



CITY OF MARINE CITY

Pension Board Meeting Agenda

Pension Plan

Marine City Fire Hall, 200 South Parker Street

Regular Meeting: Tuesday, October 30, 2018 4:30 PM

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:** Mayor Dave Vandebossche; City Commission Representative James Turner; Board Members James Heaslip, Michael Itrich, David Scheel, James VanderMeulen; Treasurer Mary Ellen McDonald; City Manager Elaine Leven
4. **APPROVE AGENDA**
5. **APPROVE MINUTES**
 - A. July 31, 2018 Pension Board Meeting
6. **COMMUNICATIONS**
7. **UNFINISHED BUSINESS**
 - A. Ordinance Amendments Regarding Membership ~ Discussion
8. **NEW BUSINESS**
9. **OPEN DISCUSSION** *Anyone in attendance is welcome to address the Pension Board. Please state name and address. Limit comments to five (5) minutes.*
10. **FINANCIAL BUSINESS**
 - A. Investment Performance ~ Review by Frederick Miller
 - B. Actuarial Valuation for Period Ending June 30, 2017
 - C. Actuarial Valuation for Period Ending June 30, 2018
 - D. Preliminary Financial Statements ~ July & August, 2018
 - E. Invoice Approval
 - The Howard E Nyhart Company – Invoice #0142357 (\$5,900.00)
11. **ADJOURNMENT**

**City of Marine City
Pension Board ~ Pension Plan
July 31, 2018**

A regular meeting of the Pension Board ~ Pension Plan held on Tuesday, July 31, 2018 in the Fire Hall, 200 South Parker Street, Marine City, Michigan, was called to order by Chairperson Scheel at 4:30 PM.

Present: Mayor Vandebossche; City Commission Representative Turner; Board Members Heaslip, Itrich, Scheel, VanderMeulen; Treasurer McDonald; City Manager Leven; Deputy Clerk McDonald

Absent: None

Approve Agenda

Motion by City Commissioner Turner, seconded by Mayor Vandebossche, to approve the Agenda, as presented. All Ayes. Motion Carried.

Approve Minutes

Motion by Mayor Vandebossche, seconded by Board Member Itrich, to approve the Minutes of the Regular Pension Board ~ Pension Plan Meeting of April 24, 2018. All Ayes. Motion Carried.

Communications

Received:

- Patrick Hupcik – Intent to Retire Letter
- Lynn Zyrowski – Benefit Deferment and Resignation Letter

Motion by City Commission Representative Turner, seconded by Board Member Itrich, to accept and file the Communications. All Ayes. Motion Carried.

Unfinished Business

None.

New Business

Ordinance Amendments Regarding Membership ~ Discussion

City Manager Leven stated it was important to change the Ordinance due to the decreasing number of Pension System members. She advised that any changes approved by the Board would then go to the City Commission for approval. She noted the following items for discussion:

- The incorporation of retirees on the Board to fill vacant positions
- Restrictions and qualifications for eligibility to be a Board member
- Voting procedures and potential conflicts

The Board then discussed the current representatives on the Board and the possibility of opening up positions to retirees from each department.

City Manager Leven advised the Board that the current Ordinance stated that not more than one department representative could sit on the Board. She suggested that the Board consider allowing retirees the opportunity of sitting on the Board.

Chairperson Scheel suggested that Board contact retirees to receive their opinions. The Board agreed and gave direction that the City send a letter to all retirees in order to gather feedback on the topic, and bring back the findings at the October 30, 2018 Pension Plan meeting.

Open Discussion

No residents addressed the Board.

Financial Business

Investment Performance ~ Review by Frederick Miller

Financial Consultant, Frederick Miller, reviewed a Performance Analysis Summary, dated June 30, 2018. He reported the following:

- Year-to-date, the beginning Market Value was \$5,059,527.23 and ending Market Value was \$4,915,528.36.

- The Pension Plan Holdings year-to-date was down 0.87% and had an annualized performance of 4.81% since inception.
- The Plan was made up of 21.09% Healthcare Sector Equity, with the next largest group being Technology at 18.10%.
- The Portfolio consisted of:
 - 4.16% Cash & Cash Alternatives
 - 44.14% Fixed Income
 - 50.65% Equity
 - .22% Alternative Investments
 - .83% Non-Classified

Financial Consultant Miller stated that Short-Term Bond Funds were performing poorly and recommended that the Board sell the Goldman Sachs Income Builder Fund, Goldman Sachs Strategic Income Fund, Lord Abbett Short Duration Income Fund, and Thornburg Limited Term Income Fund, and place the \$979,510.25 into staggered CD's with the remaining \$150,000.00 being placed into the following funds:

- John Hancock Regional Bank Fund - \$50,000.00
- T. Rowe Price Global Technology Fund - \$50,000.00
- Vanguard Wellesley Income Fund Admiral Shares - \$50,000.00

Motion by Mayor Vandebossche, seconded by City Commissioner Turner, to transfer \$979,510.25 of the funds from Goldman Sachs Income Builder Fund, Goldman Sachs Strategic Income Fund, Lord Abbett Short Duration Income Fund, and Thornburg Limited Term Income Fund and, based on the information provided, transfer the funds into staggered CD's with the remaining \$150,000.00 of the funds being transferred to the following:

- John Hancock Regional Bank Fund - \$50,000.00
- T. Rowe Price Global Technology Fund - \$50,000.00
- Vanguard Wellesley Income Fund Admiral Shares - \$50,000.00

All Ayes. Motion Carried.

Preliminary Financial Statements

Motion by Board Member Itrich, seconded by Board Member Heaslip, to accept the Preliminary Financial Statements for April, May, June, 2018 and place them on file. All Ayes. Motion Carried.

Adjournment

Motion by City Manager Leven, seconded City Commissioner Turner, to adjourn at 5:15 pm. All Ayes. Motion Carried.

Respectfully submitted,

Elizabeth McDonald
Deputy Clerk

Kristen Baxter
City Clerk

[Print](#)

Marine City, MI Code of Ordinances

§ 32.27 BOARD OF TRUSTEES: RESPONSIBILITIES AND DUTIES; COMPOSITION OF.

(A) The general administration, management and responsibility for the proper operation of the retirement system, and for construing and making effective the provisions of the retirement system are vested in a Board of Trustees.

(B) The Board of Trustees shall consist of the following 7 persons:

(1) Two members of the City Commission to be selected by the City Commission and to serve at the pleasure of the City Commission;

(2) The City Manager, by virtue of his or her position;

(3) A person who is an elector of the city and who is not a member, spouse of a member, or child of a member; to be nominated and approved by a majority of the remaining members of the Board;

(4) Three members of the retirement system to be elected by the members of the retirement system. No more than 1 member trustee shall be from any one city department. Elections of member trustees shall be held in accordance with rules adopted by the Board of Trustees.

(C) Alternate members of the Board of Trustees shall be selected in accordance with this section and shall have the power of a voting member in the absence of their respective representative. The alternates shall consist of the following:

(1) One alternate City Commissioner to be selected by the City Commission for a 2-year term.

(2) One alternate elector of the City who shall be nominated and approved by a majority of the remaining members of the Board who shall possess the same qualifications as the elector described in division (B)(3) above. The elector shall be approved by the Board for a 4-year term.

(3) Three alternate members of the retirement system to be nominated by employees and approved by the members of the Board, each for a 4-year term. Alternates approved by the Board may be from the same city department as an elected Board of Trustee member, however, an alternate shall have no official power when a regular Board member from said alternate member's department is present.

(D) Quasi-judicial body. The Board shall be a quasi-judicial body and its actions shall be reviewable by writ of superintending control only.

(Ord. passed 11-20-1980; Am. Ord. 09-01, passed 2-5-2009)



CITY OF MARINE CITY

303 S. Water Street
MARINE CITY, MICHIGAN 48039
(810) 765-8846 • Fax (810) 765-4010

August 15, 2018

To: Marine City Employees and Retirees Eligible for Pension and/or Healthcare:

With the current number of active employees that are eligible for Pension and/or Healthcare we are unable to meet the Pension Board requirements as set forth in the ordinance. At the last meeting of the Pension Board on July 31, 2018 the Board decided to solicit feedback from retirees and active employees regarding the composition of the members of the Board. Following is the current language from the ordinance that addresses that:

§ 32.27 BOARD OF TRUSTEES: RESPONSIBILITIES AND DUTIES; COMPOSITION OF.

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 - (1) Two members of the City Commission to be selected by the City Commission and to serve at the pleasure of the City Commission;
 - (2) The City Manager, by virtue of his or her position;
 - (3) A person who is an elector of the city and who is not a member, spouse of a member, or child of a member; to be nominated and approved by a majority of the remaining members of the Board;
 - (4) Three members of the retirement system to be elected by the members of the retirement system. No more than 1 member trustee shall be from any one city department. Elections of member trustees shall be held in accordance with rules adopted by the Board of Trustees.

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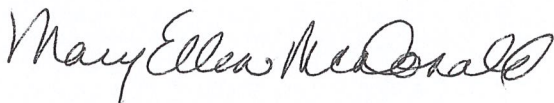
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(3) Three alternate members of the retirement system to be nominated by employees and approved by the members of the Board, each for a 4-year term. Alternates approved by the Board may be from the same city department as an elected Board of Trustee member, however, an alternate shall have no official power when a regular Board member from said alternate member's department is present.

(D) Quasi-judicial body. The Board shall be a quasi-judicial body and its actions shall be reviewable by writ of superintending control only.

To ensure inclusion of feedback in the next Board packet, please submit it in writing to Kris Baxter, City Clerk, 303 S. Water Street, Marine City, MI 48039 no later than October 15, 2018. This item will be on the agenda October 30, 2018 for discussion. Those present will be allowed an opportunity to speak on this agenda item.

Thank you,

A handwritten signature in cursive script, reading "Mary Ellen McDonald".

Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer

I am the widow
of a D. P. W. employee
retired several years ago.
I am in favor of B
I think retirees or
someone related to retirees
should have some position
on the board.
I don't like D at all.
I would like to volunteer
for a retiree's position on
the board.

Sarah Dannels
230 Huron Ln
Marine City, Mich

8-28-2018

PENSION BOARD,

AS A FORMER MEMBER OF THE PENSION BOARD,
THIS PROBLEM CAN EASILY BE SOLVED BY ALLOWING A
RETIREE TO BE ALLOWED ON THE BOARD FROM EACH
DEPARTMENT. THIS ISSUE HAS BEEN TALKED ABOUT
MANY TIMES IN THE PAST, BUT THE COMMISSION HAS
CHOSEN NOT TO ADDRESS THE ORDINANCE. PLEASE
NOTIFY ME OF THE TIME AND LOCATION OF THE
OCTOBER MEETING.

