates as Surplus Contributions, specifying the appropriate Surplus Division to which they are to be credited. It is understood by Employer that, once remitted to MERS, Surplus Contributions are not and shall never be refundable to Employer, nor used for any purpose other than the funding of its obligations for MERS benefits accrued by employees of Employer.

III MERS' Crediting of Surplus Contributions: Upon receipt from Employer of Employer Contributions designated as Surplus Contributions, MERS shall credit such amounts to the Surplus Division designated by Employer.

IV Treatment of Surplus Contributions for Actuarial Purposes: Surplus Contributions reflected in one or more Surplus Division established by MERS as directed by Employer shall be treated as follows for actuarial purposes:

a) They shall not be included in the determination of the annual Employer Contributions requirement for any Employee Division, and

b) They shall be included in the determination of the Employer's overall funded status.

V Employer Use of Surplus Contributions: At any time, upon 30 days' advance written notice to MERS, Employer may direct MERS to use the Surplus Contributions currently reflected in one or more established Surplus Division(s) be used by Employer as follows:

a) Employer may transfer Surplus Contributions reflected in an Unassociated Surplus Division to one or more Employee Division(s).

b) Employer may transfer Surplus Contributions reflected in an Assigned Surplus Division to such Employee Division.

c) Employer may redesignate any Surplus Division (whether Associated or Unassociated) to either an Associated Surplus Division or to an Unassociated Surplus Division, as applicable.

Employer is solely responsible for any decision(s) it makes under this Section V, and Employer agrees that by entering into this Addendum, it shall indemnify and hold MERS harmless from any claim, challenge, or litigation arising from its actions under this Section V, including costs and attorneys' fees.

Once Surplus Contributions are transferred to an Employee Division, they may not thereafter be recharacterized as Surplus Contributions or transferred back to a Surplus Division.

VI Recharacterization of Contributions: By written notice to MERS, Employer may make a one-time election to transfer Employer Contributions it remitted prior to the effective date of this Addendum that were in excess of the amount then due from Employer from an Employer Division to one or more Surplus Division(s) established by this Addendum, and recharacterize those amounts as Surplus Contributions. Employer may make the election described herein only once.

VII Rights of MERS: At any time following the occurrence of any or all of the following, MERS reserves the right to transfer some or all of the Surplus Contributions reflected in an Employer's Reserves to one or more Employee Division(s) of such Employer:

a) Employer has defaulted on some or all of its contribution obligations to MERS.

b) Employer has filed for or is otherwise subject to bankruptcy protection or receivership.

c) An emergency manager or similar oversight authority has been appointed to conduct Employer's financial affairs.

Defined Benefit Plan Surplus Division Adoption Addendum

VIII Continuation of Adoption Agreement: Except for the terms and conditions of this Addendum, all other terms and conditions of the Adoption Agreement, as it may be or may have been amended from time to time, shall continue unchanged.

IN WITNESS WHEREOF, this Addendum is entered into by MERS and Employer by signature of the authorized parties below:

Employer Approving Authority

Signature: ______________________________ on ________________
(Name of approving representative) (Date)

Employer Printed Name: ______________________________

Employer Title: ______________________________

MERS Approving Authority

Signature: ______________________________ on ________________
(Date)

MERS Printed Name: ______________________________

MERS Title: ______________________________

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN
ANNUAL ACTUARIAL VALUATION REPORT DECEMBER 31, 2016
WHITE PINE DISTRICT LIBRARY (5904)

Spring, 2017

White Pine District Library

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

This report presents the results of the Annual Actuarial Valuation, prepared as of December 31, 2016. The report includes the determination of liabilities and contribution rates resulting from the participation of White Pine District Library (5904) in the Municipal Employees' Retirement System of Michigan ("MERS"). MERS is a nonprofit organization, independent from the State, that has provided retirement plans for municipal employees for 70 years. White Pine District Library is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees under the Michigan Constitution and the MERS Plan Document.

The purpose of the December 31, 2016 annual actuarial valuation is to:

- Measure funding progress
- Establish contribution requirements for the fiscal year beginning July 1, 2018
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements

This valuation report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The valuation uses financial data, plan provision data, and participant data as of December 31, 2016 furnished by MERS. In accordance with Actuarial Standards of Practice No. 23, the data was checked for internal and year to year consistency as well as general reasonableness, but was not otherwise audited. CBIZ Retirement Plan Services does not assume responsibility for the accuracy or completeness of the data used in this valuation.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The most recent study was completed in 2015. Please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:
www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2016AnnualActuarialValuation-Appendix.pdf.

The actuarial assumptions used for this valuation produce results that we believe are reasonable.

To the best of our knowledge, this report is complete and accurate, was prepared in conformity with generally recognized actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and is in compliance with Act No. 220 of the Public Acts of 1996, as amended, and the MERS Plan Document as revised. All of the undersigned are members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. The Retirement Board of the Municipal Employees' Retirement System of Michigan confirms that the System provides for payment of the required employer contribution as described in Section 20m of Act No. 314 of 1965 (MCL 38.1140m).

This information is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting or investment advice.

This report was prepared at the request of the Retirement Board and may be provided only in its entirety by the municipality to other interested parties (MERS customarily provides the full report on request to associated third parties such as the auditor for the municipality). CBIZ Retirement Plan Services is not responsible for the consequences of any unauthorized use.

You should notify MERS if you disagree with anything contained in the report or are aware of any information that would affect the results of the report that have not been communicated to us. If you have reason to believe that the plan provisions are incorrectly described, that important plan provisions relevant to this valuation are not described, that conditions have changed since the calculations were made, that the information provided in this report is inaccurate or is in anyway incomplete, or if you need further information in order to make an informed decision on the subject matter in this report, please contact your Regional Manager at 1.800.767.MERS(6377).

Sincerely,

Cathy Nagy, MAAA, FSA
Jim Koss, MAAA, ASA
Curtis Powell, MAAA, EA

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Executive Summary

Actuarial Assumptions and Methods Adopted with the December 31, 2015 Valuations

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study. The Experience Study is a comprehensive, detailed analysis that reviews MERS' funding policy and compares actual experience with the current actuarial assumptions; the study recommends adjustments as necessary. The most recent study was completed in 2015 and changes to the assumptions and methods based on the 2015 Experience Study were first reflected in the December 31, 2015 valuations. The impact of these changes is being phased-in over a 5 year period. The phase-in allows the employer to spread the impact of the new assumptions over 5 fiscal years. This report continues to provide contributions both with and without the phase-in adjustments.

The assumptions and methods are described in the Appendix on the MERS website.

As part of the recent Experience Study, the following changes are first reflected in the December 31, 2016 annual valuation:

- The asset smoothing was changed from 10 to 5 years. The gain (loss) recognized each year will be 20% of the current year's gain (loss) plus 20% of the gain (loss) from each of the 4 preceding years. The cumulative difference between the market value and valuation assets as of December 31, 2015 will be recognized over 4 years.
- Annual changes in Unfunded Accrued Liability (UAL) will be amortized over fixed periods, creating "layers" of UAL. This will require removing and creating "layers" of UAL on an annual basis.
  - Once the amortization period drops below 15 years (10 years for closed divisions), any future liability and asset gains or losses will be spread over a 15-year fixed period for open divisions and a 10-year fixed period for closed divisions — creating "layers" of UAL on an annual basis.
  - This transparent method allows tracking of what changed your UAL, and sets a fixed period in time in which that UAL change will be fully funded.

MERS created a dedicated resource page on their website for additional information on these topics (http://www.mersofmich.com/Employer/Work-Scenarios/Unfunded-Liability).

Funded Ratio and Required Employer Contributions

The MERS Defined Benefit Plan is an agent multiple-employer plan, meaning that assets are pooled for investment purposes but separate accounts are maintained for each individual employer. Each municipality is responsible for their own plan liabilities; MERS does not borrow from one municipality's account to pay for another.

The funded ratio of a plan is the percentage of the dollar value of the accrued benefits that is covered by the actuarial value of assets.

Your Funded Ratio:

	12/31/2016	12/31/2015
Funded Ratio	51%	54%

Michigan Law requires that pension plans be pre-funded, meaning money is set aside now to pay for future benefits. Pension plans are usually funded by employer and employee contributions, and investment income.

How quickly a plan attains the 100% funding goal depends on many factors such as:

- The current funded ratio
- The future experience of the plan
- The amortization period

It is more important to look at the trend in the funded ratio over a period of time than at a particular point in time.

Your Required Employer Contributions:

Your computed employer contributions are shown in the following table. Employee contributions, if any, are in addition to the computed employer contributions. Changes to the assumptions and methods based on the 2015 Experience Study were first reflected in the December 31, 2015 valuations. The impact of these changes is being phased-in over a 5 year period. The phase-in allows the employer to spread the impact of the new assumptions over 5 fiscal years. This valuation reflects the second year of the phase-in.

Your minimum required contribution is the amount in the “Phase-in” columns. By default, MERS will invoice you the phased-in contribution amount, but strongly encourages you to contribute more than the minimum required contribution. If for 2017 your municipality is making employer contributions based on rates without the phase-in applied, contact MERS to ensure this rate is used again for 2018 and not the defaulted phase-in rates.

	Percentage of Payroll				Monthly $ Based on Projected Payroll			
	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in	Phase-in	No Phase-in
Valuation Date:	12/31/2016	12/31/2016	12/31/2015	12/31/2015	12/31/2016	12/31/2016	12/31/2015	12/31/2015
Fiscal Year Beginning:	July 1, 2018	July 1, 2018	July 1, 2017	July 1, 2017	July 1, 2018	July 1, 2018	July 1, 2017	July 1, 2017
Division								
01 - General	21.51%	23.18%	20.18%	22.52%	$ 771	$ 831	$ 690	$ 770
Municipality Total					**$ 771**	**$ 831**	**$ 690**	**$ 770**

Employee contribution rates reflected in the valuations are shown below:

	Employee Contribution Rate	
Valuation Date:	12/31/2016	12/31/2015
Division		
01 - General	3.00%	3.00%

The employer may contribute more than the minimum required contributions, as these additional contributions will earn investment income and may result in lower future contribution requirements. **MERS strongly encourages employers to contribute more than the minimum contribution shown above.**

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the entire employer would be $ 1,414, instead of $ 831.
- To accelerate to a 100% funding ratio in 20 years, estimated monthly employer contributions for the entire employer would be $ 879, instead of $ 831.

If you are interested in making additional contributions, please contact MERS and they can assist you with evaluating your options.

How and Why Do These Numbers Change?

In a defined benefit plan contributions vary from one annual actuarial valuation to the next as a result of the following:

- Changes in benefit provisions (see Table 2)
- Changes in actuarial assumptions and methods (see the Appendix)
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions. For example:
  - Lower actual investment returns would result in higher required employer contributions, and vice-versa.
  - Smaller than assumed pay increases would lower required employer contributions.
  - Reductions in the number of active employees would lower required contribution dollars, but would usually increase the contribution rate expressed as a percentage of (the now lower) payroll.
  - Retirements at earlier ages than assumed would usually increase required employer contributions.
  - More non-vested terminations of employment than assumed would decrease required contributions.
  - More disabilities or survivor (death) benefits than assumed would increase required contributions.
  - Longer lifetimes after retirement than assumed would increase required employer contributions.

Actuarial valuations do not affect the ultimate cost of the plan; the benefit payments (current and future) determine the cost of the plan. Actuarial valuations only affect the timing of the contributions into the plan. Because assumptions are for the long term, plan experience will not match the actuarial assumptions in any given year (except by coincidence). Each annual actuarial valuation will adjust the required employer contributions up or down based on the prior year's actual experience.

Comments on Asset Smoothing

The actuarial value of assets, used to determine both your funded ratio and your required employer contribution, is based on a smoothed value of assets (10-year smoothing prior to 2016; 5-year smoothing beginning in 2016). A smoothing method reduces the volatility of the valuation results, which affects your required employer contribution and funded ratio. The smoothed actuarial rate of return for 2016 was 5.14%.

As of December 31, 2016 the actuarial value of assets is 108% of market value. This means that meeting the actuarial assumption in the next few years will require average annual market returns that exceed the 7.75% investment return assumption.