SINCERELY, MARTIN WUCHTE
21 YR. BOARD MEMBER WATER
DEPT. , RETIRED

Martin Wuchte

RECEIVED
SEP 04 2018

City of Marine City

RAYMOND JAMES®

Portfolio Investment Report

Prepared for **Marine City Employee's Pension Plan**

Frederick Miller/Cornelia Maier, CIMA

cornelia.maier@raymondjames.com

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Report Listing

Report Name	Page
Contributions and Withdrawals	3
Fees and Expenses	4
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Security Level Performance Detail	7
Holdings with Annualized Returns	10
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Risk vs. Return Analysis	16
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Account Listing

Raymond James	Account Number	Account Type	Market Value (\$)
Marine City Employee's Pension Plan	49820173	Retirement Plan	4,916,617.72
Total Market Value			\$4,916,617.72
Total Portfolio			\$4,916,617.72

Contributions and Withdrawals as of Sep 30, 2018

RAYMOND JAMES®

Marine City Employee's Pension Plan // 49820173

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Contributions and Withdrawals Summary

For the period 1/1/18 to 9/30/18

	Total	Contributions	Withdrawals
Cash	(\$200,000.00)	\$544.47	(\$200,544.47)
Securities	\$0.00	\$0.00	\$0.00
Total	(\$200,000.00)	\$544.47	(\$200,544.47)

Contributions and Withdrawals Detail

For the period 1/1/18 to 9/30/18

Marine City Employee's Pension Plan // 49820173

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
3/29/18	Withdrawal	*TRF TO 52821787		0.000		(\$100,000.00)
5/18/18	Deposit	*CHECK FOR EE CONT MARINE CITY		0.000	\$544.47	
7/13/18	Withdrawal	REV 5/18 DEP INCORRECT ACCOUNT		0.000		(\$544.47)
8/7/18	Withdrawal	*TRF TO 52821787		0.000		(\$100,000.00)
Total					\$544.47	(\$200,544.47)

Fees and Expenses as of Sep 30, 2018

RAYMOND JAMES®

Marine City Employee's Pension Plan // 49820173

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Fees and Expenses Summary

For the period 1/1/18 to 9/30/18

	Total
Management Fees	(\$27,674.24)
Account Expenses	\$0.00
Total	(\$27,674.24)

Fees and Expenses Detail

For the period 1/1/18 to 9/30/18

Marine City Employee's Pension Plan // 49820173

Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
1/17/18	Management Fee	1Q Fees for 090/365 Days	(\$9,356.65)	
4/18/18	Management Fee	2Q Fees for 091/365 Days	(\$9,138.27)	
7/18/18	Management Fee	3Q Fees for 092/365 Days	(\$9,292.36)	
8/15/18	Management Fee	3Q Fees for 055/365 Days	(\$5,442.19)	
8/15/18	Management Fee	3Q Fees for 037/365 Days	(\$3,737.13)	
8/15/18	Management Fee	3Q Fees for 092/365 Days	\$9,292.36	
Total			(\$27,674.24)	\$0.00

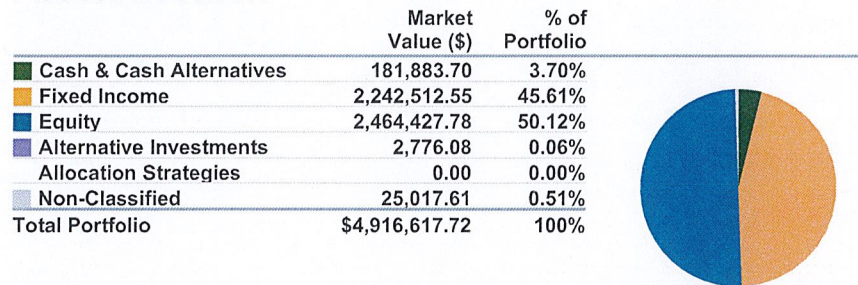
Executive Overview as of Sep 30, 2018

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Marine City Employee's Pension Plan // 49820173

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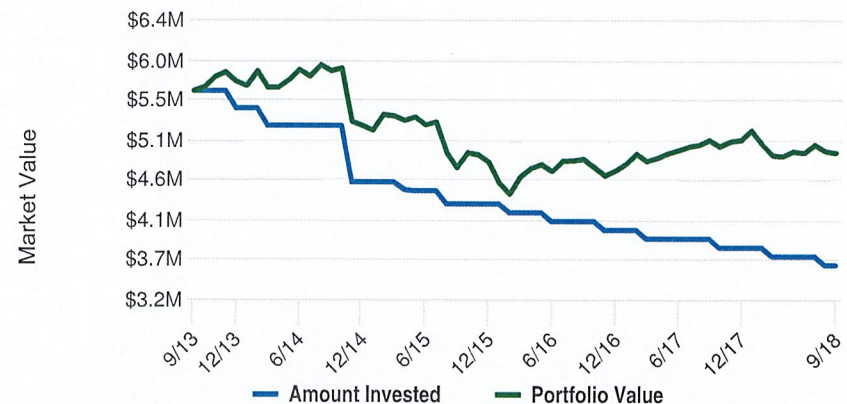
Asset Allocation



Packaged products may be represented across multiple asset classes.

Value Over Time

9/16/13 - 9/30/18



Gains and Losses

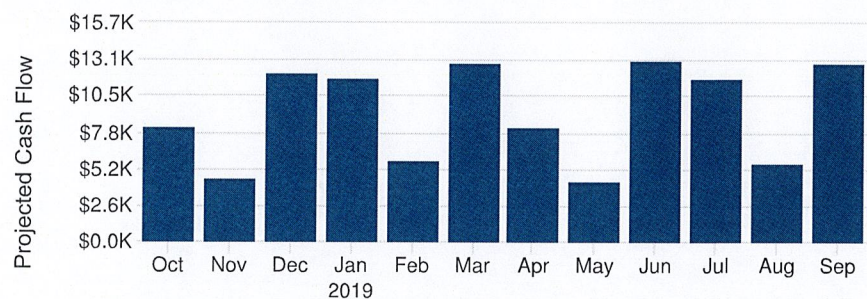
Unrealized Gain/Loss

	Gain (\$)	Loss (\$)	Total (\$)
Short Term	10,518.88	(12,011.74)	(1,492.86)
Long Term	252,093.33	(27,125.13)	224,968.20
Total	\$262,612.21	(\$39,136.87)	\$223,475.34

Realized Gain/Loss

1/1/18 - 9/30/18	Gain (\$)	Loss (\$)	Total (\$)
Short Term	94.88	(2,662.71)	(2,567.83)
Long Term	66,155.93	(66,275.91)	(119.98)
Total	\$66,250.81	(\$68,938.62)	(\$2,687.81)

Projected Cash Flow



Value Over Time as of Sep 30, 2018

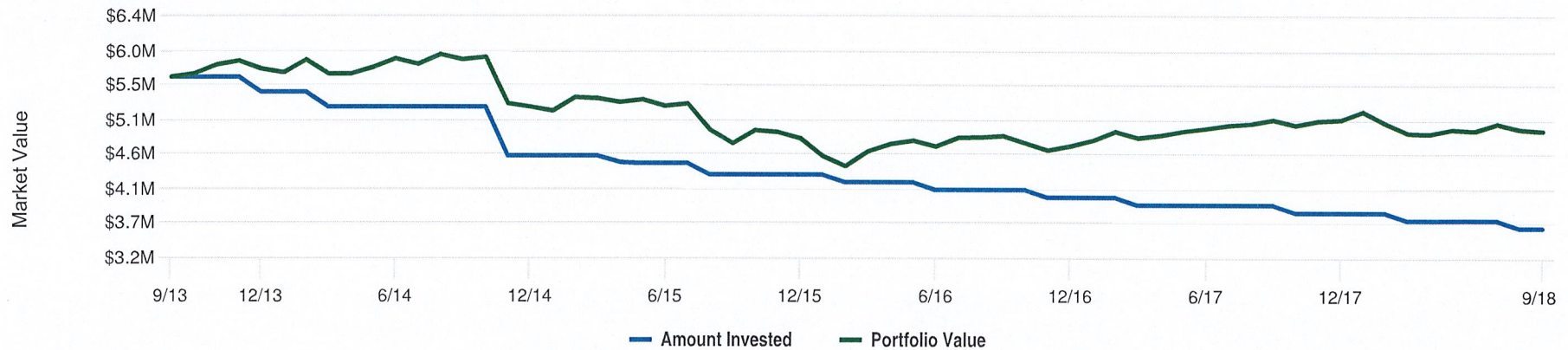
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Marine City Employee's Pension Plan // 49820173

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Value Over Time

9/16/13 - 9/30/18



	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted (Net of Fees) Performance	Annualized* Performance
Total Portfolio	\$5,624,300.75	(\$2,000,000.00)	\$1,157,695.47	\$134,621.50	\$4,916,617.72	\$1,292,316.97		4.99%
Year to Date (12/31/2017 - 9/30/2018)	\$5,059,527.23	(\$200,000.00)	\$90,552.62	(\$33,462.13)	\$4,916,617.72	\$57,090.49	1.17%	4.99%
2017	\$4,709,664.50	(\$200,000.00)	\$254,896.92	\$294,965.81	\$5,059,527.23	\$549,862.73	11.86%	5.60%
2016	\$4,809,273.05	(\$300,000.00)	\$199,969.09	\$422.36	\$4,709,664.50	\$200,391.45	4.46%	3.77%
2015	\$5,227,595.66	(\$250,000.00)	\$248,267.80	(\$416,590.41)	\$4,809,273.05	(\$168,322.61)	(3.40%)	3.47%
2014	\$5,734,999.04	(\$850,000.00)	\$248,950.31	\$93,646.31	\$5,227,595.66	\$342,596.62	6.06%	9.13%
2013 (9/16/2013 - 12/31/2013)	\$5,624,300.75	(\$200,000.00)	\$115,058.73	\$195,639.56	\$5,734,999.04	\$310,698.29	5.54%	5.54%

*Returns are annualized for periods greater than one year.