If the December 31, 2016 valuation results were based on market value on that date instead of smoothed funding value: i) the funded percent of your entire municipality would be 48% (instead of 51%); and ii) your total employer contribution requirement for the fiscal year starting July 1, 2018 would be $ 10,692 (instead of $ 9,972).

The asset smoothing method is a powerful tool for reducing the volatility of your required employer contributions. **However, if the current 8% difference between the smoothed value and the market value of assets is not made up, the result would be gradual increases in your employer contribution requirement over the next few years (to around the levels described above).**

Risk Characteristics of Defined Benefit Plans

It is important to understand that Defined Benefit retirement plans, the plan sponsor, and the plan participants are exposed to certain risks. While risks cannot be eliminated entirely, they can be managed through various strategies. Below are a few examples of risk (this is not an all-inclusive list):

- Economic - investment return, wage inflation, etc.
- Demographic - longevity, disability, retirement, etc.
- Plan Sponsor and Employees - contribution volatility, attract/retain employees, etc.

The MERS Retirement Board adopts certain assumptions and methods to manage the economic and demographic risks, and the contribution volatility risks. For example, the investment risk is the largest economic risk and is managed by having a balanced portfolio and a clearly defined investment strategy. Demographic risks are managed by preparing special studies called experience studies on a regular basis to determine if the assumptions used are reasonable compared to the experience. Risk may be managed through a plan design that provides benefits that are sustainable in the long run. An Experience Study is completed every five years to review the assumptions and methods. The next Experience Study will be completed in 2020.

Alternate Scenarios to Estimate the Potential Volatility of Results ("What If Scenarios")

The calculations in this report are based on assumptions about long-term economic and demographic behavior. These assumptions will never materialize in a given year, except by coincidence. Therefore the results will vary from one year to the next. The volatility of the results depends upon the characteristics of the plan. For example:

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.
- Open divisions that have substantial accrued liability compared to their active employee payroll will have more volatile employer contribution rates due to demographic experience fluctuations.
- Small divisions will have more volatile contribution patterns than larger divisions because statistical fluctuations are relatively larger among small populations.
- Shorter amortization periods result in more volatile contribution patterns.

The analysis in this section is intended to review the potential volatility of the actuarial valuation results. It is important to note that calculations in this report are mathematical estimates based upon assumptions regarding future events, which may or may not materialize. Actuarial calculations can and do vary from one valuation to the next, sometimes significantly depending on the group’s size.

Many assumptions are important in determining the required employer contributions. In the table below, we show the impact of varying one actuarial assumption: the future annual rate of investment return. Lower investment returns would result in higher required employer contributions, and vice-versa.

The relative impact of each investment return scenario below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2016 valuation, and are for the municipality in total, not by division. These results do not reflect a 5-year phase in of the impact of the new actuarial assumptions.

	Assumed Future Annual Smoothed Rate of Investment Return			
	Lower Future Annual Returns		Valuation Assumption	Higher Returns
12/31/2016 Valuation Results	**5.75%**	**6.75%**	**7.75%**	**8.75%**
Accrued Liability	$ 306,707	$ 280,900	$ 258,425	$ 238,746
Valuation Assets	$ 132,361	$ 132,361	$ 132,361	$ 132,361
Unfunded Accrued Liability	$ 174,346	$ 148,539	$ 126,064	$ 106,385
Funded Ratio	43%	47%	51%	55%
Monthly Normal Cost	$ 203	$ 143	$ 97	$ 61
Monthly Amortization Payment	$ 854	$ 799	$ 734	$ 676
Total Employer Contribution[1]	$ 1,057	$ 942	$ 831	$ 737

1 If assets exceed accrued liabilities for a division, the division’s amortization payment is negative and is used to reduce the division’s employer contribution requirement. If the overfunding credit is larger than the normal cost, the division’s full credit is included in the municipality’s amortization payment above but the division’s total contribution requirement is zero. This can cause the displayed normal cost and amortization payment to not add up to the displayed total employer contribution.

Projection Scenarios

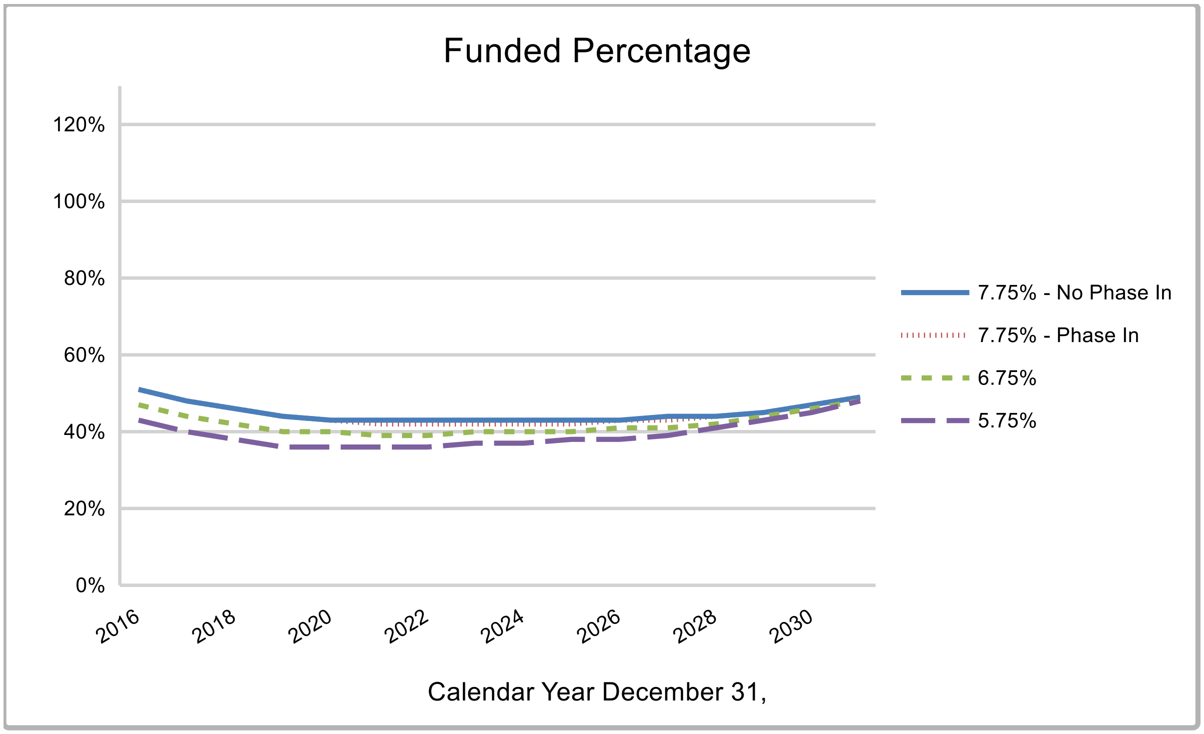
The next two pages show projections of the plan's funded ratio and computed employer contributions under the actuarial assumptions used in the valuation and alternate assumed long-term investment return scenarios. All four projections take into account the past investment losses that will continue to affect the smoothed rate of return in the short term. Under the 7.75% scenarios, two sets of projections are shown:

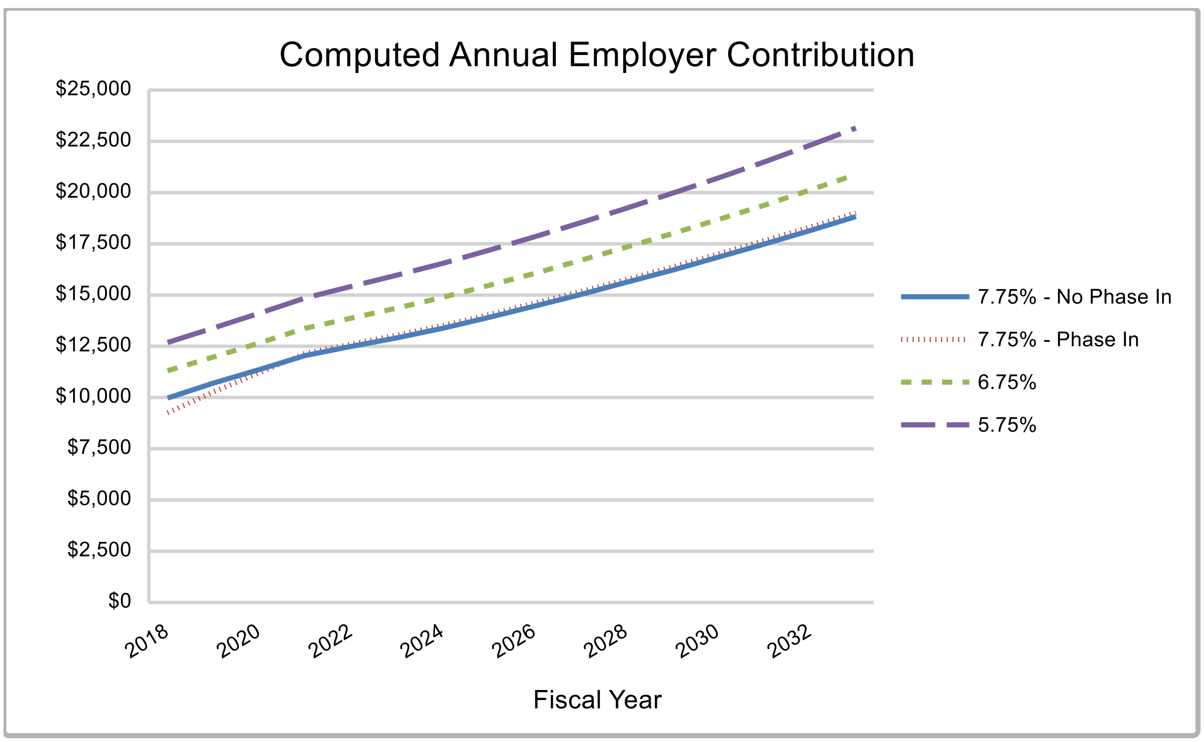
- Based on the phase-in over 5 fiscal years (beginning in 2017) of the increased contribution requirements associated with the new actuarial assumptions. This projects your minimum required contribution.
- Based on no phase-in of the increased contribution requirements.

The 7.75% scenarios provide an estimate of computed employer contributions based on current actuarial assumptions, and a projected 7.75% market return. The other two scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 6.75% and 5.75% projections provide an indication of the potential required employer contribution if MERS were to realize investment returns of 6.75% and 5.75% over the long-term.

The projections are shown both in tabular and graphical form in total for the employer. The tables show projections for six years. The graphs show projections for fifteen years.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets	Funded Percentage	Computed Annual Employer Contribution
7.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
WITH 5-YEAR PHASE-IN					
2016	2018	$ 258,425	$ 132,361	51%	$ 9,252
2017	2019	257,000	124,000	48%	10,300
2018	2020	256,000	117,000	46%	11,200
2019	2021	255,000	111,000	44%	12,200
2020	2022	254,000	108,000	43%	12,600
2021	2023	253,000	107,000	42%	13,000
NO 5-YEAR PHASE-IN					
2016	2018	$ 258,425	$ 132,361	51%	$ 9,972
2017	2019	257,000	124,000	48%	10,700
2018	2020	256,000	118,000	46%	11,400
2019	2021	255,000	112,000	44%	12,000
2020	2022	254,000	110,000	43%	12,500
2021	2023	253,000	109,000	43%	12,900
6.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
NO 5-YEAR PHASE-IN					
2016	2018	$ 280,900	$ 132,361	47%	$ 11,304
2017	2019	279,000	123,000	44%	12,000
2018	2020	277,000	116,000	42%	12,700
2019	2021	276,000	110,000	40%	13,400
2020	2022	274,000	108,000	40%	13,900
2021	2023	273,000	108,000	39%	14,400
5.75% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
NO 5-YEAR PHASE-IN					
2016	2018	$ 306,707	$ 132,361	43%	$ 12,684
2017	2019	304,000	122,000	40%	13,400
2018	2020	302,000	114,000	38%	14,100
2019	2021	300,000	109,000	36%	14,900
2020	2022	298,000	107,000	36%	15,400
2021	2023	297,000	107,000	36%	16,000


Funded Percentage
120%
100%
80%
60%
40%
20%
0%
2016
2018
2020
2022
2024
2026
2028
2030
Calendar Year December 31,
7.75% - No Phase In
7.75% - Phase In
6.75%
5.75%


Computed Annual Employer Contribution
$25,000
$22,500
$20,000
$17,500
$15,000
$12,500
$10,000
$7,500
$5,000
$2,500
$0
2018
2020
2022
2024
2026
2028
2030
2032
Fiscal Year
7.75% - No Phase In
7.75% - Phase In
6.75%
5.75%

Employer Contribution Details For the Fiscal Year Beginning July 1, 2018

Table 1

Division	Employer Contributions[1] Normal Cost	Payment of the Unfunded Accrued Liability[4]	Computed Employer Contribut. No Phase-In	Computed Employer Contribut. With Phase-In	Blended ER Rate No Phase-In[5]	Blended ER Rate With Phase-In[5]	Employee Contribut. Rate	Employee Contribut. Conversion Factor[2]
Percentage of Payroll								
01 - General	2.70%	20.48%	23.18%	21.51%			3.00%	0.83%
Estimated Monthly Contribution[3]								
01 - General	$ 97	$ 734	$ 831	$ 771				
Total Municipality	**$ 97**	**$ 734**	**$ 831**	**$ 771**				
Estimated Annual Contribution[3]	**$ 1,164**	**$ 8,808**	**$ 9,972**	**$ 9,252**				

1 The above employer contribution requirements are in addition to the employee contributions, if any.

2 If employee contributions are increased/decreased by 1.00% of pay, the employer contribution requirement will decrease/increase by the Employee Contribution Conversion Factor. The conversion factor is usually under 1%, because employee contributions may be refunded at termination of employment, and not used to fund retirement pensions. Employer contributions will all be used to fund pensions.

3 For divisions that are open to new hires, estimated contributions are based on projected fiscal year payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts. For divisions that will have no new hires (ie closed divisions), invoices will be based on the above dollar amounts which are based on projected fiscal year payroll. See description of Open Divisions and Closed Divisions in the Appendix.

4 If projected assets exceed projected liabilities as of the beginning of the July 1, 2018 fiscal year, the negative unfunded accrued liability is treated as overfunding credit and is used to reduce the contribution. This amortization is used to reduce the employer contribution rate. Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions to not add across.

5 For linked divisions, the employer will be invoiced the Computed Employer Contribution with Phase-in rate shown above for each linked division (a contribution rate for the open division; a contribution dollar for the closed-but-linked division), unless the employer elects to contribute the Blended Employer Contribution rate shown above, by contacting MERS at 800-767-2308.

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

Benefit Provisions

Table 2

01 - General: Open Division	2016 Valuation	2015 Valuation
Benefit Multiplier:	1.30% Multiplier (no max)	1.30% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	50/25 55/15	50/25 55/15
Final Average Compensation:	5 years	5 years
Employee Contributions:	3%	3%
Act 88:	No	No

Participant Summary

Table 3

Division	2016 Valuation		2015 Valuation		2016 Valuation		
	Number	Annual Payroll[1]	Number	Annual Payroll[1]	Average Age	Average Benefit Service[2]	Average Eligibility Service[2]
01 - General							
Active Employees	2	$ 39,225	2	$ 37,427	58.8	18.1	18.1
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	4	22,864	4	22,864	76.3		
Total Municipality							
Active Employees	**2**	**$ 39,225**	**2**	**$ 37,427**	**58.8**	**18.1**	**18.1**
Vested Former Employees	**0**	**0**	**0**	**0**	**0.0**	**0.0**	**0.0**
Retirees and Beneficiaries	**4**	**22,864**	**4**	**22,864**	**76.3**		
Total Participants	**6**		**6**				

1 Annual payroll for active employees; annual deferred benefits payable for vested former employees; annual benefits being paid for retirees and beneficiaries.

2 Description can be found under Miscellaneous and Technical Assumptions in the Appendix.

Reported Assets (Market Value)

Table 4

Division	2016 Valuation		2015 Valuation	
	Employer and Retiree[1]	Employee[2]	Employer and Retiree[1]	Employee[2]
01 - General	$ 103,833	$ 19,054	$ 102,919	$ 17,811
Municipality Total	**$ 103,833**	**$ 19,054**	**$ 102,919**	**$ 17,811**
Combined Reserves	**$ 122,887**		**$ 120,730**	

1 Reserve for Employer Contributions and Benefit Payments

2 Reserve for Employee Contributions

The December 31, 2016 valuation assets are equal to 1.077095 times the reported market value of assets (compared to 1.135382 as of December 31, 2015). The derivation of valuation assets is described, and detailed calculations of valuation assets are shown, in the Appendix.

Flow of Valuation Assets

Table 5

Year Ended 12/31	Employer Contributions Required	Employer Contributions Additional	Employee Contributions	Investment Income	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
2006	$ 5,570		$ 1,638	$ 8,640	$ (12,127)	$ 0	$ 0	$ 113,351
2007	5,803		1,688	9,151	(12,127)	0	0	117,866
2008	6,571		1,864	5,215	(12,127)	0	0	119,389
2009	7,273		1,941	4,981	(12,127)	0	0	121,457
2010	8,135		1,996	6,593	(12,127)	0	0	126,054
2011	8,635	$ 0	1,946	6,707	(12,127)	0	0	131,215
2012	8,537	0	1,631	6,130	(12,127)	0	0	135,386
2013	4,385	0	1,418	6,724	(19,285)	0	0	128,628
2014	4,252	22,297	1,213	7,676	(22,864)	0	57	141,259
2015	6,213	5,154	1,123	6,190	(22,864)	0	0	137,075
2016	7,806	3,248	1,092	6,004	(22,864)	0	0	132,361

Notes:

Transfers in and out are usually related to the transfer of participants between municipalities, and to employer and employee payments for service credit purchases (if any) that the governing body has approved.

Additional employer contributions, if any, are shown separately starting in 2011. Prior to 2011, additional contributions are combined with the required employer contributions.

In the actuarial valuation additional employer contributions are combined with required contributions and used to reduce computed future required employer contributions.

The investment income column reflects the recognized investment income based on the smoothed value of assets. It does not reflect the market value investment return in any given year.

Actuarial Accrued Liabilities and Valuation Assets
As of December 31, 2016

Table 6

Division	Actuarial Accrued Liability	Valuation Assets[1]	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
01 - General				
Active Employees	$ 76,637	$ 19,054	24.9%	$ 57,583
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	181,788	113,307	62.3%	68,481
Pending Refunds	0	0	0.0%	0
Total	**$ 258,425**	**$ 132,361**	**51.2%**	**$ 126,064**
Total Municipality				
Active Employees	**$ 76,637**	**$ 19,054**	**24.9%**	**$ 57,583**
Vested Former Employees	**0**	**0**	**0.0%**	**0**
Retirees and Beneficiaries	**181,788**	**113,307**	**62.3%**	**68,481**
Pending Refunds	**0**	**0**	**0.0%**	**0**
Total Participants	**$ 258,425**	**$ 132,361**	**51.2%**	**$ 126,064**

1 Includes both employer and employee assets.

Please see the Comments on Asset Smoothing in the Executive Summary of this report.

See Section 46 of the Plan Document for MERS Fiscal Responsibility policy, on the MERS website at: https://employerportal.mersofmich.com/SharePointFormsService/Default.aspx?Publication=MERSPlanDocument.pdf.

Actuarial Accrued Liabilities - Comparative Schedule

Table 7

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2002	$ 169,161	$ 107,846	64%	$ 61,315
2003	173,967	107,982	62%	65,985
2004	172,143	108,453	63%	63,690
2005	174,558	109,630	63%	64,928
2006	186,454	113,351	61%	73,103
2007	193,422	117,866	61%	75,556
2008	207,588	119,389	58%	88,199
2009	204,010	121,457	60%	82,553
2010	211,841	126,054	60%	85,787
2011	215,292	131,215	61%	84,077
2012	215,495	135,386	63%	80,109
2013	241,552	128,628	53%	112,924
2014	246,607	141,259	57%	105,348
2015	255,915	137,075	54%	118,840
2016	258,425	132,361	51%	126,064

Notes: Actuarial assumptions were revised for the 2004, 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

Division 01 - General

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2006	$ 128,093	$ 117,715	92%	$ 10,378
2007	136,306	125,236	92%	11,070
2008	151,752	129,500	85%	22,252
2009	149,494	134,737	90%	14,757
2010	158,691	141,878	89%	16,813
2011	163,846	148,748	91%	15,098
2012	215,495	135,386	63%	80,109
2013	241,552	128,628	53%	112,924
2014	246,607	141,259	57%	105,348
2015	255,915	137,075	54%	118,840
2016	258,425	132,361	51%	126,064

Notes: Actuarial assumptions were revised for the 2008, 2009, 2010, 2011, 2012 and 2015 actuarial valuations.

Table 9-01: Computed Employer Contributions - Comparative Schedule

Valuation Date	Active Employees		Computed	Employee
December 31	Number	Annual Payroll	Employer Contribution[1]	Contribution Rate[2]
2006	3	$ 54,611	3.97%	3.00%
2007	3	56,273	3.97%	3.00%
2008	3	62,138	4.79%	3.00%
2009	3	64,698	3.92%	3.00%
2010	3	66,547	4.14%	3.00%
2011	3	64,857	4.04%	3.00%
2012	3	56,950	11.65%	3.00%
2013	2	36,775	21.85%	3.00%
2014	2	40,455	17.97%	3.00%
2015	2	37,427	22.52%	3.00%
2016	2	39,225	23.18%	3.00%

1 For open divisions, a percent of pay contribution is shown. For closed divisions, a monthly dollar contribution is shown.

2 For each valuation year, the computed employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the computed employer contribution will be adjusted.

Note: The contributions shown in Table 9 for the 12/31/2015 through 12/31/2019 valuations do **not** reflect the phase-in of the increased contribution requirements associated with the new actuarial assumptions. The full contribution without phase-in is shown in Table 9 above. The contribution requirements including the 5-year phase-in are shown on page 7.

See the Benefit Provision History on page 25 for past benefit provision changes.

Division 01 - General

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 7/1/2018: Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	$ 118,840	23	$ 123,711	22	$ 8,436
Gain/Loss	12/31/2016	4,937	22	5,522	22	372
Total				**$ 129,233**		**$ 8,808**

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

** Please see the Appendix on the MERS website for a description of the amortization policy.

The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

GASB 68 Information

The following information has been prepared to provide some of the information necessary to complete GASB Statement No. 68 disclosures. Statement 68 is effective for fiscal years beginning after June 15, 2014. Additional resources, including an Implementation Guide, are available at www.mersofmich.com.

Actuarial Valuation Date:		12/31/2016
Measurement Date of Total Pension Liability (TPL):		12/31/2016
At 12/31/2016, the following employees were covered by the benefit terms:		
Inactive employees or beneficiaries currently receiving benefits:		4
Inactive employees entitled to but not yet receiving benefits:		0
Active employees:		2
		6
Total Pension Liability as of 12/31/2015 measurement date:	$	250,754
Total Pension Liability as of 12/31/2016 measurement date:	$	253,262
Service Cost for the year ending on the 12/31/2016 measurement date:	$	2,130
Change in the Total Pension Liability due to:		
- Benefit changes[1]:	$	0
- Differences between expected and actual experience[2]:	$	4,011
- Changes in assumptions[2]:	$	0

[1] A change in liability due to benefit changes is immediately recognized when calculating pension expense for the year.

[2] Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

Average expected remaining service lives of all employees (active and inactive):		2
Covered employee payroll: (Needed for Required Supplementary Information)	$	39,225

Sensitivity of the Net Pension Liability to changes in the discount rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Change in Net Pension Liability as of 12/31/2016:	$ 21,729	-	$ (19,051)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

01 - General

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/1998	E 2% COLA Adopted (01/01/1998)
3/1/1987	Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1987	10 Year Vesting
3/1/1987	Benefit C (New)
3/1/1987	Member Contribution Rate 3.00%
3/1/1987	Fiscal Month - July

Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

Details on MERS plan provisions, actuarial assumptions, and actuarial methodology can be found in the Appendix. Some actuarial assumptions are specific to this municipality and its divisions. These are listed below.