Security Level Performance Detail as of Sep 30, 2018

RAYMOND JAMES®

Marine City Employee's Pension Plan // 49820173

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Performance Detail

Since Inception*
Inception - 9/30/18

Cash and Cash Alternatives: Cash	Start Date	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted Performance
Cash	12/31/15	\$21,111.19	\$52,851.63	(\$250.47)	\$0.00	\$73,712.35	(\$250.47)	(1.56%)

Fixed Income Products: Certificates of Deposit	Start Date	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted Performance
ALLY BANK MIDVALE, UT CUSIP: 02007GBJ1	8/16/18	\$50,472.84	\$0.00	\$604.93	(\$606.01)	\$49,866.83	(\$1.08)	0.00%
ALLY BANK MIDVALE, UT CUSIP: 02007GEA7	8/16/18	\$100,105.45	\$0.00	\$0.00	\$290.02	\$100,395.47	\$290.02	0.29%
CAPITAL ONE BANK, NA MCLEAN, VA CUSIP: 14042RHE4	8/16/18	\$96,955.75	\$0.00	\$0.00	\$267.98	\$97,223.73	\$267.98	0.28%
CIT BANK SALT LAKE CITY, UT CUSIP: 17284C5A8	8/16/18	\$50,281.05	\$0.00	\$0.00	(\$147.42)	\$50,133.63	(\$147.42)	(0.29%)
DISCOVER BANK GREENWOOD, DE CUSIP: 254673CV6	8/16/18	\$99,066.44	\$0.00	\$957.81	(\$925.39)	\$98,141.05	\$32.42	0.03%
DISCOVER BANK GREENWOOD, DE CUSIP: 254673RU2	8/16/18	\$100,113.70	\$0.00	\$0.00	\$289.98	\$100,403.68	\$289.98	0.29%
Goldman Sachs Bank NEW YORK, NY CUSIP: 38147JCY6	8/16/18	\$49,640.41	\$0.00	\$0.00	\$41.32	\$49,681.73	\$41.32	0.08%
ORIENTAL BANK SAN JUAN, PR CUSIP: 68621KCA7	8/16/18	\$49,962.67	\$0.00	\$0.00	\$133.95	\$50,096.62	\$133.95	0.27%
SALLIE MAE BK MURRAY, UT CUSIP: 795450J22	8/16/18	\$98,953.85	\$0.00	\$0.00	\$48.75	\$99,002.60	\$48.75	0.05%

Security Level Performance Detail as of Sep 30, 2018

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Frederick Miller/Cornelia Maier, CIMA
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Performance Detail *(continued)*

Since Inception* *(continued)*
Inception - 9/30/18

Fixed Income Products: Certificates of Deposit <i>(continued)</i>	Start Date	Beginning Market Value	Contributions/Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted Performance
SYNCHRONY BANK DRAPER, UT CUSIP: 87165EL96	8/16/18	\$49,030.34	\$0.00	\$0.00	\$104.71	\$49,135.05	\$104.71	0.21%
UNITED BANK FAIRFAX, VA CUSIP: 90952RBA6	8/16/18	\$50,295.46	\$0.00	\$0.00	\$38.29	\$50,333.75	\$38.29	0.08%
WELLS FARGO BANK NA SIOUX FALLS, SD CUSIP: 949763EK8	8/15/18	\$49,974.82	\$0.00	\$65.82	(\$12.74)	\$49,962.08	\$53.08	0.11%

Funds: Open-end Mutual Funds	Start Date	Beginning Market Value	Contributions/Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted Performance
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	4/19/17	\$525,604.98	(\$189,000.61)	\$20,999.39	\$142,186.79	\$478,791.17	\$163,186.18	24.66%
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZX	7/28/17	\$200,000.00	\$10,492.19	\$10,492.19	(\$7,143.87)	\$203,348.32	\$3,348.32	1.42%
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	2/1/18	\$100,000.00	\$2,776.00	\$2,776.00	\$1,999.96	\$104,775.96	\$4,775.96	4.78%
HARTFORD BALANCED INCOME FUND CLASS I N/L Symbol: HBLIX	7/28/16	\$310,000.00	\$216,960.92	\$37,960.92	\$9,850.20	\$536,811.12	\$47,811.12	6.00%
JOHN HANCOCK REGIONAL BANK FUND CLASS I N/L Symbol: JRBFX	4/27/18	\$113,000.00	\$619.70	\$619.70	(\$3,210.17)	\$110,409.53	(\$2,590.47)	(2.29%)

Security Level Performance Detail as of Sep 30, 2018

RAYMOND JAMES®

Marine City Employee's Pension Plan // 49820173

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Performance Detail *(continued)*

Since Inception* *(continued)*
Inception - 9/30/18

Funds: Open-end Mutual Funds <i>(continued)</i>	Start Date	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted Performance
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	6/28/17	\$930,757.19	(\$89,308.50)	\$54,298.57	(\$19,868.65)	\$821,580.04	\$34,429.92	2.41%
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	6/28/17	\$417,933.71	\$58,032.09	\$28,032.09	\$18,564.01	\$494,529.80	\$46,596.10	9.11%
T. ROWE PRICE GLOBAL INDUSTRIALS FUND INVESTOR CLASS N/L Symbol: RPGIX	2/1/18	\$100,000.00	\$0.00	\$0.00	(\$1,232.77)	\$98,767.23	(\$1,232.77)	(1.23%)
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	7/28/16	\$234,000.00	\$167,924.08	\$67,924.08	\$44,843.21	\$446,767.29	\$112,767.29	20.28%
VANGUARD WELLESLEY INCOME FUND ADMIRAL SHARES N/L Symbol: VWIAX	4/28/16	\$510,000.00	\$173,862.77	\$53,862.77	\$18,885.92	\$702,748.69	\$72,748.69	5.57%

*Returns are annualized for periods greater than one year.
The inception date on the report may be different than the actual account inception

Holdings with Annualized Returns as of Sep 30, 2018

RAYMOND JAMES®

Marine City Employee's Pension Plan // 49820173

Frederick Miller/Cornelia Maier, CIMA
cornelia.maier@raymondjames.com

Holdings Detail

Cash and Cash Alternatives: Cash	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
RJ Bank Deposit Program	73,712.35	1.50%									
Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Cash	\$73,712.35	1.50%									
Subtotal Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Cash and Cash Alternatives	\$73,712.35	1.50%									
Funds: Open-end Mutual Funds	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	478,791.17	9.75%	17.22%	20.89%	11.62%	17.79%	15.06%	15.00%	13.44	0.24	1.00
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZX	203,348.32	4.14%	0.16%	1.47%	4.32%	4.31%	5.78%	6.11%	3.24	3.14	0.32
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	104,775.96	2.13%	10.28%	22.77%	22.87%	17.65%	13.74%	13.96%	12.82	10.52	0.94
HARTFORD BALANCED INCOME FUND CLASS I N/L Symbol: HBLIX	536,811.12	10.93%	(0.08%)	4.92%	8.37%	7.45%	8.33%		5.31	0.89	0.86
JOHN HANCOCK REGIONAL BANK FUND CLASS I N/L Symbol: JRBFX	110,409.53	2.25%	8.48%	22.85%	20.04%	16.47%	11.58%	7.58%	16.56	10.73	0.75

*Returns are annualized.

With the exception of Market Value and % of Portfolio, the weighted average returns displayed are the historical returns of the security as calculated and provided by Morningstar, and these returns do not represent returns for the holdings in the account from purchase date. Returns are calculated based on the previous month end pricing utilizing the most recent information from Morningstar. For additional detail refer to the "Security Information" section of the Additional Information about your Report.

Holdings with Annualized Returns as of Sep 30, 2018

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cornelia.maier@raymondjames.com

Holdings Detail *(continued)*

Funds: Open-end Mutual Funds <i>(continued)</i>	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	821,580.04	16.72%	(1.91%)	0.05%	5.24%	5.21%			4.70	(0.96)	0.71
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	494,529.80	10.07%	4.96%	14.20%	16.82%	12.65%			10.87	1.07	0.98
T. ROWE PRICE GLOBAL INDUSTRIALS FUND INVESTOR CLASS N/L Symbol: RPGIX	98,767.23	2.01%	3.14%	12.30%	13.06%				11.45	0.61	1.06
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	446,767.29	9.09%	7.19%	13.98%	24.31%	24.61%	19.26%	15.75%	16.25	7.86	1.34
VANGUARD WELLESLEY INCOME FUND ADMIRAL SHARES N/L Symbol: VWIAX	702,748.69	14.30%	0.47%	4.46%	7.17%	6.73%	7.63%	7.13%	4.08	1.65	0.60
Weighted Average Returns			3.75%	8.88%	11.34%	11.11%	11.43%	11.12%			
Total Open-end Mutual Funds	\$3,998,529.15	81.39%									
Subtotal Weighted Average Returns			3.75%	8.88%	11.34%	11.11%	11.43%	11.12%			
Total Funds	\$3,998,529.15	81.39%									
Fixed Income Products: Certificates of Deposit	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
ALLY BANK MIDVALE, UT CUSIP: 02007GBJ1	49,794.50	1.01%									

*Returns are annualized.

With the exception of Market Value and % of Portfolio, the weighted average returns displayed are the historical returns of the security as calculated and provided by Morningstar, and these returns do not represent returns for the holdings in the account from purchase date. Returns are calculated based on the previous month end pricing utilizing the most recent information from Morningstar. For additional detail refer to the "Security Information" section of the Additional Information about your Report.

Holdings with Annualized Returns as of Sep 30, 2018

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Holdings Detail *(continued)*

Fixed Income Products: Certificates of Deposit <i>(continued)</i>	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
ALLY BANK MIDVALE, UT CUSIP: 02007GEA7	99,853.00	2.03%									
CAPITAL ONE BANK, NA MCLEAN, VA CUSIP: 14042RHE4	96,934.00	1.97%									
CIT BANK SALT LAKE CITY, UT CUSIP: 17284C5A8	49,775.00	1.01%									
DISCOVER BANK GREENWOOD, DE CUSIP: 254673CV6	98,089.00	2.00%									
DISCOVER BANK GREENWOOD, DE CUSIP: 254673RU2	99,853.00	2.03%									
Goldman Sachs Bank NEW YORK, NY CUSIP: 38147JCY6	49,267.00	1.00%									
ORIENTAL BANK SAN JUAN, PR CUSIP: 68621KCA7	49,904.50	1.02%									
SALLIE MAE BK MURRAY, UT CUSIP: 795450J22	98,530.00	2.01%									
SYNCHRONY BANK DRAPER, UT CUSIP: 87165EL96	48,694.50	0.99%									
UNITED BANK FAIRFAX, VA CUSIP: 90952RBA6	50,028.00	1.02%									
WELLS FARGO BANK NA SIOUX FALLS, SD CUSIP: 949763EK8	49,900.50	1.02%									
Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Certificates of Deposit	\$840,623.00	17.11%									

**Returns are annualized.*

With the exception of Market Value and % of Portfolio, the weighted average returns displayed are the historical returns of the security as calculated and provided by Morningstar, and these returns do not represent returns for the holdings in the account from purchase date. Returns are calculated based on the previous month end pricing utilizing the most recent information from Morningstar. For additional detail refer to the "Security Information" section of the Additional Information about your Report.

Holdings with Annualized Returns as of Sep 30, 2018

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Holdings Detail *(continued)*

Fixed Income Products: Certificates of Deposit <i>(continued)</i>	Market Value (\$)	% of Portfolio	YTD (%)	1 Year (%)	3 Year* (%)	5 Year* (%)	10 Year* (%)	15 Year* (%)	3 Year* Std Dev	3 Year* Alpha	3 Year* Beta
Subtotal Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Fixed Income Products	\$840,623.00	17.11%									
Total Weighted Average Returns			3.75%	8.88%	11.34%	11.11%	11.43%	11.12%			
Total Portfolio	\$4,912,864.50	100%									

**Returns are annualized.*

With the exception of Market Value and % of Portfolio, the weighted average returns displayed are the historical returns of the security as calculated and provided by Morningstar, and these returns do not represent returns for the holdings in the account from purchase date. Returns are calculated based on the previous month end pricing utilizing the most recent information from Morningstar. For additional detail refer to the "Security Information" section of the Additional Information about your Report.

Equity Sector as of Sep 30, 2018

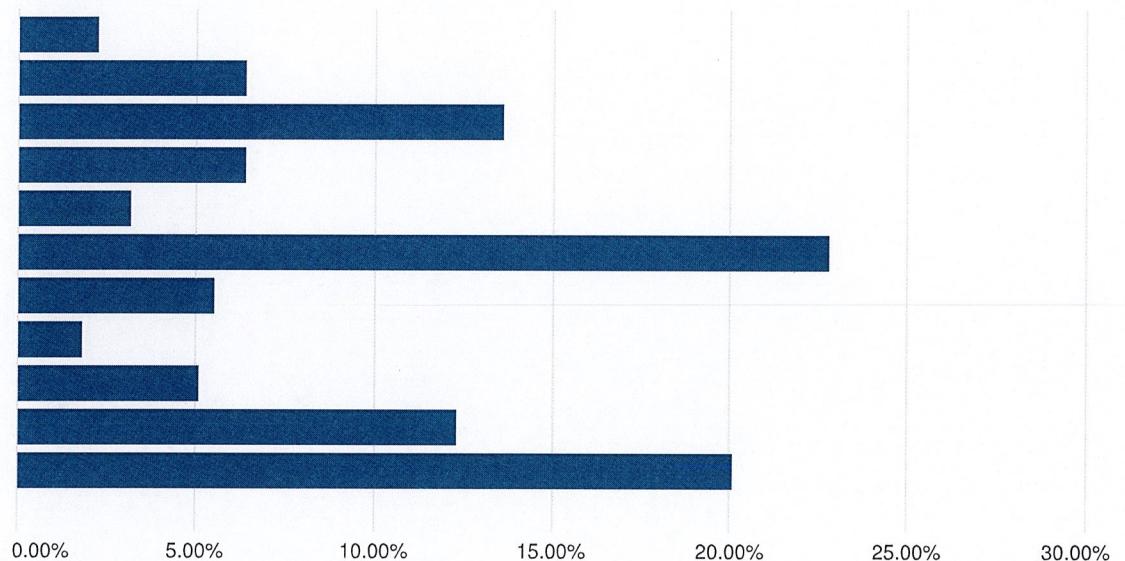
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Equity Sector Summary

	Market Value (\$)	% of Equity
Basic Materials	55,977.87	2.27%
Consumer Cyclical	159,311.30	6.46%
Financial Services	336,446.49	13.65%
Real Estate	158,245.34	6.42%
Consumer Defensive	80,042.44	3.25%
Healthcare	563,124.35	22.85%
Utilities	138,329.80	5.61%
Communication Services	45,668.14	1.85%
Energy	126,127.32	5.12%
Industrials	305,894.73	12.41%
Technology	495,130.29	20.09%
Other	0.00	0.00%
Total Equity	\$2,464,298.09	100%



Global Exposure as of Sep 30, 2018

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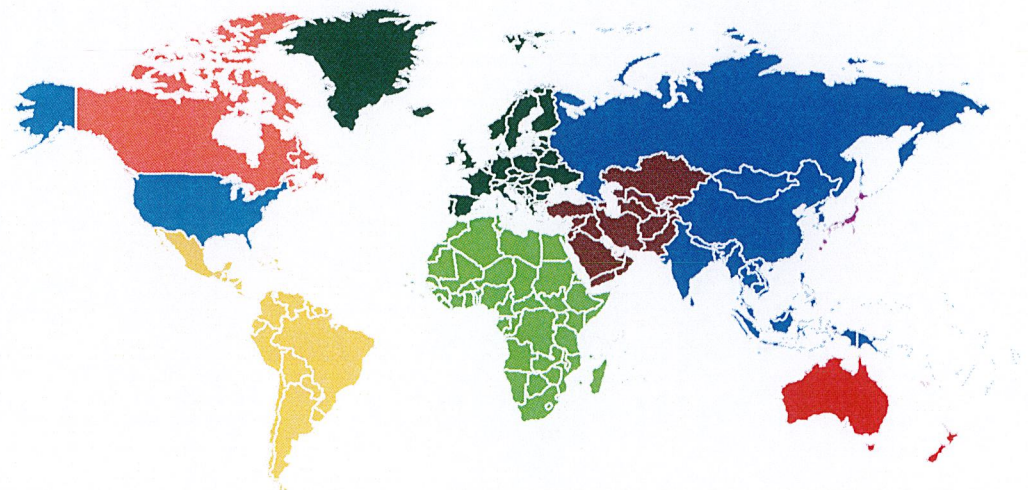
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Global Exposure Summary

	Market Value (\$)	% of Portfolio
US	3,725,659.34	75.78%
Canada	127,700.04	2.60%
Latin America	160,972.91	3.27%
Europe	346,571.17	7.05%
Middle East	27,999.33	0.57%
Africa	36,058.56	0.73%
Japan	65,820.05	1.34%
Australasia	15,671.42	0.32%
Asia	190,411.83	3.87%
Non-Classified	219,753.06	4.47%
Total Portfolio	\$4,916,617.72*	100.00%

*Accrued Income is included in the US region.

	Market Value (\$)	% of Portfolio
Developed	\$4,369,816.43	88.88%
Emerging	\$249,785.98	5.08%
Frontier	\$77,262.24	1.57%
Other	\$219,753.06	4.47%



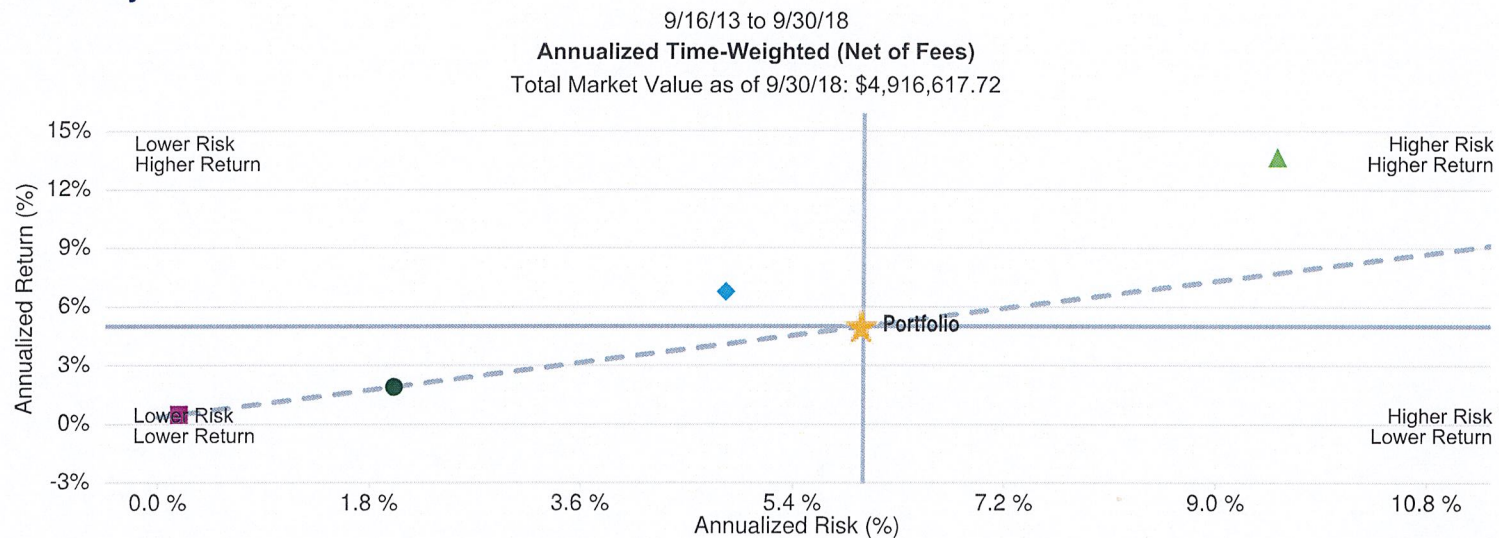
Risk vs. Return Analysis as of Sep 30, 2018

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Analysis Summary



	Annualized Return (%)	Annualized Risk (%)
★ Portfolio	4.99%	6.00%
▲ S&P 500 Total Return Indx	13.63%	9.52%
◆ Custom Blended Benchmark 1^	6.78%	4.83%
● BBG Barclays Intrm. US Agg	1.91%	2.01%
■ Citi 3 Month U.S. T-Bill Indx	0.49%	0.18%
BBG Barclays US Agg Bd	2.41%	2.72%

Inception Date: 9/16/13

Please see Additional Information section of this report for detailed risk information.

^Please see the Additional Information section of this report for detailed benchmark information.

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This report should not be used as a substitute for your monthly statement, 1099 or to determine taxability. Changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with the tax provisions of the issues presented herein, we are not qualified to render advice on tax or legal matters. The information in this report has been obtained from sources that we believe to be reliable, but cannot be guaranteed.