Increase in Final Average Compensation

Division	FAC Increase Assumption
All Divisions	1.00%

Withdrawal Rate Scaling Factor

Division	Withdrawal Rate Scaling Factor
All Divisions	100%

Miscellaneous and Technical Assumptions

Loads – None.

MERS Municipal Employees' Retirement System
1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Patricia Rockafellow
White Pine Library
106 E. Walnut St.
Stanton, MI 48888

Statement of Fiduciary Net Position
For the Year Ending 12/31/2016

Customer Number: 590401

Reserve for Employee Contributions

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2016
59040101	$17,811.46	$1,091.51	$0.00	$0.00	$151.40	$19,054.37
Total	$17,811.46	$1,091.51	$0.00	$0.00	$151.40	$19,054.37

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
59040101	$102,919.22	$11,053.07	$0.00	($22,863.60)	$12,984.35	($259.81)	$103,833.23
Total	$102,919.22	$11,053.07	$0.00	($22,863.60)	$12,984.35	($259.81)	$103,833.23

Combined Reserves

	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
Total	$120,730.68	$12,144.58	$0.00	($22,863.60)	$13,135.75	($259.81)	$122,887.60

Outstanding Accounts Receivable at 12/31/2016: $1,000.00

MERS Municipal Employees' Retirement System
1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Patricia Rockafellow
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Stanton, MI 48888

Statement of Fiduciary Net Position
For the Year Ending 12/31/2016

Customer Number: 590401

Reserve for Employee Contributions

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2016
59040101	$17,811.46	$1,091.51	$0.00	$0.00	$151.40	$19,054.37
Total	$17,811.46	$1,091.51	$0.00	$0.00	$151.40	$19,054.37

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
59040101	$102,919.22	$11,053.07	$0.00	($22,863.60)	$12,984.35	($259.81)	$103,833.23
Total	$102,919.22	$11,053.07	$0.00	($22,863.60)	$12,984.35	($259.81)	$103,833.23

Combined Reserves

	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
Total	$120,730.68	$12,144.58	$0.00	($22,863.60)	$13,135.75	($259.81)	$122,887.60

Outstanding Accounts Receivable at 12/31/2016: $1,000.00

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Lansing, MI 48917
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Patricia Rockafellow
White Pine Library
106 E. Walnut St.
Stanton, MI 48888

Customer Number: 590401

Statement of Fiduciary Net Position
For the Year Ending 12/31/2017

Reserve for Employee Contributions

Bargaining Unit	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2017
59040101	$19,054.37	$1,186.49	$0.00	$0.00	$335.36	$20,576.22
Total	$19,054.37	$1,186.49	$0.00	$0.00	$335.36	$20,576.22

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2017
59040101	$103,833.23	$8,612.38	($31,285.09)	($22,863.60)	$14,207.42	($235.49)	$72,268.85
590401S1	$0.00	$19,692.02	$31,285.09	$0.00	$2,655.14	($35.80)	$53,596.45
Total	$103,833.23	$28,304.40	$0.00	($22,863.60)	$16,862.56	($271.29)	$125,865.30

Combined Reserves

	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2017
Total	$122,887.60	$29,490.89	$0.00	($22,863.60)	$17,197.92	($271.29)	$146,441.52

Outstanding Accounts Receivable at 12/31/2017: $1,200.00

MERS
Municipal Employees' Retirement System
1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Patricia Rockafellow
White Pine Library
106 E. Walnut St.
Stanton, MI 48888

Customer Number: 590401

Statement of Fiduciary Net Position
For the Quarter Ended 03/31/2017

Reserve for Employee Contributions

Bargaining Unit	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 3/31/2017
59040101	$19,054.37	$318.76	$0.00	$0.00	$0.00	$19,373.13
Total	$19,054.37	$318.76	$0.00	$0.00	$0.00	$19,373.13

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 3/31/2017
59040101	$103,833.23	$2,495.50	($586.17)	($5,715.90)	$3,439.82	($68.68)	$103,397.80
590401S1	$0.00	$785.74	$586.17	$0.00	$21.51	($0.40)	$1,393.02
Total	$103,833.23	$3,281.24	$0.00	($5,715.90)	$3,461.33	($69.08)	$104,790.82

Combined Reserves

	Balance as of 12/31/2016	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 3/31/2017
Total	$122,887.60	$3,600.00	$0.00	($5,715.90)	$3,461.33	($69.08)	$124,163.95

Outstanding Accounts Receivable at 3/31/2017: $1,200.00

MERS
Municipal Employees' Retirement System
1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Patricia Rockafellow
White Pine Library
106 E. Walnut St.
Stanton, MI 48888

Statement of Fiduciary Net Position
For the Quarter Ended 06/30/2017

Customer Number: 590401

Reserve for Employee Contributions

Bargaining Unit	Balance as of 3/31/2017	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 6/30/2017
59040101	$19,373.13	$270.57	$0.00	$0.00	$0.00	$19,643.70
Total	$19,373.13	$270.57	$0.00	$0.00	$0.00	$19,643.70

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 3/31/2017	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 6/30/2017
59040101	$103,397.80	$1,620.76	$0.00	($5,715.90)	$2,872.21	($58.42)	$102,116.45
590401S1	$1,393.02	$16,708.67	$0.00	$0.00	$389.47	($7.92)	$18,483.24
Total	$104,790.82	$18,329.43	$0.00	($5,715.90)	$3,261.68	($66.34)	$120,599.69

Combined Reserves

	Balance as of 3/31/2017	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 6/30/2017
Total	$124,163.95	$18,600.00	$0.00	($5,715.90)	$3,261.68	($66.34)	$140,243.39

Outstanding Accounts Receivable at 6/30/2017: $1,200.00

MERS
Municipal Employees' Retirement System

1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Patricia Rockafellow
White Pine Library
106 E. Walnut St.
Stanton, MI 48888

Statement of Fiduciary Net Position
For the Quarter Ended 09/30/2017

Customer Number: 590401

Reserve for Employee Contributions

Bargaining Unit	Balance as of 6/30/2017	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 9/30/2017
59040101	$19,643.70	$318.40	$0.00	$0.00	$0.00	$19,962.10
Total	$19,643.70	$318.40	$0.00	$0.00	$0.00	$19,962.10

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 6/30/2017	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 9/30/2017
59040101	$102,116.45	$2,141.86	$0.00	($5,715.90)	$4,426.72	($66.46)	$102,902.67
590401S1	$18,483.24	$1,230.63	$0.00	$0.00	$690.05	($10.36)	$20,393.56
Total	$120,599.69	$3,372.49	$0.00	($5,715.90)	$5,116.77	($76.82)	$123,296.23

Combined Reserves

	Balance as of 6/30/2017	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 9/30/2017
Total	$140,243.39	$3,690.89	$0.00	($5,715.90)	$5,116.77	($76.82)	$143,258.33

Outstanding Accounts Receivable at 9/30/2017: $1,200.00

Protecting Local Government Retirement and Benefits Act Corrective Action Plan:
Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: Bloomfield Township Public Library Six-Digit Muni Code: 638006

Retirement Health Benefit System Name: Bloomfield Township Other Post-Employment Benefits Program

Contact Name (Administrative Officer): Sandra Bird

Title if not Administrative Officer: Finance Coordinator

Email: birdsand@btpl.org Telephone Number: (248) 642-5800

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one retirement health benefit system that has been determined to have an underfunded status. Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board. The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.*** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at **LocalRetirementReporting@michigan.gov** for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System OPEB Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status, as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

(i) Requiring cost sharing of premiums and sufficient copays.

(ii) Capping employer costs.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

☐ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: *Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On* ***January 1, 2017****, the local unit entered into new collective bargaining agreements with the* ***Command***

Officers Association *and* ***Internal Association of Firefighters*** *that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page* ***12*** *of the attached actuarial analysis that indicates the system is* ***40%*** *funded as of* ***June 30, 2017***.

☐ **Additional Funding –** Additional funding may include the following: paying the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on* ***June 23, 2016***. *The local unit of government has adopted a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC). Additionally, the local unit has committed to contributing* ***$500,000*** *annually, in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to* ***40%*** *by* ***2022***. *Please see page* ***10*** *of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional* ***$500,000*** *for the next five years.*

☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from* ***2015***. *Attached is an updated actuarial valuation for* ***2017*** *that shows our funded ratio has improved to* ***42%*** *as indicated on page* ***13***.

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

☐ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

Sample Statement: *The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association** and **Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system would be **40%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.*

☐ **Additional Funding –** Additional funding may include the following: meeting the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit will create a qualified trust to receive, invest, and accumulate assets for retirement healthcare by **December 31, 2018**. The local unit of government will adopt a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC) by **December 31, 2018**. Additionally, beginning in fiscal year 2019, the local unit will contribute **$500,000** annually in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40%** by **2022.** Please see page **10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **$500,000** for the next five years.*

☒ **Other Considerations –** Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on page **13**.*

The additional back-up documentation in the Waiver Application submission email of 3/5/18 was not attached, in error . This was an erroneous error, not an intentional error. Please review the attached documentation, which includes the Library's Actuarial Report and the 100% fully funded OPEB liability of $5,257,680 reported in the Assigned Fund Balance in the Audit Report - Notes to Financial Statements section. If you determine a formally approved Corrective Action Plan by our governing body is required in order to be compliant per Sec. 10(4) of the Act as a result of this clerical error, the Library is asking for a 45 day extension to meet the requirements.

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (*insert local unit name*) Bloomfield Township Pub. Library to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

☒ **Yes**
☐ **No**
If No, Explain:

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention	Type of Document
☒ Attachment – 1	**This Corrective Action Plan (Required)**
☐ Attachment – 1a	**Documentation from the governing body approving this Corrective Action Plan (Required)**
☒ Attachment – 2a	Actuarial Analysis (annual valuation, supplemental valuation, projection)
☐ Attachment – 3a	Internally Developed Projection Study
☐ Attachment – 4a	Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).
☐ Attachment – 5a	Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)
☐ Attachment – 6a	A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio
☒ Attachment – 7a	Other documentation, not categorized above

7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I Sandra Bird, as the government's administrative officer (*enter title*) Finance Coordinator (City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature Sandra Bird Date 5/29/18

NOTE I: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Gift Fund	Total
Nonspendable	$ 22,016	$ 1,199	$ 23,215
Restricted for - gifts	-	166,664	166,664
Committed for - cash flow	4,733,783	-	4,733,783
Assigned for - OPEB, compensated absences, and capital improvements	6,441,318	-	6,441,318
Unassigned	482,823	-	482,823
	$ 11,679,940	$ 167,863	$ 11,847,803

NOTE J: RISK MANAGEMENT

The Library is exposed to various risk of loss related to property loss, torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employee's; and natural disasters.

The Library participates with the Charter Township of Bloomfield in its risk management program to cover these risks.

NOTE K: CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 72, *Fair Value Measurement and Application,* was implemented during the year. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

NOTE L: UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The statement requires governments providing other postemployment benefits (OPEB) to recognize their unfunded OPEB obligation as a liability for the first time, and to more comprehensibly and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Library is currently evaluating the impact this standard will have on the financial statements when adopted for the 2018-2019 fiscal year.

Bloomfield Township Public Library

Governmental Funds

BALANCE SHEET

March 31, 2017

	General Fund	Gift Fund	Total
ASSETS			
Cash and cash equivalents	$ 360,112	$ 179,302	$ 539,414
Investments	11,881,328	-	11,881,328
Prepaid expenses	22,016	1,199	23,215
TOTAL ASSETS	$ 12,263,456	$ 180,501	$ 12,443,957
LIABILITIES			
Accounts payable	$ 264,394	$ 12,638	$ 277,032
Accrued liabilities	55,097	-	55,097
Due to Charter Township of Bloomfield	264,025	-	264,025
TOTAL LIABILITIES	583,516	12,638	596,154
FUND BALANCES			
Nonspendable	22,016	1,199	23,215
Restricted	-	166,664	166,664
Committed	4,733,783	-	4,733,783
Assigned	6,441,318	-	6,441,318
Unassigned	482,823	-	482,823
TOTAL FUND BALANCES	11,679,940	167,863	11,847,803
TOTAL LIABILITIES AND FUND BALANCES	$ 12,263,456	$ 180,501	$ 12,443,957

See accompanying notes to financial statements.