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Alex.Brown a division of Raymond James.

The account listing may or may not include all of your accounts with Raymond James & Associates, Inc. This report is comprised of data from the following accounts: 49820173

Report ID: a_497006_1539576000000_1539639935626_00001of00001-CBM

Performance

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The current performance may be lower or higher than the performance data quoted. It is not possible to invest directly in an index.

If short positions are present on the Holdings with Annualized Returns report, the returns for short positions are displayed as an inverse of the Morningstar long return. Weighted Average Returns calculation is listed below.

Performance is depicted using the Time-Weighted method for the entire period.

Time-Weighted - The geometric (compounded) return measured on the basis of periodic market valuations of assets. If applicable, the return includes the effects of leverage. Unlike the dollar-weighted method, it minimizes the impact of cash flows on the rate of return; however, in principle it requires valuations to be made on the occasion of each cash flow. Approximation to this measure can be obtained by prorating cash flows to successive valuation points or by computing internal rates of return between valuation points. If there are no interim cash flows, the time-weighted return, compounded annually determines the entire value of an investment.

Returns are calculated net of fees.

Annualized refers to the annualized return from the inception date of the account, or the selected beginning date when using the date-to-date functionality.

The inception date indicates the date of account or household initiation in the Portfolio Performance system. This date may not match the date the account was opened.

Managed Account Performance- In order for managers to track real time cash in managed AMS accounts, certain activity may not reflect the actual transaction dates and market values may differ from what is reported on client statements. The Time-Weighted Total Equity and Time-Weighted All Cash returns are the same for these accounts.

All performance figures exclude unpriced securities (including securities of indeterminate value), limited partnerships (other than limited partnerships classified as Alternative Investments and appearing in that section of your statement).

Dividends are not guaranteed and will fluctuate.

The CFA Institute has not been involved with the preparation or review of this statement.

Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Contributions/Withdrawals include purchases/sales (cash flows).

Risk is identified as Standard Deviation. Standard Deviation measures the variability of the return. A higher standard deviation is indicative of more volatility and a lower standard deviation is representative of lower volatility.

The risk free rate, represented by the T-bill, shows the return of a risk free investment over the time period. It shows the return that could be realized while taking no risk.

Alpha is the percentage by which a security exceeded or lagged the predicted return of an equilibrium model.

Beta is the measure of a security's price volatility relative to the market as a whole.

The calculations for both Alpha and Beta are supplied by Morningstar, Inc. and are calculated over a three year period.

Alpha and Beta benchmarks, which include reinvestment of dividends, are as listed: for equity funds is the S&P 500 Total Return index, for bond funds is the Barclay's Aggregate Bond index,

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for municipal bond funds is the Barclay's Municipal Bond index, for balanced funds is the Dow Jones Moderate Portfolio, and for global funds is the MSCI EAFE NDTR_D (total return including dividends actually paid).

Accounts with Real Time Cash may have cash values updated throughout the day, note that this may cause a difference in account values between performance and holdings reports.

Securities Information

Non-proprietary annuity values will show as contributions on the date they became available to the Portfolio Performance system. They are included through the selected calculation ending date. Prior inclusion of these values in the rate of return calculation is not available.

Raymond James Certificates of Deposit values will show as contributions on the date they became available to the Portfolio Performance system. They are included through the selected calculation ending date. Prior inclusion of these values in the rate of return calculation is not available.

Values include accrued income. Values are based on trade date accounting method.

Morningstar equity information as of (October 12, 2018)

Morningstar mutual fund and annuity information as of (October 04, 2018)

Morningstar 529 information as of (September 20, 2018)

Raymond James and Morningstar data are subject to the availability of the fund filings as well as internal analysis and may not represent real-time allocations.

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This analysis is for informational purposes only and is intended to be used as part of a complete portfolio review with your financial advisor. The data provided in the asset allocation analysis is subject to inherent limitations and is not guaranteed to represent actual asset class exposure(s) within your account(s) at the time of calculation. See raymondjames.com/asset-allocation/faq to learn more. Raymond James and Morningstar data are subject to the availability of fund filings as well as internal analysis and may not represent real-time allocations.

Amounts are projected over the next 12 months and do not reflect actual cash flows.

Positions that do not produce income are not included on this report; however, they are included as part of the total estimated annual yield calculation.

Projected income amounts are estimated using current positions, rates and market values. Variable rate income projection is based on the current coupon or rate available and may change without notice. Any change in coupon or rate will affect the estimate and cannot be guaranteed.

The sum of the income values may not equal total value due to rounding.

Factored securities are separated into principal and interest amounts. Both are displayed whether or not they have projected income.

Due to missing payment dates, payment frequency, or both, actual payments may appear on months other than the ones represented on this report.

The values quoted represents past values and do not guarantee future results, there is no assurance these trends will continue.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although these funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in them.

Short positions and negative cash values are not included in the allocation.

Effective January 1, 2011, Raymond James reports adjusted cost basis for tax lots of securities covered by the Emergency Economic Stabilization Act of 2008 to the IRS on Form 1099-B using the first-in, first-out (FIFO) cost basis accounting method unless otherwise directed by you or your financial advisor at the time of trade or transfer. These tax lots are indicated by a "c".

For tax lots or securities that are not covered by the Emergency Economic Stabilization Act of 2008, cost basis information may not be available, may have been estimated by you or your financial advisor, or may have been obtained from third-party sources, and in these instances, Raymond James cannot guarantee its accuracy. Missing basis is not included in cost calculations. Please contact your financial advisor to have missing cost basis information added to your account.

Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return.

Gain or loss will only be calculated for tax lots that have cost basis. Gain or loss information may or may not reflect adjusted cost for return of principal/capital or accretion/amortization. Tax lots where the cost basis is true zero, displayed as 0.00, are included in cost calculations.

The cost basis, proceeds, or gain/loss information reported has been adjusted to account for a disallowed loss from a wash sale. These adjustments are indicated by a "w" on the affected tax lots. A wash sale occurs when a security is sold for a loss and is re-purchased either 30 days before or after the sell.

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Cost basis information for uncovered securities or tax lots will not be reported to the IRS; it is displayed for your information only and should not be relied upon for tax reporting purposes. Past performance is not a guarantee of future results. Market valuations may have been obtained from third-party sources and Raymond James cannot guarantee its accuracy or completeness.

For securities classified as Grantor or Royalty Trusts, Master Limited Partnerships or other widely held fixed income trusts, cost basis is not adjusted. These securities receive principal payments or distributions that are classified differently by the issuer at the end of the year. Clients should continue to rely on the issuer information for both cost basis adjustments as well as proceeds adjustments for these securities. For this reason the gain/loss displayed will be unadjusted and is not a true indicator of the investment return. Any adjustment to sales proceeds will be reflected on your 1099.

While sources used for pricing publicly traded securities are considered reliable, the prices displayed on your statement may be based on actual trades, bid/ask information or vendor evaluations. As such, the prices displayed on your statement may or may not reflect actual trade prices you would receive in the current market. Pricing for non-publicly traded securities is obtained from a variety of sources, which may include issuer-provided information. Raymond James does not guarantee the accuracy, reliability, completeness or attainability of this information. Investment decisions should be made only after contacting your Financial Advisor.

Gain or Loss reflects the realized gain or loss using adjusted cost basis. Adjusted cost basis may or may not reflect adjustments for return of principal/capital or accretion/amortization. Reinvestments of dividends or capital gain distributions are included in the adjusted cost basis calculation of the Gain or Loss. Gain or loss information is displayed on this report for your information only and should not be relied upon for tax reporting purposes.

The Estimated Annual Income (EAI) and Estimated Income Yield (EIY) provided on this report are an estimate of the income a security will distribute during the year. These figures should not be confused with actual cash flows, investment yields or investment returns. Actual income or yield may be lower or higher than the estimated amounts. A number of factors may influence the actual income or yield that is received. The amount or frequency of an issuer's dividend may fluctuate or cease, which may cause the income and or yield of the security to fluctuate. EIY reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. EAI and EIY for certain types of securities could include a return of principal or capital gains which could overstate the EAI and EIY. Information used to calculate Estimated Annual Income and or Estimated Income Yield may be obtained from third party sources and Raymond James cannot guarantee the accuracy of such information. Estimated Annual Income and or Estimated Income Yield amounts should not be used as a financial planning tool.

Within certain packaged products (for example, open-ended mutual funds, closed-ended mutual funds and exchange traded funds), any fixed income security held in the product portfolio is affected by several risks, including, without limitation, interest rate, prepayment, and credit related risks. Any rise (fall) in interest rates may reduce (increase) the value of the investment. An

overview of these and other risks is available at raymondjames.com, finra.org, emma.msrb.org, and investinginbonds.com.

Packaged products may be represented across multiple asset classes.

This report(s) has been generated using a historical time period, please note that Model and/or S&P Comparison Data, where applicable, will be as of the previous business day and will not retroactively reflect data based on the "as of" time period selected.

Fixed Income

Fixed income securities, including brokered CDs, are priced using evaluations, which may be matrix- or model-based, and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount you would pay (receive) in an actual purchase (sale) of the security. These estimates, which are obtained from various sources, assume normal market conditions and are based on large volume transactions. Market prices of fixed income securities may be affected by several risks, including without limitation: interest rate risk - a rise (fall) in interest rates may reduce (increase) the value of your investment, default or credit risk - the issuer's ability to make interest and principal payments, and illiquidity risk - the inability to sell bonds promptly prior to maturity with minimal loss of principal. An overview of these and other risks is available at raymondjames.com, finra.org, emma.msrb.org, and investinginbonds.com.

Investors interested in regular updates about individual municipal securities can sign up on EMMA (emma.msrb.org) to receive e-mail alerts when disclosure documents are posted on the website. Investors who track particular bonds identified by their unique "CUSIP" numbers can receive an e-mail notification from EMMA every time a new disclosure document is posted for that security. These documents can include annual and other periodic financial filings, operating data and other types of material events. To sign up for an alert, enter a nine-digit CUSIP number into the "Muni Search" function of EMMA.

Certificates of Deposit (CDs) purchased through a securities broker and held in a brokerage account are considered deposits with the issuing institution and are insured by the Federal Deposit Insurance Company (FDIC), an independent agency of the U.S. government. FDIC insurance covers up to \$250,000 (including principal and interest) for deposits held in different ownership categories, including single accounts, joint accounts, trust accounts, IRAs, and certain other retirement accounts, per issuer. If you purchased this CD at a premium to par, the premium is not FDIC insured. Certificate of Deposit Disclosure Statement is available at raymondjames.com/liquid.htm. For more information, please visit fdic.gov.