Bloomfield Township Public Library
General Fund
Fund Balance Designations 3/31/2017

ACCOUNT NAME	2016-2017 Column 1 AUDITED ACTUALS AS OF MAR 31, 2017
Revenues	
Taxes	**$6,786,721**
Penal Fines	**$86,868**
State Aid	**$26,856**
Circulation Fines and Fees	**$107,196**
Charges for Services	**$14,565**
Photocopy Fees	$1,182
Room Rental Fees	$13,383
Investment earnings	**$27,352**
Investment Earnings	$213,443
Change in Asset Value	($186,091)
Miscellaneous	**$14,582**
Miscellaneous Revenue	$3,582
Library Shop Revenue	$3,881
Café Revenue	$7,119
Gain (loss) on Sale of Equipment	$0
Total Revenues	**$7,064,141**
Expenditures	
Personnel	**$3,721,482**
Salaries & Wages	$2,664,440
Social Security	$203,482
Employee Insurances	$602,910
Retirement	$250,650
Library Services	**$751,749**
Electronic Services-Databases	$121,854
Electronic Services-OCLC/SkyRiver	$18,294
Books	$304,548
Processing & Supplies	$21,422
Periodicals/Docs./Reference Services	$86,296
Vertical Files	$67
CD-ROM/Games	$5,390
Music	$22,056
Audio Books	$66,852
DVD's	$68,535
Special Needs Collection	$8,432
Programming	$28,004
Facilities & Equipment	**$906,628**
Repairs/Maintenance Supplies	$65,170
Telephone	$20,283
Building Insurance	$65,988
Public Utilities	$309,813
Building Maintenance	$122,986
Equipment Maintenance	$13,124
Grounds Maintenance	$71,411
Computer System Maintenance	$174,975
Equipment (Gen'l, Computer & Facility Svcs.)	$62,879
Other Operating Expenditures	**$125,707**
Office/Computer Supplies	$20,804
Postage	$9,183
Professional Services	$48,309
Staff Development/Travel	$19,975
Printing & Publishing	$12,348
Dues & Membership	$9,167
Miscellaneous Expenses	$5,921
Total Operating Expenditures	**$5,505,567**
Net Operating Revenue/(Expenditures)	*$1,558,575*
Capital Projects	**$473,839**
Total Operating & Capital Expenditures	**$5,979,405**
Fund Balance - Beginning	**$10,595,205**
Net Revenue / (Expenditures)	**$1,084,736**
Fund Balance - Ending	**$11,679,941**
Nonspendable - Prepaid Expenses	22,017
Restricted - None	0
Committed - 8 Month Fund Balance	4,733,783
Assigned - Other Post Employment Benefits (OPEB) Funding	5,257,680
Assigned - Capital Improvements	757,675
Assigned - Compensated Absences	425,963
Unassigned - Unplanned Emergencies	482,823
Totals	**$11,679,941**

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December 2, 2015

PERSONAL & CONFIDENTIAL

Mr. Jason A. Theis, CPFO
Finance Director
Bloomfield Township
4200 Telegraph Road
Bloomfield Hills, MI 48302

Re: July 1, 2015 GASB45 Valuation of Other Post-Employment Benefits

Dear Jason:

We are pleased to provide this actuarial report for the Bloomfield Township Other Post-Employment Benefits Program. The report shows the financial status of the plan as of July 1, 2015 and presents cost figures for the 2016-17 fiscal year.

We have included two bound copies of the report and one unbound copy in case you need to make additional copies.

Please let us know if you have any questions.

Sincerely,

Steve A. Lemanski, FSA, FCA
Consulting Actuary

SAL:tl 80 BLM120215OPEBValCover2015.doc

Milliman

BLOOMFIELD TOWNSHIP
OTHER POST-EMPLOYMENT BENEFITS PROGRAM

July 1, 2015 Actuarial Valuation

Prepared by
Milliman, Inc.

Steve A. Lemanski, FSA, FCA
Consulting Actuary

Samuel Boustani, ASA
Actuary

80 Lamberton Road
Windsor, CT 06095 USA
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milliman.com

December 2, 2015

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This work product was prepared solely for the Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

We have performed an actuarial valuation of the Bloomfield Township Other Post-Employment Benefits Program as of July 1, 2015. The results of this valuation, along with supporting data, are set forth in the following report.

Milliman has prepared this report in compliance with Government Accounting Standard No. 45. No attempt is being made to offer any accounting opinion or advice. The calculations reported herein have been made on a basis consistent with our understanding of the plan provisions. Additional determinations may be needed for purposes other than meeting accounting requirements.

In preparing this report, we relied on employee census data, asset information, claims and premium information as of the valuation date, furnished by the Bloomfield Township. We performed a limited review of the information used directly in our analysis for reasonableness and consistency and have found them to be reasonably consistent and comparable with data used for other purposes. If the information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete and our calculations may need to be revised. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge, this report is complete and accurate, all costs and liabilities were determined in conformance with generally accepted actuarial principles and practices, and the methods and assumptions produced results which are reasonable. 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; 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. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

The actuarial method and assumptions used in this valuation are discussed on pages 18-21 of this report. A summary of the plan provisions starts on page 22 of this report.

Milliman's work is prepared solely for the internal business use of Bloomfield Township. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exception(s): (a) Bloomfield Township may provide a copy of Milliman's work, in its entirety, to Bloomfield Township's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit Bloomfield Township; and (b) Bloomfield Township may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

This work product was prepared solely for the Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Certification

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are pension and health actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

December 2, 2015

S. Boustany

Steve A. Lemanski, FSA, FCA
Consulting Actuary

Samuel Boustani, ASA
Actuary

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Discussion of Experience

This valuation reflects a number of changes relative to the July 1, 2013 valuation:

Demographic Changes from 2013 to 2015

From July 1, 2013 to July 1, 2015, the overall membership decreased from 582 to 571. The total number of active members decreased from 238 to 216 and the total number of retirees, deferred members and spouses of retirees increased from 344 to 355.

The average age of active members increased from 43.9 to 45.4 and the average age of retired members increased slightly from 68.5 to 68.8.

Assumption Changes

Discount Rate: We increased the discount rate to 4.50% for Water and Sewer to reflect the Township's current funding and investment policy for this group (Prior: 4.00%).

Medical age curves: We updated the age curves with respect to expected claims costs, based on our analysis of the claims experience and premium information provided to us for this valuation.

Medical inflation: The medical cost inflation trend used in this valuation was derived from the "Getzen Model" established by the Society of Actuaries for developing long term medical cost trends. The Getzen version used in the 2013 valuation didn't incorporate the Affordable Care Act fees starting in 2014. The current Getzen version was subsequently updated to reflect these fees in the development of the medical trend. This assumption was revised to an initial inflation rate of 5.50%, grading down to an ultimate inflation rate of 4.60% over a period of 69 years (Prior valuation: an initial inflation rate of 6.90% graded down to an ultimate inflation rate of 4.70% over a period of 69 years).

Mortality: We updated the mortality assumption to the RP-2000 Mortality Table with generational projection per Scale BB. This assumption includes a margin for mortality improvement beyond the valuation date (Prior: RP-2000 Mortality Table with generational projection per Scale AA.).

The effect of the above changes was as follows: (1) increasing the discount rate from 4.00% to 4.50% for Water and Sewer reduced the Accrued Liability by about $820,000 and reduced the Annual Required Contribution by about $70,000; and (2) the other changes reduced the Accrued Liability by about $5.4 million and reduced the Annual Required Contribution by about $470,000.

This work product was prepared solely for the Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Overview of GASB 43 and GASB 45

GASB 43 requires OPEB plans to disclose information about asset and liability levels and show historical contribution information. GASB 43 only applies in situations where a separate trust is established to prefund these benefits. GASB 45 requires employers to perform periodic actuarial valuations to determine annual accounting costs, and to keep a running tally of the extent to which these amounts are over or under funded. GASB 43 was effective starting in FY 2006-07 for a Phase I government, FY 2007-08 for a Phase II government, and FY 2008-09 for a Phase III government. GASB 45 was effective for the fiscal year following implementation of GASB 43.

GASB 43 and 45 apply to just about any benefit that is provided after retirement except for pension benefits: medical insurance, dental, vision, and hearing benefits plus life insurance and long term care insurance. The benefits provided by the Township to retirees include medical and dental insurance plus life insurance. The philosophy driving the accounting standard is that these post-employment benefits are part of the compensation that is paid to employees in return for their services, and the cost of these benefits should be recognized while the employees are providing those services, rather than after they have retired. This philosophy has already been applied for years to defined benefit pensions; GASB 43 and 45 extend the same thinking to all other post-employment benefits.

This work product was prepared solely for the Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

The Valuation Process

The process of determining the liability for OPEB benefits is based on many assumptions about future events. The key actuarial assumptions are:

Turnover and retirement rates: How likely is it that an employee will qualify for post-employment benefits and when will they start?

Medical inflation and claims costs assumptions: When an employee starts receiving post-employment benefits many years from now, how much will be paid each year for the benefits and how rapidly will the costs grow?

Mortality assumption: How long is a retiree likely to receive the benefits?

Discount rate assumption: What is the present value of those future benefit payments in terms of today's dollars?

Since the liability is being recognized over the employee's whole career with the Township, the present value is divided into three pieces: the part that is attributed to past years (the "Accrued Liability" or "Past Service Liability"), the part that is being earned this year (the "Normal Cost"), and the part that will be earned in future years (the "Future Service Liability").

Once the Accrued Liability and the Normal Cost have been calculated, the next step is to determine an annual contribution. This consists of two pieces:

- Normal Cost – because the benefits earned each year should be paid for each year
- Past Service Cost – a catch-up payment to fund the Accrued Liability over time.

The final step is to keep track going forward of how much of the contribution is actually paid. There is no requirement to actually fund these benefits, but the cumulative deficiency must be disclosed on the Township's financial statements. In addition, the Discount Rate used to calculate the liabilities must reflect the expected investment income of whatever funds are set aside to prefund the benefits; if there is no prefunding then the Discount Rate will be much lower and the liabilities significantly higher than if the benefits are prefunded.

This work product was prepared solely for the Township for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Implicit Rate Subsidies

As part of the Other Post-Employment Benefits Program, there are situations where the cost is borne partly or entirely by retirees. In most cases, the premium that is used to split the cost is lower than the true cost of providing the medical benefits, for two reasons:

- The cost sharing premium is usually a fixed amount such as a COBRA premium that does not take into account the age of the retiree and his/her dependents. Since medical costs generally increase with age, the cost sharing premium is often lower than the true cost of the medical benefits:

- The cost sharing premium is usually a blended rate that takes into account the cost of medical benefits for active employees as well as retirees. Medical costs are generally higher for retirees than for active employees of the same age. This means that, again, the cost sharing premium is often lower than the true cost of the medical benefits.

Because of these two factors, a retiree who is paying 100% of the cost sharing premium is most likely not paying 100% of the true cost of the medical benefits. This situation is known as an "implicit rate subsidy". GASB 43 and 45 require the plan sponsor to measure the liability for this subsidy; that is, the difference between the true cost of the medical benefits and the cost sharing premiums paid by the retiree. To do this, our valuation consists of several steps:

First, we calculate the liability for the true cost of medical benefits expected to be received by retirees and their dependents. This liability is based on factors developed by Milliman's health actuaries that reflect how the cost of medical benefits varies by age and gender, as well as the other assumptions discussed on the prior page. We term this amount the "gross liability".

Next, we calculate the liability for the future premiums expected to be paid by the retiree for their own and their dependents' coverage. This liability is based on the current premium rates without adjustment for age or gender. It also is based on the terms of the retiree medical program – different retirees pay different percentages based on their union, date of retirement, age at retirement, and other factors. We term this amount the "offset liability".

Finally, the net liability for the Township is calculated as the difference between the gross liability and the offset liability.