Mortgage-backed securities and Collateralized Mortgage Obligations (CMOs) are priced based on average life. The actual maturity date may be shorter than stated. For more information, please review FINRA's Investor's Guide to Mortgage Securities and CMOs at finra.org.

Foreign bonds are subject to additional risks, including without limitation, currency fluctuations, differing accounting standards, political and economic instability, and changes in tax laws. The

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cost basis for Original Issue Discount (OID) bonds and municipal bonds purchased at a premium may or may not have been adjusted using the constant yield method, providing an approximation of the adjusted cost basis and unrealized gains or losses. Cost basis information is displayed for your information only and should not be relied upon for tax reporting purposes. You should consult your tax advisor to ensure proper tax reporting.

Benchmark Information

BBG Barclays Intrm. US Agg - The Bloomberg Barclays Intermediate U.S. Aggregate Index is an unmanaged index that measures the performance of the US investment grade bond market while removing the longer maturity portions of the broad market benchmarks. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States --- including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

BBG Barclays US Agg Bd - The Bloomberg Barclays U.S. Aggregate Bond index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

Citi 3 Month U.S. T-Bill Indx - This index is a measurement of the movement of 3-month T-Bills. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

S&P 500 Total Return Indx - The S&P 500 Index Total Return is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. It consists of 400 industrial, 40 utility, 20 transportation, and 40 financial companies listed on U.S. market exchanges. This is a capitalization-weighted calculated on a total return basis with dividends reinvested. The S&P represents about 75% of the NYSE market capitalization.

Custom Blended Benchmark 1

BBG Barclays US Agg Bd 50%, MSCI ACWI ex U.S. Indx (NDTR) 12%, Russell 3000 (TR) Indx 38% - The Bloomberg Barclays U.S. Aggregate Bond index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

The MSCI ACWI ex U.S. index is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The MSCI All Country World Index Ex-U.S. includes both developed and emerging markets.

The Russell 3000 Index represents 3000 large US companies, ranked by market capitalization. It represents approximately 98% of the US equity market. This Index includes the effects of reinvested dividends.

Memo

To: Elaine Leven, City Manager
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date: 8/9/2018
Re: Pension Plan Actuarial Valuation for Period Ending June 30, 2017

Please include the attached Pension Plan Actuarial Valuation for Period Ending June 30, 2017 on the next Pension Board Meeting October 30, 2018.

If you have any questions, please contact me.

Thank you



City of Marine City Retirement System

JUNE 30, 2017 ACTUARIAL VALUATION

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At the request of the plan sponsor, this report summarizes the Retirement System for the City of Marine City as of June 30, 2017. The purpose of this report is to communicate the following results of the valuation:

- Funded Status;
- and Actuarially Determined Contribution for the Fiscal Year beginning July 1, 2018.

This report has been prepared in accordance with the applicable Federal and State laws. Consequently, it may not be appropriate for other purposes. Please contact Nyhart prior to disclosing this report to any other party or relying on its content for any purpose other than that explained above. Failure to do so may result in misrepresentation or misinterpretation of this report.

The results in this report were prepared using information provided to us by other parties. The census and asset information has been provided to us by the employer. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

The actuarial assumptions and methods are unchanged from the prior actuary and appear to be reasonable overall. However, we will be thoroughly reviewing assumptions prior to the delivery of the June 30, 2018 report. 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); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

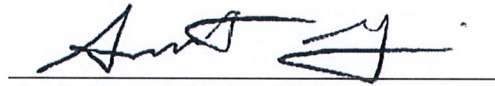
Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



Nick H. Meggos, EA, FCA



Scott Gavin, FSA, EA, MAAA

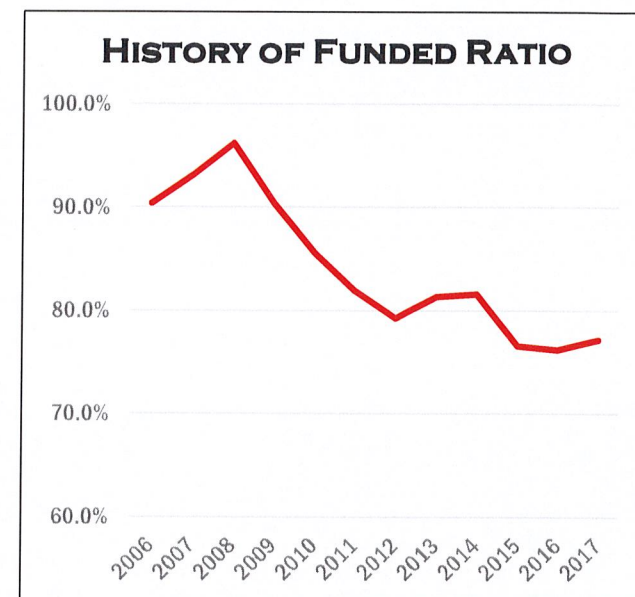
July 26, 2018

Date

Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	June 30, 2016	June 30, 2017
Funded Status Measures		
Accrued Liability	\$6,950,695	\$6,919,054
Actuarial Value of Assets	5,299,897	5,340,534
Unfunded Actuarial Accrued Liability (UAAL)	\$1,650,798	\$1,578,520
Funded Percentage (AVA)	76.25%	77.19%
Funded Percentage (MVA)	69.74%	72.88%
Cost Measures		
Recommended Contribution for Following Year	\$189,645	\$209,066
Recommended Contribution (as a % of payroll)	65.5%	73.6%
Asset Performance		
Market Value of Assets (MVA)	\$4,847,088	\$5,042,689
Actuarial Value of Assets (AVA)	\$5,299,897	\$5,340,534
Actuarial Value/Market Value	109.3%	105.9%
Market Value Rate of Return	-3.47%	9.32%
Actuarial Value Rate of Return	5.73%	5.52%
Participant Information		
Active Participants	5	5
Terminated Vested Participants	4	4
Retirees, Beneficiaries, and Disabled Participants	24	24
Total	33	33
Payroll for year ending	\$289,641	\$283,870



Changes since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

There have been no changes to the assumptions since the last valuation.

The calculation of interest within the recommended contribution has been adjusted to reflect monthly payments in the following fiscal year.

The prior valuation (and therefore any information shown in this report prior to June 30, 2017) was performed by a different actuary.

Present Value of Future Benefits

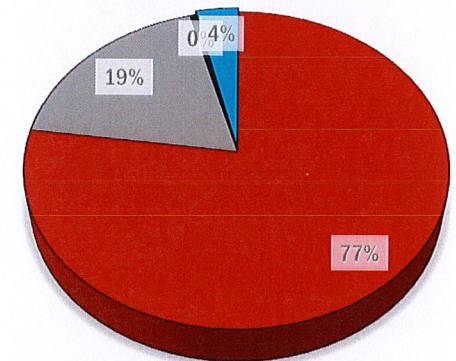
The Present Value of Future Benefits represents the future benefits payable to the existing participants.

June 30, 2017

Present Value of Future Benefits

Active participants	
Retirement	\$1,460,762
Disability	89,166
Death	44,428
Termination	56,148
Total active	\$1,650,504
Inactive participants	
Retired participants	\$4,653,295
Beneficiaries	89,270
Disabled participants	0
Terminated vested participants	825,885
Total inactive	\$5,568,450
Total	\$7,218,954
Present value of future payrolls	\$2,380,643

BREAKDOWN OF PRESENT VALUE OF FUTURE BENEFITS



■ Inactive Liability ■ Active Liability
■ Normal Cost ■ Future Benefits

Accrued Liability

The Funding Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions.

	<u>June 30, 2017</u>
Funding Liabilities – Entry Age Normal as Percent of Pay	
Active participants	
Retirement	\$1,216,897
Disability	65,312
Death	32,323
Termination	<u>36,072</u>
Total Active	\$1,350,604
Inactive participants	
Retired participants	\$4,653,295
Beneficiaries	89,270
Disabled participants	0
Terminated vested participants	<u>825,885</u>
Total Inactive	\$5,568,450
Total	\$6,919,054
 Total Normal Cost	 \$38,798

Asset Information

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	<u>June 30, 2017</u>
Market Value Reconciliation	
Market value of assets, beginning of prior year	\$4,847,088
Contributions	
Employer contributions	\$211,847
Employee contributions	<u>14,194</u>
Total	\$226,041
Investment income	\$440,552
Benefit payments	<u>(\$470,992)</u>
Market value of asset, beginning of current year	\$5,042,689
Return on Market Value	9.32%
Market value of assets available for pension benefits	\$5,042,689
Actuarial Value of Assets	
Value at beginning of current year	\$5,340,534

Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements.

	June 30, 2017
1. Expected Investment Income	
(a) Actuarial value of assets, beginning of prior year	\$5,299,897
(b) Employee Contributions	14,194
(c) Employer Contributions	211,847
(d) Refund of Member Contributions	0
(e) Benefit payments	470,992
(f) Expected Investment Income – end of year $[7.25\% \times (a) + 7.25\% \times (1/2) \times \{(b)+(c)-(d)-(e)\}]$	\$375,363
2. Market value of Investment Income, beginning of current year	\$440,552
3. Amount subject to phase in $[(2) - (1f)]$	\$65,189
4. Phase in of gain/(loss) $[25\% \times (3)]$	\$16,297
5. Phased-In Recognition of Investment Income	
(a) Current Year Phase in of gain/(loss) (4)	\$16,297
(b) First Prior Year	(138,738)
(c) Second Prior Year	(69,260)
(d) Third Prior Year	101,926
(e) Total	(\$89,775)
6. Preliminary actuarial value of assets, beginning of current year $[(1a)+(1b)+(1c)-(1d)-(1e)+(1f)+(5e)]$	\$5,340,534
7. 80% Market value of assets (Market Value = \$5,042,689)	\$4,034,151
8. 120% Market value of assets (Market Value = \$5,042,689)	\$6,051,227
9. Adjusted actuarial value of assets	\$5,340,534
10. Final actuarial value of assets	\$5,340,534
11. Return on actuarial value of assets	5.52%

Assets and Liabilities

Reconciliation of Gain/Loss

	June 30, 2017
Liability (gain)/loss	
Actuarial liability, beginning of prior year	\$6,950,695
Normal cost	32,617
Benefit payments and refund of member contributions	(470,992)
Expected Interest	489,217
Expected actuarial liability, beginning of current year	\$7,001,537
Actual actuarial liability	\$6,919,054
Liability (gain)/loss	(\$82,483)
Asset (gain)/loss	
Actuarial value of assets, beginning of prior year	\$5,299,897
Contributions	226,041
Benefit payments and refund of member contributions	(470,992)
Expected investment return	375,363
Expected actuarial value of assets, beginning of current year	\$5,430,309
Actual actuarial value of assets, beginning of current year	\$5,340,534
Asset (gain)/loss	\$89,775
Total (gain)/loss	\$7,292

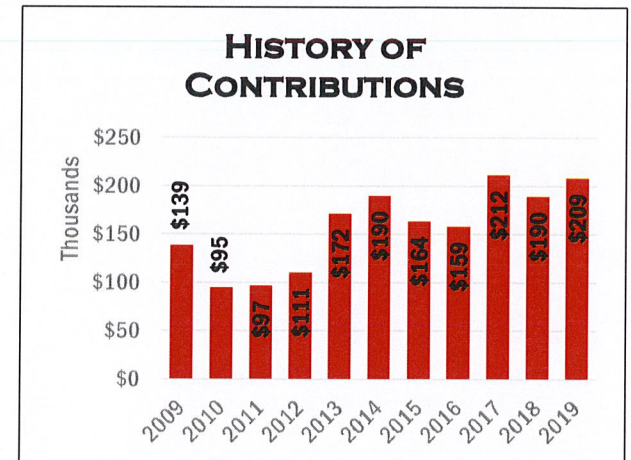
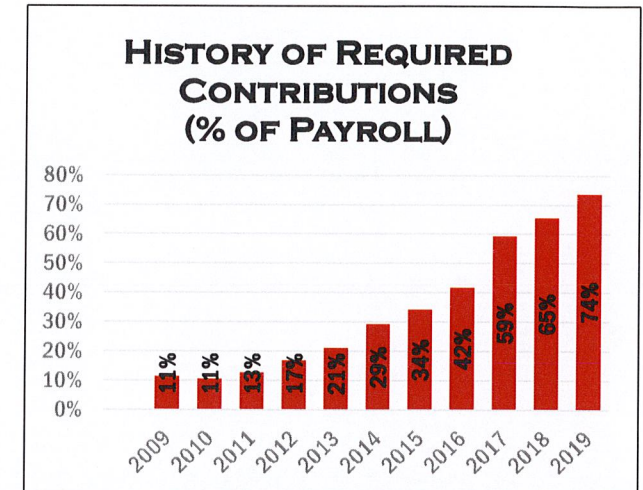
Reconciliation of Unfunded Actuarial Accrued Liability (UAAL)

	<u>June 30, 2017</u>
1. UAAL beginning of prior year	\$1,650,798
2. Normal Cost	\$32,617
3. Expenses	\$0
4. Employer Contributions	(\$211,847)
5. Non-Employer Contributions	(\$14,194)
6. Interest	<u>\$113,854</u>
7. Expected UAAL, beginning of current year	\$1,571,228
8. Changes due to:	
(a) Amendments	\$0
(b) Assumptions	\$0
(c) Funding Methods	\$0
(d) (Gain)/Loss	<u>\$7,292</u>
(e) Total	\$7,292
9. UAAL beginning of current year	\$1,578,520

Development of Actuarially Determined Contribution

The recommended actuarially determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. It is anticipated to be paid uniformly throughout the Fiscal Year beginning July 1, 2018.

	June 30, 2017
Funded Position	
1. Entry age accrued liability	\$6,919,054
2. Actuarial value of assets	5,340,534
3. Unfunded actuarial accrued liability (UAAL)	\$1,578,520
Employer Contributions for Fiscal Year 2019	
1. Normal Cost	
(a) Total normal cost	\$38,798
(b) Interest-adjusted Expected participant contributions	14,396
(c) Net normal cost	\$24,402
2. Amortization of UAAL (15 years)	164,158
3. Interest	20,506
4. Total contribution for Fiscal 2019	\$209,066
As a percentage of most recent payroll	73.6%



Demographic Information

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

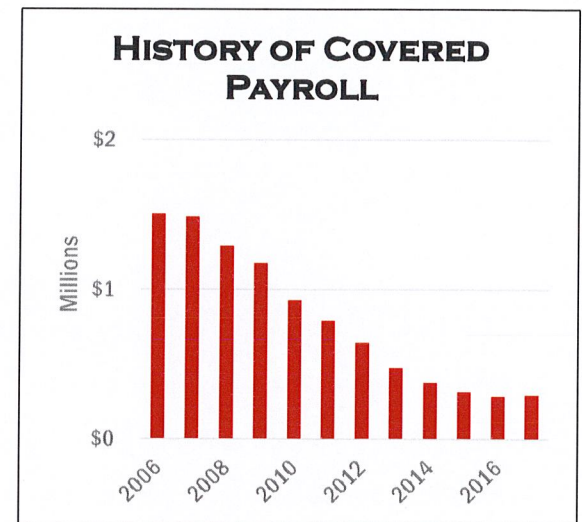
June 30, 2017

Participant Counts

Active Participants	5
Retired Participants	22
Beneficiaries	2
Disabled Participants	0
Terminated Vested Participants	4
Total Participants	33

Active Participant Demographics

Average Age	51.2
Average Service	22.1
Average Compensation	\$56,774
Covered Payroll for Year Ending	\$283,870
Total Payroll for Year Ending	\$283,870



Demographic Information (continued)

June 30, 2017

Retiree Statistics

Average Age	67.0
Average Monthly Benefit	\$1,672

Beneficiary Statistics

Average Age	82.5
Average Monthly Benefit	\$705

Disabled Participants Statistics

Average Age	N/A
Average Monthly Benefit	N/A

Terminated Participants Statistics

Average Age	53.7
Average Monthly Benefit	\$2,275

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	5	4	0	22	2	33
Active						
To Retired	0	0	0	0	0	0
To Terminated Vested	0	0	0	0	0	0
Terminated Vested						
To Retired	0	0	0	0	0	0
Retired						
To Survivor	0	0	0	0	0	0
To Death	0	0	0	0	0	0
Survivor						
To Death	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Departures	0	0	0	0	0	0
Current Year	5	4	0	22	2	33

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 25											0
25 to 29											0
30 to 34											0
35 to 39											0
40 to 44					1						1
45 to 49						1					1
50 to 54				1				1			2
55 to 59						1					1
60 to 64											0
65 to 69											0
70 & up											0
Total	0	0	0	1	1	2	0	1	0	0	5

Plan Effective Date

The effective date of the Plan is July 1, 1980. The most recent amendment was effective January 1, 2009.

Fiscal Year

The period beginning July 1, and ending on the next June 30.

Eligibility for Participation

The Plan is closed to new participants.

Accrual of Benefits

An eligible participant's monthly benefit shall be equal to the product of 2.25% of the participant's final average compensation, and the number of years of credited service at retirement or termination.

Benefits**Normal Retirement**

Eligibility Attainment of age 55 with 25 or more years of credited service or age 60 and 10 or more years of credited service.

Benefit Unreduced Accrued Benefit payable immediately.

Early Retirement

Eligibility Attainment of age 55 with 15 or more years of credited service.

Benefit The early retirement benefit shall be equal to the participant's Accrued Benefit, reduced by 0.5% for each month by which the date of benefit commencement precedes the attainment of age 60.

Termination

Eligibility 10 years of credited service.

Benefit The participant's Accrued Benefit payable at age 60.

Death Before Retirement

Eligibility 10 years of credited service.

Benefit If a participant dies after becoming vested but prior to commencement of benefit, the spouse or beneficiary will receive a benefit as if the participant had retired under the joint and 100% survivor option. The beneficiary may elect to receive a lump sum payment in lieu of monthly benefits.

Disability

Eligibility Totally and permanently disabled at a time prior to normal retirement date after completion of 10 years of credited service.

Benefit Accrued Benefit payable immediately, reduced for any earnings from gainful employment, worker's compensation or unemployment payments.

Final Average Compensation

Defined as the average of the five consecutive years of compensation out of the previous 10 years that produces the highest average. Compensation includes base salary or wages, overtime salary or wages, longevity pay, vacation, holiday or illness pay, and worker's compensation benefits.

Credited Service

The number of calendar years worked by a participant. If the participant works less than 1,000 hours in a calendar year, the credited service granted for that calendar year will be the number of hours worked divided by 1,000.

Employee Contributions

5% of compensation.

Payment Forms

Normal Form Single Life Annuity

Optional Forms 50% or 100% Joint and Survivor Annuity

Social Security Adjustment Annuity

Actuarial Equivalence

1971 Group Annuity Mortality Table, set back no years for males and five years for females, and the interest rate published monthly by the Pension Benefit Guaranty Corporation for use in converting a series of monthly annuity payments into a lump sum value.

Cost-of-Living Allowance (COLA)

None

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation.

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report.

The following assumptions and methods are unchanged from the prior actuary and appear to be reasonable overall. However, we will be thoroughly reviewing assumptions prior to the delivery of the June 30, 2018 report.

Valuation Date	June 30, 2017
Participant and Asset Information Collected as of	June 30, 2017
Cost Method	Individual Entry Age Cost Method % of pay
Amortization Method	15 year closed level dollar amortization of Unfunded Actuarial Accrued Liability
Asset Valuation Method	4 year smoothing of asset gains and losses
Interest Rates	7.25% net of expenses The interest rate is the long-term rate of return on assets. This assumption is supported by the investment mix of the plan assets and long-term capital market return assumptions.
Annual Pay Increases	Pay increases follow the schedule below: The annual pay increase reflects a general salary inflation assumption of 3.75% and a merit increase up to 3.99%.

<u>Age</u>	<u>Base Rate</u>	<u>Merit Rate</u>
20	3.50%	3.99%
25	3.50%	3.25%
30	3.50%	2.79%
35	3.50%	2.47%
40	3.50%	2.22%
45	3.50%	1.75%
50	3.50%	1.18%
55	3.50%	0.69%
60	3.50%	0.17%

Mortality Rates

Healthy & Disabled

RP-2000 Combined Mortality projected to 2010 with Scale AA

As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.

Marital Status and Ages

100% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.

Retirement Rates

Rates based on age shown below.

<u>Age</u>	<u>Rate</u>
55	30%
56	25%
57	20%
58	15%
59	20%
60	20%
61	40%
62	70%
63	50%
64	50%
65	80%
66	70%
67	60%
68	60%
69	70%
70	100%

Disability Rates

Rates based on age. Sample rates below.