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Summary of Liabilities as of July 1, 2015

We have calculated the Accrued Liability separately for five groups of Township employees, who are eligible for different OPEB benefits. We have broken the accrued liability for each group into several pieces: benefits that are expected to be paid prior to age 65 (i.e. prior to Medicare) and after age 65 (i.e. after Medicare) to current active members and their covered dependents after retirement, and the same figures for members who have already retired and are currently receiving benefits. In all cases, the Accrued Liability only reflects benefits that are paid for by the Township, taking into account any implicit rate subsidies.

	Fire	Police	Library	Town	Water and Sewer	Total
Current active members						
Employees under age 65	$4,042,939	$5,304,309	$499,234	$3,786,468	$635,763	$14,268,713
Employees over age 65	5,274,028	5,854,818	1,599,502	7,403,108	878,803	21,010,259
Dependents under age 65	5,976,477	6,834,673	126,993	3,326,115	655,965	16,920,223
Dependents over age 65	5,905,772	5,991,471	592,719	4,685,531	675,277	17,850,770
Total	21,199,216	23,985,271	2,818,448	19,201,222	2,845,808	70,049,965
Current retired members						
Employees under age 65	2,285,147	2,531,238	162,532	1,941,494	499,119	7,419,530
Employees over age 65	9,525,280	10,901,416	1,476,392	11,492,177	2,302,859	35,698,124
Dependents under age 65	3,661,017	3,039,322	144,371	2,471,347	694,940	10,010,997
Dependents over age 65	12,256,882	10,944,053	655,937	7,797,467	2,557,680	34,212,019
Total	27,728,326	27,416,029	2,439,232	23,702,485	6,054,598	87,340,670
Total Accrued Liability	48,927,542	51,401,300	5,257,680	42,903,707	8,900,406	157,390,635

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Annual Required Contribution

The Annual Required Contribution (ARC) for the OPEB program consists of two pieces: a **Normal Cost** (the cost of benefits earned each year should be accrued in that year) plus a **Past Service Cost** (a catch-up accrual to amortize the Unfunded Accrued Liability).

The amortization period is 25 years starting for FYE 2009. The amortization method produces annual payments that will increase by 4.00% annually. On this basis, the ARC is determined as follows:

	Fire	Police	Library	Town	Water and Sewer	Total
Accrued Liability	$48,927,542	$51,401,300	$5,257,680	$42,903,707	$8,900,406	$157,390,635
Assets	913,655	959,848	0	801,168	2,762,352	5,437,023
Unfunded Accrued Liability	48,013,887	50,441,452	5,257,680	42,102,539	6,138,054	151,953,612
Amortization Period	17	17	17	17	17	17
Amortization Growth Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Past Service Cost	2,824,346	2,967,144	309,275	2,476,620	375,081	8,952,466
Total Normal Cost	1,227,965	1,552,428	206,364	1,225,094	201,766	4,413,617
Employee Contributions	0	0	0	0	0	0
Net Normal Cost	1,227,965	1,552,428	206,364	1,225,094	201,766	4,413,617
Interest	121,569	135,587	15,469	111,051	19,469	403,145
ARC for FY 2017	4,173,880	4,655,159	531,108	3,812,765	596,316	13,769,228
Expected Benefit Payouts	1,430,835	1,325,650	170,377	1,295,428	376,378	4,598,668
Net Budget Impact	N/A	N/A	N/A	N/A	219,938	N/A

The ARC is assumed to be paid at the beginning of the Fiscal Year.

June 30, 2015 assets for Fire, Police and Town subgroups were allocated based on Accrued Liability.

The assets as of July 1, 2015 includes $2,762,352 in accrued contributions, representing restricted funds for Water and Sewer that were transferred to the OPEB trust on November 30, 2015.

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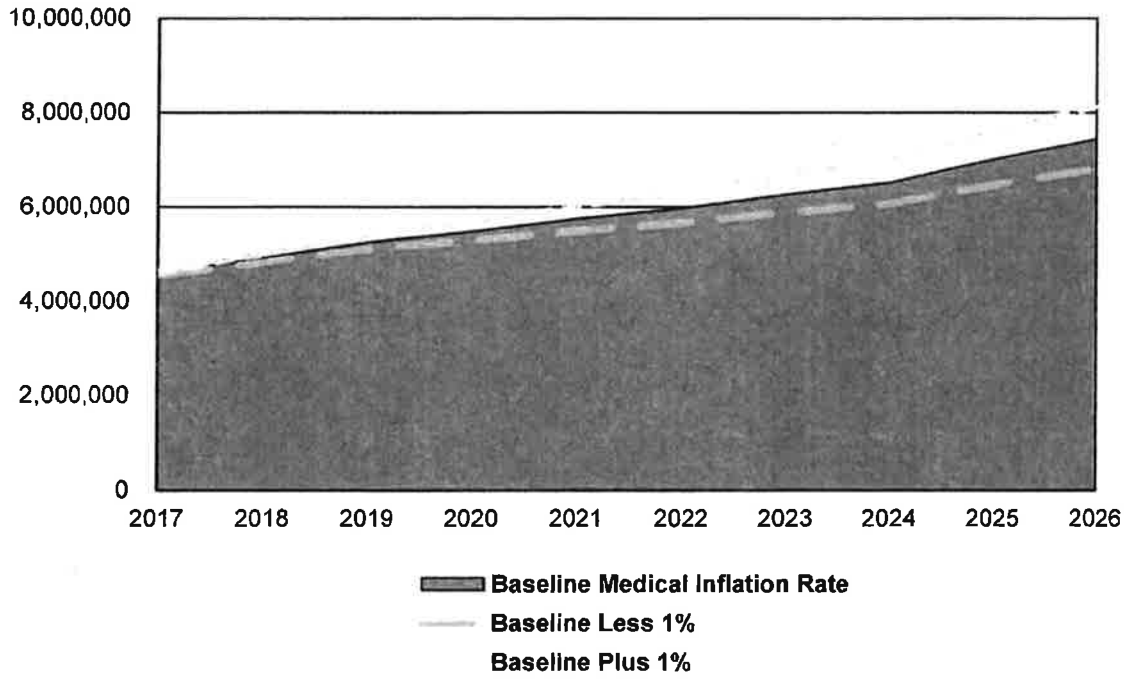
Projected Payouts

The table and graph below show the expected annual payments for OPEB benefits for the next 10 years.

Fiscal Year	Baseline Less 1%	Baseline Medical Inflation Rate	Baseline Plus 1%
2017	$4,556,637	$4,598,668	$4,640,699
2018	4,833,532	4,922,233	5,011,772
2019	5,117,225	5,258,113	5,401,675
2020	5,293,547	5,488,635	5,689,315
2021	5,498,933	5,753,072	6,016,984
2022	5,662,529	5,977,402	6,307,496
2023	5,885,591	6,268,957	6,674,678
2024	6,069,917	6,523,321	7,007,730
2025	6,470,485	7,016,524	7,605,453
2026	6,800,748	7,441,356	8,138,854



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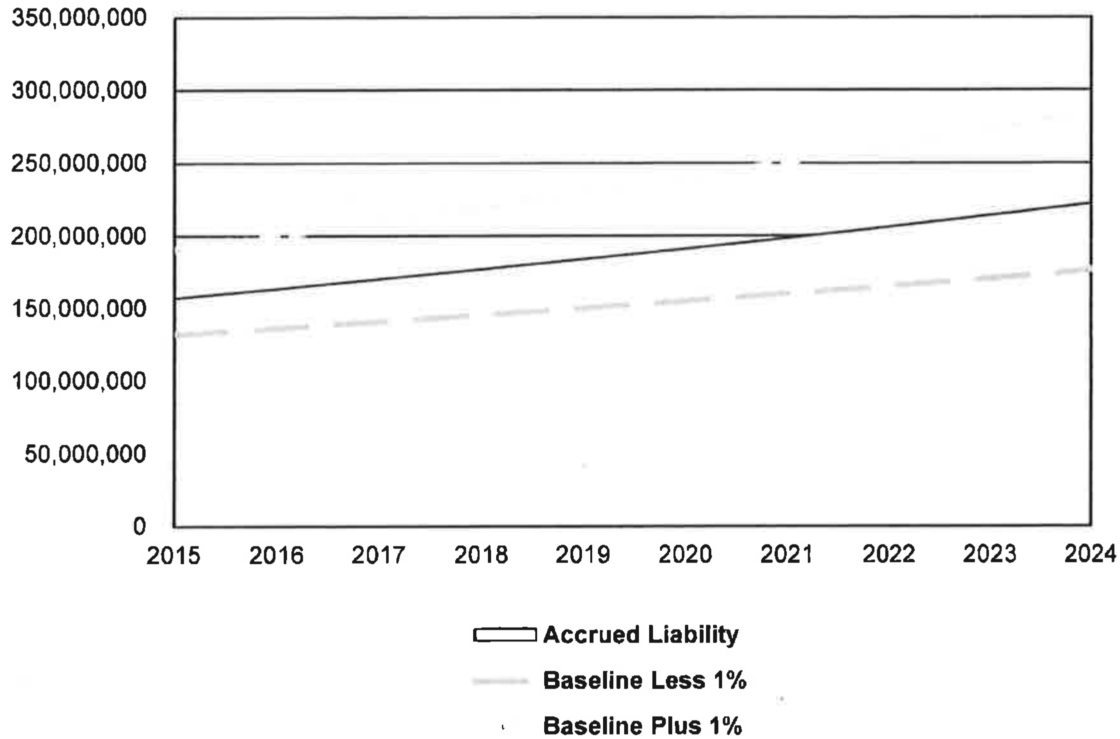
Projected Liabilities

The graph below shows how the Township's accrued liability for OPEB benefits is expected to grow over the next 10 years.



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GASB 45 Schedule of Funding Progress

The following information is required to be disclosed in the Township's financial statement.

($ 000s)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2013	1,609	150,097	148,488	1.07%	15,953	930.8%
7/1/2015	5,437	157,391	151,954	3.45%	15,279	994.5%

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GASB 45 Schedule of Employer Contributions

The following information is required to be disclosed in the Township's financial statement.

($ 000s)

Year Ended March 31	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2017	13,769	N/A	N/A

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Summary of Census Data

The following were included in our analysis based on information provided as of July 1, 2015 by the Township.

	Fire	Police	Library	Town	Water and Sewer	Total
Number of members						
Active	50	57	18	78	13	216
Retired members	50	55	14	58	15	192
Spouses of retirees	53	45	7	38	16	159
Deferred members	1	2	0	1	0	4
Total	154	159	39	175	44	571
Average age						
Active	43.8	41.1	51.4	49.2	40.0	45.4
Retired members	67.2	66.7	75.6	69.8	71.5	68.8
Deferred members	43.0	44.5	N/A	44.0	N/A	44.0
Average retirement age						
Active	55.5	53.4	61.4	59.8	56.4	57.0
Retired members	55.4	53.1	60.2	56.9	55.9	55.6
Expected lifetime						
Active [to retirement]	11.7	12.3	10.0	10.6	16.4	11.6
Retired [lifetime]	19.4	19.7	15.2	18.2	16.4	18.6

Where complete census data was not available, we have made assumptions which we believe to be reasonable.

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Current Premiums

We received the following information from the Township regarding the current premiums for health benefits provided to retirees:

2015 - 2016 Monthly Premiums		Employee	Spouse
PPO with Vision	Pre 65	$1,088.10	$2,316.33
	Post 65	685.63	755.00
PPO without Vision	Pre 65	1,083.60	2,306.24
	Post 65	681.13	744.91
HRA with Vision	Pre 65	453.95	927.89
	Post 65	374.10	753.33
HRA without Vision	Pre 65	446.24	915.65
	Post 65	366.39	741.09
Dental		35.69	59.30

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Expected Healthcare Costs

Milliman's Health Cost Guidelines were used to develop the expected true cost of health care benefits by age. Representative health care costs (per person per month) are shown below.

	Library HRA Plan		All Others HRA Plan	
Age	Employee	Spouse	Employee	Spouse*
40	$557	$513	$557	$748
45	613	577	613	812
50	687	674	687	910
55	813	793	813	1,028
60	1,008	948	1,008	1,184
65	285	286	285	286
70	329	329	329	329
75	371	370	371	370
80	403	400	403	400

	PPO Plan	
Age	Employee	Spouse*
40	$820	$907
45	913	1,000
50	1,035	1,141
55	1,240	1,310
60	1,554	1,534
65	557	560
70	643	643
75	726	721
80	790	779

It is assumed that there is no implicit rate subsidy associated with dental benefits. Unadjusted age premium rates were used to value these benefits.

* Child dependent claim costs are included with pre-65 spouse claim costs.

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Glossary

The following is an explanation of many of the terms referenced by the Statement of the Governmental Accounting Standards Board, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions".

Actuarial Cost Method - This is a procedure for determining the Actuarial Present Value of Benefits and allocating it to time periods to produce the Actuarial Accrued Liability and the Normal Cost. The Statement assumes a closed group of employees and other participants unless otherwise stated; that is, no new entrants are assumed. Six methods are permitted – Unit Credit, Entry Age Normal, Attained Age, Aggregate, Frozen Entry Age, and Frozen Attained Age.

Accrued Liability - This is the portion of the Actuarial Present Value of Benefits attributable to periods prior to the valuation date by the Actuarial Cost Method (i.e., that portion not provided by future Normal Costs).

Actuarial Assumptions - With any valuation of future benefits, assumptions of anticipated future events are required. If actual events differ from the assumptions made, the actual cost of the plan will vary as well. Some examples of key assumptions include the discount rate, medical cost inflation, and rates of mortality, turnover and retirement.

Actuarial Present Value of Benefits - This is the value, as of the applicable date, of future payments for benefits and expenses under the Plan, where each payment is: a) Multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and b) Discounted at the assumed discount rate.

Actuarial Value of Assets - This is the value of cash, investments and other property belonging to the Plan, as used by the actuary for the purpose of an Actuarial Valuation.

Amortization Payment - This is the amount of the contribution required to pay interest on and to amortize over a given period the Unfunded Actuarial Accrued Liability or the Unfunded Frozen Actuarial Accrued Liability. A closed amortization period is a specific number of years counted from one date and reducing to zero with the passage of time; an open amortization period is one that begins again or is recalculated at each actuarial valuation date.

Annual Required Contribution ("ARC") - This is the employer's periodic required contribution to a defined benefit OPEB plan, calculated in accordance with the set of requirements for calculating actuarially determined OPEB information included in financial reports.

Attribution Period - The period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned. The beginning of the attribution period is the employee's date of hire and costs are spread across all employment.

Benefit Payments - The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a post employment benefit plan, including health care benefits and life insurance not provided through a pension plan.

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Glossary

Discount Rate - GASB 45 requires that the interest rate used to discount future benefit payments back to the present day be based on the expected rate of return on any investments set aside to pay for these benefits. If no funds are set aside for this purpose, the discount rate would be based on the expected return of the employer's general funds.

Funding Excess - This is the excess of the Actuarial Value of Assets over the Actuarial Accrued Liability.

Health Cost Trend - This is the rate at which health costs are assumed to increase over time.

Implicit Rate Subsidy - This is the excess of the expected health care cost per retired member over the gross premium charged for that coverage. In most cases, the gross premium charged to a retiree is less than the expected health care cost, since the premium is a blended average rate that does not fully reflect the above-average, increasing costs by age that apply during retirement.

Normal Cost - This is the portion of the Actuarial Present Value of Benefits allocated to a valuation year by the Actuarial Cost Method.

Net OPEB Obligation - This is the cumulative difference since the effective date of this statement between the annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.

Other Post-employment Benefits ("OPEB") - This refers to post-employment benefits other than pension benefits, including healthcare benefits regardless of the type of plan that provides them, and all other post-employment benefits provided separately from a pension plan, excluding benefits defined as termination benefits or offers.

Past Service Cost - This is a catch-up payment to fund the Unfunded Actuarial Accrued Liability over time (generally 10 to 30 years). Also known as the **Amortization Payment**.

Return on Plan Assets - This is the actual investment return on plan assets during the fiscal year.

Substantive Plan - The terms of the postretirement benefit plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for the plan.

Unfunded Actuarial Accrued Liability - This is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

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Actuarial Method

The actuarial funding method used is the **Projected Unit Credit Cost Method**. Recommended annual contributions consist of two pieces: Normal Cost plus a payment towards the Unfunded Accrued Liability.

The **Accrued Liability** is determined directly as the present value of benefits accrued to date, where the accrued benefit for each Member is the pro-rata portion (based on service to date) of the **projected** benefit payable at death, disability, retirement or termination.

The **Normal Cost** is similarly determined as the present value of the portion of the **projected** benefit attributable to the current year.

The **Unfunded Accrued Liability** is the Accrued Liability less the value of any plan assets.

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Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgement regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Discount Rate — **Water and Sewer:** 4.50% (Prior: 4.00%)

All Others: 4.00%

Inflation Rate — 2.70%

Medical Inflation Rate — 5.50% - 4.60% over 69 years (Prior: 6.90% - 4.70% over 69 years)

Dental Inflation Rate — 3.00%

Amortization Growth Rate — 4.00%

Mortality

Current: RP-2000 Mortality Table with generational projection per Scale BB. This assumption includes a margin for mortality improvement beyond the valuation date.

Prior: RP-2000 Mortality Table with generational projection per Scale AA. This assumption includes a margin for mortality improvement beyond the valuation date.

Turnover — 50% of Prudential Scale ½ A

Age	Male	Female
20	2.500%	3.750%
25	2.500%	3.750%
30	1.875%	2.500%
35	1.250%	1.875%
40	0.750%	1.250%
45	0.375%	0.625%
50 & Over	0.000%	0.000%

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Actuarial Assumptions

Retirement

Fire:

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
52-64	5%
65	100%

Otherwise:

Age	Rate
52	20%
53-54	10%
55-56	30%
57-64	50%
65	100%

Police:

For members hired after March 31, 1999 who retire with less than 25 Years of Service:

Age	Rate
50-62	5%
63	100%

Otherwise:

Age	Rate
50-51	35%
52-54	10%
55-56	30%
57-62	50%
63	100%

Library: 25% at age 55 with 25 years of service; at all other ages (with at least 15 years of service):

Age	Rate
55-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

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Actuarial Assumptions

Retirement

Others: 25% at the earlier of age 52 with 25 years of service or 30 years of service; at all other ages (with at least 15 years of service):

Age	Rate
< 53	5%
54	7%
55	10%
56-59	15%
60-61	25%
62	30%
63-64	15%
65-69	50%
70	100%

Disability

Table C-4 of TSA Volume XXXIX, 100% of the 6-month rates:

Age	Male	Female
20	0.080%	0.100%
30	0.099%	0.140%
40	0.176%	0.276%
50	0.540%	0.622%
60	1.477%	1.179%

All disabilities are assumed to be Service-Connected.

Future Retiree Coverage

All active and former vested members are assumed to elect coverage at retirement.

Future Dependent Coverage

Current active members are assumed to elect dependent coverage at retirement as follows. All female spouses are assumed to be 3 years younger than males.

	Male	Female
Fire	95%	95%
Police	90%	90%
Town	80%	50%

Future Post-65 Coverage

All current actives and pre-65 retirees are assumed to continue coverage at age 65.

Valuation of Dental Benefits

It is assumed that there is no implicit rate subsidy associated with these benefits.

Valuation of Benefits for Children

Benefits attributed to children have been excluded from this valuation for Library, as they were determined to be de minimis.

The turnover and disability assumptions are based on the January 1, 2015 Actuarial Valuation Report of the Township of Bloomfield Retirement Income Plan.

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Summary of Plan Provisions

This summary is intended only to describe our understanding of the essential features of the benefits that will be provided to future retirees based on copies of bargaining agreements, applicable personnel rules and the benefits being currently provided to retired members. All eligibility requirements and benefit amounts shall be determined in strict accordance with the relevant plan documents. To the extent that this summary does not accurately reflect the plan provisions, then the results of this valuation may not be accurate.

Eligibility

Fire

Members who retire from active service at age 52 or older, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 52 with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Normal Retirement for pension purposes is age 52 with 8 years of service.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Police / Police Command

Hire date prior to April 1, 1999:

Members who retire from active service on or after Normal Retirement, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before Normal Retirement with 25 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of Normal Retirement Date (age 50).

Members who terminate before Normal Retirement with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective for retirement from active service on or after June 7, 2006, eligibility for retiree health insurance is the earlier of age 50 with 25 years of service, or age 52 with 10 years of service, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

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Summary of Plan Provisions

Eligibility

Police / Police Command

Hire date after March 31, 1999:

Members who retire from active service at age 50 or older and with 25 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before age 50, but who have 25 years of service, are eligible for post-retirement medical and dental benefits upon the attainment of age 50.

Members who terminate with between 15 and 25 years of service are eligible for post-retirement medical and dental benefits upon the attainment of age 52.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Town

Hire date prior to April 1, 1999:

Members who retire from active service at age 55 or older, can elect to continue medical and dental coverage for self and spouse, as long as the member has satisfied the minimum requirements to retire as defined in the Township defined benefit pension plan.

Members who retire from active service at age 52 with 15 years of service, or 30 years of service regardless of age, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service, are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Normal Retirement for Library is age 55 with 8 years of service.

Normal Retirement for Town Others is the earlier of age 52 with 8 years of service, or completion of 30 years of service regardless of age.

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Summary of Plan Provisions

Eligibility

Town

Hire date after March 31, 1999:

Members who retire on or after normal retirement with 15 or more years of service, can elect to continue medical and dental coverage for self and spouse.

Members who terminate before normal retirement with 15 or more years of service are eligible for post-retirement medical and dental benefits upon the attainment of normal retirement date.

Effective with hire date after May 1, 2011, employees shall have their retiree healthcare provided through a Retirement Health Savings Plan.

Cost Sharing

Fire

Hire date prior to April 1, 1999:

An employee who retires from active service at age 52 or older who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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Summary of Plan Provisions

Cost Sharing

Fire

Hire date after March 31, 1999:

An employee who retires on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of Service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement or terminates prior to Normal Retirement and has between 15 and 25 Years of Service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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Summary of Plan Provisions

Cost Sharing

Police / Police Command

Hire date prior to April 1, 1999:

An employee who retires from active service on or after Normal Retirement and who has satisfied the minimum requirements to retire as defined in the Township pension plan qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement (age 50) at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- $100 per year for single ($200 per year for family), or

- The above schedule

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Summary of Plan Provisions

Cost Sharing

Police / Police Command

Hire date after March 31, 1999:

An employee who retires directly from the Township at age 50 or older with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to age 50 with 25 years of service qualifies for post-retirement health insurance at age 50 at no cost.

An employee who retires at age 52 or terminates prior to age 52, and who has between 15 and 25 years of service, qualifies for post-retirement health insurance at age 52. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

Retiree's contributions for employees who retire on or after July 1, 2009 are the greater of:

- $100 per year for single ($200 per year for family), or
- The above schedule

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Summary of Plan Provisions

Cost Sharing **Town**

Hire date prior to April 1, 1999:

An employee who retires from active service at the earlier of age 55 or 30 years of service regardless of age, and who has satisfied the minimum requirements to retire as defined in the Township pension plan, qualifies for post-retirement health insurance at no cost.

An employee who retires from active service between age 52 and 55 with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who retires between age 52 and 55 and has between 15 and 25 years of service qualifies for post-retirement health insurance. Retiree's contributions are based on the following schedule (contribution will stop when retiree reaches age 55):

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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Summary of Plan Provisions

Cost Sharing

Town

Hire date prior to April 1, 1999:

An employee who terminates prior to Normal Retirement Date with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who terminates prior to Normal Retirement Date and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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Summary of Plan Provisions

Cost Sharing

Town

Hire date after March 31, 1999:

An employee who retires from active service on or after Normal Retirement with 25 years of service qualifies for post-retirement health insurance at no cost.

An employee who terminates prior to Normal Retirement with 25 years of service qualifies for post-retirement health insurance at Normal Retirement at no cost.

An employee who retires on or after Normal Retirement, or terminates prior to Normal Retirement, and has between 15 and 25 years of service qualifies for post-retirement health insurance at Normal Retirement. Retiree's contributions are based on the following schedule:

Years of Service	Retiree's % of Premium
Less than 15	No Coverage
15	40%
16	36%
17	32%
18	28%
19	24%
20	20%
21	16%
22	12%
23	8%
24	4%
25	0%

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Summary of Plan Provisions

Disability

Fire

An employee who is eligible for early retirement and suffers a service-connected disability shall receive the same post-retirement health and dental insurance benefits that available to an employee who retirees on or after their Normal Retirement Date. An employee who is not eligible for early retirement and suffers a service-connected disability shall receive post-retirement health and dental insurance benefits for 54 months only.

Police / Police Command

An employee who suffers a service-connected disability shall receive post-retirement health benefits for 54 months only. An employee who suffers a non service-connected disability shall receive post-retirement health benefits for 30 months only.

Life Insurance

Fire / Police: $6,000

Police Command: $8,000

Town: $8,000

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Protecting Local Government Retirement and Benefits Act Corrective Action Plan:
Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: CITY OF ECORSE Six-Digit Muni Code: 822060

Defined Benefit Pension System Name: MERS DEFINED BENEFIT PENSION PLAN

Contact Name (Administrative Officer): RICHARD MARSH

Title if not Administrative Officer: CITY ADMINISTRATOR

Email: RMARSH@ECORSEMI.GOV Telephone Number: (313) 436-4005

2. GENERAL INFORMATION

Corrective Action Plan: An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one defined benefit pension retirement system that has been determined to have an underfunded status. Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annually required contribution for all of the defined benefit pension retirement systems of the local unit of government is greater than 10% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

Due Date: The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board (the Board). The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

Filing: Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.*** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at **LocalRetirementReporting@michigan.gov** for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System Pension Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Municipal Stability Board: The Municipal Stability Board shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

Review Process: Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

Considerations for Approval: A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan, a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

(i) Closing the current defined benefit plan.

(ii) Implementing a multiplier limit.

(iii) Reducing or eliminating new accrued benefits.

(iv) Implementing final average compensation standards.

Implementation: The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

3. DESCRIPTIONS OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

☒ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *The system's multiplier for current employees was lowered from 2.5X to 2X for the **General Employees' Retirement System** on **January 1, 2017**. On page **8** of the attached actuarial supplemental valuation, it shows our funded ratio will be **60%** by fiscal year **2020**.*

The system's defined benefit plan was closed June 30, 2017 as negotiated in the collective bargaining agreements with the AFSCME, POAM and IAFO. New hires after 7/1/2017 are eligible for defined contribution with AXA Equitable.

☒ **Additional Funding** – Additional funding may include the following: Voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: *The local unit provided a lump sum payment of **$1 million** to the **General Employees' Retirement System** on **January 1, 2017**. This lump sum payment was in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2025**. Please see page **10** of the attached enacted budget, which highlights this contribution of **$1 million**.*

The City of Ecorse provided a lump sum payment of $800,000 to the MERS Defined Benefit Pension Plan on February 14, 2018. The additional contribution will increase the retirement system's Net Position to $17,481,887. Please see the Statement of Fiduciary Net Position for the Quarter Ended 03/31/2018.

☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **62%** as indicated on page **13**.*

4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the additional actions the local government is planning to implement to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Category of Prospective Actions:

☐ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: *Beginning with* ***summer 2018*** *contract negotiations, the local unit will seek to lower the system's multiplier for current employees from 2.5X to 2X for the* ***General Employees' Retirement System****. On page* ***8*** *of the attached actuarial supplemental valuation, it shows our funded ratio would be* ***60%*** *funded by* ***fiscal year 2020*** *if these changes were adopted and implemented by* ***fiscal year 2019.***

☐ **Additional Funding –** Additional funding may include the following: voluntary contributions above the actuarially determined contribution, bonding, millage increases, restricted funds, etc.

Sample Statement: Beginning in **fiscal year 2019,** *the local unit will provide a lump sum payment of* ***$1 million*** *to the* ***General Employees' Retirement System****. This lump sum payment will be in addition to the actuarially determined contribution (ADC) of the system. The additional contribution will increase the retirement system's funded ratio to* ***61% by 2025****. Please see page* ***10*** *of the attached enacted budget, which highlights this contribution of* ***$1 million****. Please see page* ***12*** *of the attached supplemental actuarial valuation showing the projected change to the system's funded ratio with this additional contribution.*

☐ **Other Considerations –** Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: *Beginning in* ***fiscal year 2019****, the local unit will begin amortizing the unfunded portion of the pension liability using a* ***level-dollar amortization method over a closed period of 10 years****. This will allow the retirement system to reach a funded status of* ***62%*** *by* ***2022*** *as shown in the attached actuarial analysis on page* ***13****.*

5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (*insert local unit name*) City of Ecorse to make, at a minimum, the annual required contribution payment for the defined benefit pension system according to your long-term budget forecast?

☒ **Yes**
☐ **No**
If No, Explain:

6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this Corrective Action Plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

Naming convention: when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention	Type of Document
☒ Attachment – 1	**This Corrective Action Plan Form (Required)**
☒ Attachment – 1a	**Documentation from the governing body approving this Corrective Action Plan (Required)**
☐ Attachment – 2a	Actuarial Analysis (annual valuation, supplemental valuation, projection)
☐ Attachment – 3a	Internally Developed Projection Study
☒ Attachment – 4a	Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).
☐ Attachment – 5a	Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)
☐ Attachment – 6a	A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio
☐ Attachment – 7a	Other documentation, not categorized above

7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I, RICHARD MARSH, as the government's administrative officer (*enter title*) CITY ADMINISTRATOR (Ex: City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature Richard Marsh Date 6-7-18

CITY OF ECORSE
COUNTY OF WAYNE
STATE OF MICHIGAN

AN EXCERPT TAKEN FROM THE REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF ECORSE HELD UNDER DATE OF MAY 22, 2018. MAYOR LAMAR TIDWELL, PRESIDING.

PRESENT: COUNCILMEN: SAMMONS, AGEE, BANKS, ELEM, MAYOR PRO TEM HELLAR, MAYOR TIDWELL
ABSENT: COUNCILMAN PARKER

RESOLUTION 830.18

Moved by Councilman Sammons, Supported by Councilman Agee,

RESOLVED, that pursuant to the request of the City Administrator and the City Controller, the City Council hereby approves and adopts the 2017 Corrective Action Plan for Defined Benefit Pension Retirement Systems that are less than 60% funded and greater than 10% Annual Determined Contribution (ADC) of Governmental fund revenues.

Yeas:	Councilmen Sammons, Agee, Banks, Elem, Mayor Pro Tem Hellar, Mayor Tidwell
Nays:	None
Excused:	Councilman Parker

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND COMPLETE COPY OF THE RESOLUTION ADOPTED BY THE CITY COUNCIL OF THE CITY OF ECORSE, COUNTY OF WAYNE, SAID MEETING WAS CONDUCTED AND PUBLIC NOTICE OF THE SAID MEETING WAS GIVEN, PURSUANT TO AND IN FULL COMPLIANCE WITH THE OPEN MEETINGS ACT, BEING 1976 PUBLIC ACT 267, AND THAT THE MINUTE WERE KEPT AND WILL BE OR HAVE BEEN MADE AVAILABLE AS REQUIRED BY SAID ACT.

Dana Hughes
CITY CLERK

DATED: June 1, 2018
Ecorse, Michigan

MERS
Municipal Employees' Retirement System

MERS
1134 Municipal Way
Lansing, MI 48917
www.mersofmich.com

Invoice	00079298-3
Date	2/28/2018
Customer	820601
Due Date	3/20/2018
Page	1 / 1

Bill To:

Timothy Sadowski
City of Ecorse
3869 W Jefferson Ave
Ecorse, MI 48229

Billing Questions? **Email: servicecenter@mersofmich.com** **Phone: 1.800.767.6377** **Fax: 517.703.9711**

Invoice Details	Division Number	Billing Period	Division Name	MERS Wages Reported Through Defined Benefit Reporting	Employer Contribution Percentage or Flat Amount	Contribution Amount Employer	Contribution Amount Employee	Employer Voluntary
00079298-01	82060102	2018-02	Police	$300,000.00	1.00	$0.00	$0.00	$300,000.00
00079298-02	82060120	2018-02	PolFire Retiree	$250,000.00	1.00	$0.00	$0.00	$250,000.00
00079298-03	82060112	2018-02	Pol/Fire Cmd	$250,000.00	1.00	$0.00	$0.00	$250,000.00
					Subtotal:	$0.00	$0.00	$800,000.00
						Total		$800,000.00

Log onto ePayment to pay your invoice.

Download PDF

MERS
1134 Municipal Way
Lansing, MI 48917

Customer Number: 820601
Customer Name: City of Ecorse

Payment Number: WEBPMT0000065388
Created Date: 2/14/2018
Status: Processed
Process Date: 2/14/2018
Amount: $800,000.00

Transaction Details

Capture Amount: $800,000.00
Type: ECheck
Card / Account Number: XXXXXX1635
Billing Address: CITY OF ECORSE
3869 W Jefferson Ave
Ecorse, MI 48229
United States

Status: Approved
Origination ID: 1845683960
Authorization Code: AQASYK

Paid Invoice List

CORE INVOICE #	INVOICE #	REPORTING PERIOD	DIVISION NUMBER	DIVISION NAME	AMOUNT APPLIED
00079298-3	00079298-02	201802	20	PolFire Retiree	$250,000.00
00079298-3	00079298-03	201802	12	Pol/Fire Cmd	$250,000.00
00079298-3	00079298-01	201802	02	Police	$300,000.00
					Total: $800,000.00

MERS Municipal Employees' Retirement System

1134 Municipal Way
Lansing, MI 48917
(800) 767-6377

Timothy Sadowski
City of Ecorse
3869 W Jefferson Ave
Ecorse, MI 48229

Statement of Fiduciary Net Position
For the Quarter Ended 03/31/2018

Customer Number: 820601

Reserve for Employee Contributions

Bargaining Unit	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 3/31/2018
82060101	$13,855.02	$492.45	$0.00	($1,793.56)	$0.00	$12,553.91
82060102	$338,170.17	$14,369.96	($16,450.10)	$0.00	$0.00	$336,090.03
82060105	$113,583.08	$4,261.76	$0.00	$0.00	$0.00	$117,844.84
82060110	$50,925.10	$1,069.37	$0.00	$0.00	$0.00	$51,994.47
82060113	$3,950.33	$0.00	$0.00	$0.00	$0.00	$3,950.33
Total	$520,483.70	$20,193.54	($16,450.10)	($1,793.56)	$0.00	$522,433.58

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 3/31/2018
82060101	$1,037,465.71	$120,621.00	$0.00	($118,448.52)	$4,526.37	($550.98)	$1,043,613.58
82060102	$4,526,911.17	$457,008.00	$16,450.10	($244,057.40)	$20,965.69	($2,675.28)	$4,774,602.28
82060105	$3,143,831.74	$81,376.26	$0.00	($186,138.63)	$14,027.32	($1,725.06)	$3,051,371.63
82060110	$557,067.55	$150,453.00	$0.00	($86,833.89)	$2,618.40	($323.41)	$622,981.65
82060112	$2,195,934.90	$394,561.00	$0.00	($105,105.51)	$9,469.37	($1,247.40)	$2,493,612.36
82060113	$152,467.25	$11,730.00	$0.00	($14,279.19)	$673.37	($81.48)	$150,509.95
82060120	$4,698,681.35	$293,011.00	$0.00	($187,438.44)	$20,246.74	($2,571.81)	$4,821,928.84
820601HA	$0.00	$833.74	$0.00	$0.00	$0.01	($0.04)	$833.71
Total	$16,312,359.67	$1,509,594.00	$16,450.10	($942,301.58)	$72,527.27	($9,175.46)	$16,959,454.00

Combined Reserves

	Balance as of 12/31/2017	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 3/31/2018
Total	$16,832,843.37	$1,529,787.54	$0.00	($944,095.14)	$72,527.27	($9,175.46)	$17,481,887.58

Outstanding Accounts Receivable at 3/31/2018: $248,559.22