<u>Age</u>	<u>Rate</u>
20	0.05%
25	0.07%
30	0.08%
35	0.10%
40	0.16%
45	0.24%
50	0.39%
55	0.69%
60	1.15%

Withdrawal Rates

Rates based on age and service. Sample rates below.

<u>Age</u>	<u>Service</u>	<u>Rate</u>
ALL	0	30.00%
ALL	1	20.00%
ALL	2	15.00%
ALL	3	10.00%
ALL	4	7.00%
25	5+	6.00%
30	5+	5.50%
35	5+	4.40%
40	5+	1.85%
45	5+	1.25%
50	5+	1.25%
55	5+	1.25%
60	5+	1.25%

Memo

To: Elaine Leven, City Manager
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date: 10/21/2018
Re: Marine City Retirement System Actuarial Valuation for Period Ending June 30, 2018

Please include the attached City of Marine City Retirement System Actuarial Valuation for Period Ending June 30, 2018 on the next Pension Plan Board Meeting October 30, 2018. The bound copies from Nyhart will be distributed at the Pension Board Meeting October 30, 2018.

If you have any questions, please contact me.

Thank you



City of Marine City Retirement System

JUNE 30, 2018 ACTUARIAL VALUATION

City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
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At the request of the plan sponsor, this report summarizes the Retirement System for the City of Marine City as of June 30, 2018. The purpose of this report is to communicate the following results of the valuation:

- Funded Status;
- and Actuarially Determined Contribution for the Fiscal Year beginning July 1, 2019.

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The results in this report were prepared using information provided to us by other parties. The census and asset information has been provided to us by the employer. We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we have made assumptions we believe to be reasonable. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report. A summary of the data used in the valuation is included in this report.

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- 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); and
- changes in plan provisions or applicable law.

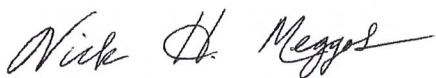
We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement. This report has been prepared in accordance with generally accepted actuarial principles and practice.

Neither Nyhart nor any of its employees have any relationship with the plan or its sponsor which could impair or appear to impair the objectivity of this report. To the extent that this report or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law.

**City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
Actuarial Certification**

The undersigned are compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States and are available for any questions.

Nyhart



Nick H. Meggos, EA, FCA



Scott Gavin, FSA, EA, MAAA

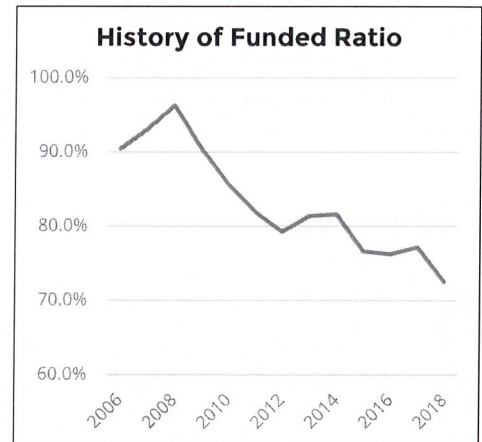
October 18, 2018

Date

Summary Results

The actuarial valuation's primary purpose is to produce a scorecard measure displaying the funding progress of the plan toward the ultimate goal of paying benefits at retirement. The accrued liability is based on an entry age level percentage of pay.

	June 30, 2017	June 30, 2018
Funded Status Measures		
Accrued Liability	\$6,919,054	\$7,188,213
Actuarial Value of Assets	5,340,534	5,211,041
Unfunded Actuarial Accrued Liability (UAAL)	\$1,578,520	\$1,977,172
Funded Percentage (AVA)	77.19%	72.49%
Funded Percentage (MVA)	72.88%	69.26%
Cost Measures		
Recommended Contribution for Following Year	\$209,066	\$247,217
Recommended Contribution (as a % of payroll)	73.6%	86.4%
Asset Performance		
Market Value of Assets (MVA)	\$5,042,689	\$4,978,666
Actuarial Value of Assets (AVA)	\$5,340,534	\$5,211,041
Actuarial Value/Market Value	105.9%	104.7%
Market Value Rate of Return	9.32%	4.26%
Actuarial Value Rate of Return	5.52%	2.76%
Participant Information		
Active Participants	5	5
Terminated Vested Participants	4	4
Retirees, Beneficiaries, and Disabled Participants	24	24
Total	33	33
Payroll for year ending	\$283,870	\$285,980



Changes since Prior Valuation and Key Notes

There have been no changes to the plan provisions since the last valuation.

The mortality table has been changed from RP-2000 Combined Mortality projected to 2010 with Scale AA to RP-2014 Combined Mortality with generational improvements projected beginning in 2006 with Scale MP-2017. This change resulted in an increase in the liabilities and normal cost.

The salary increase assumption has been changed from a general inflation assumption of 3.75% and a merit increase up to 3.99% based on age to a flat 2.00% annual increase to reflect recent experience. This change resulted in a decrease in the liabilities and normal cost.

Present Value of Future Benefits

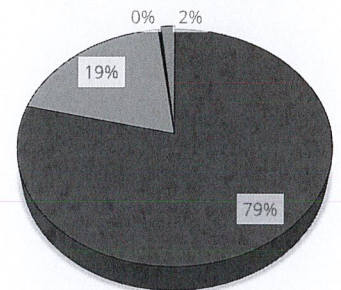
The Present Value of Future Benefits represents the future benefits payable to the existing participants.

June 30, 2018

Present Value of Future Benefits

Active participants	
Retirement	\$1,394,205
Disability	78,425
Death	33,154
Termination	46,369
Total active	<u>\$1,552,153</u>
Inactive participants	
Retired participants	\$4,765,748
Beneficiaries	88,693
Disabled participants	0
Terminated vested participants	921,644
Total inactive	<u>\$5,776,085</u>
Total	<u>\$7,328,238</u>
Present value of future payrolls	
	\$1,865,078

Breakdown of Present Value of Future Benefits



Inactive Liability
 Active Liability
 Normal Cost
 Future Benefits

Accrued Liability

The Funding Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions.

	June 30, 2018
Funding Liabilities - Entry Age Normal as Percent of Pay	
Active participants	
Retirement	\$1,284,121
Disability	65,719
Death	27,733
Termination	34,555
Total Active	\$1,412,128
Inactive participants	
Retired participants	\$4,765,748
Beneficiaries	88,693
Disabled participants	0
Terminated vested participants	921,644
Total Inactive	\$5,776,085
Total	\$7,188,213
 Total Normal Cost	 \$23,076

Asset Information

The amount of assets backing the pension promise is the most significant driver of volatility and future costs within a pension plan. The investment performance of the assets directly offsets the ultimate cost.

	June 30, 2018
Market Value Reconciliation	
Market value of assets, beginning of prior year	\$5,042,689
Contributions	
Employer contributions	\$209,928
Employee contributions	14,284
Total	\$224,212
Investment income	\$208,983
Benefit payments	(\$458,395)
Administrative expenses	(\$38,823)
Market value of asset, beginning of current year	\$4,978,666
Return on Market Value	4.26%
Market value of assets available for pension benefits	\$4,978,666
Actuarial Value of Assets	
Value at beginning of current year	\$5,211,041

City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
Assets and Liabilities

Asset Information (continued)

Plan Assets are used to develop funded percentages and contribution requirements.

	June 30, 2018
1. Expected Investment Income	
(a) Actuarial value of assets, beginning of prior year	\$5,340,534
(b) Employee Contributions	14,284
(c) Employer Contributions	209,928
(d) Refund of Member Contributions	0
(e) Benefit payments	458,395
(f) Administrative expenses	38,823
(g) Expected Investment Income – end of year $[7.25\% \times (a) + 7.25\% \times (1/2) \times \{(b)+(c)-(d)-(e)-(f)\}]$	\$377,292
2. Market value of Investment Income, beginning of current year	\$208,983
3. Amount subject to phase in $[(2) - (1g)]$	(\$168,309)
4. Phase in of gain/(loss) $[25\% \times (3)]$	(\$42,077)
5. Phased-In Recognition of Investment Income	
(a) Current Year Phase in of gain/(loss) (4)	(\$42,077)
(b) First Prior Year	16,297
(c) Second Prior Year	(138,738)
(d) Third Prior Year	(69,261)
(e) Total	(\$233,779)
6. Preliminary actuarial value of assets, beginning of current year $[(1a)+(1b)+(1c)-(1d)-(1e)-(1f)+(1g)+(5e)]$	\$5,211,041
7. 80% Market value of assets (Market Value = \$4,978,666)	\$3,982,933
8. 120% Market value of assets (Market Value = \$4,978,666)	\$5,974,399
9. Adjusted actuarial value of assets	\$5,211,041
10. Final actuarial value of assets	\$5,211,041
11. Return on actuarial value of assets	2.76%

**City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018**

Assets and Liabilities

Reconciliation of Gain/Loss

	June 30, 2018
Liability (gain)/loss	
Actuarial liability, beginning of prior year	\$6,919,054
Normal cost	38,798
Benefit payments and refund of member contributions	(458,395)
Expected Interest	487,827
Assumption Changes (Mortality and Salary Increase)	207,276
Expected actuarial liability, beginning of current year	\$7,194,560
Actual actuarial liability	\$7,188,213
Liability (gain)/loss	(\$6,347)
Asset (gain)/loss	
Actuarial value of assets, beginning of prior year	\$5,340,534
Contributions	224,212
Benefit payments and refund of member contributions	(458,395)
Expected investment return	378,699
Expected actuarial value of assets, beginning of current year	\$5,485,050
Actual actuarial value of assets, beginning of current year	\$5,211,041
Asset (gain)/loss	\$274,009
Total (gain)/loss	\$267,662

Reconciliation of Unfunded Actuarial Accrued Liability (UAAL)

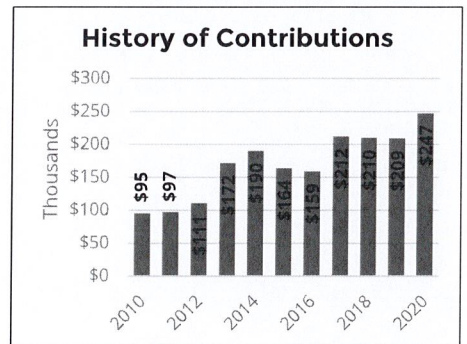
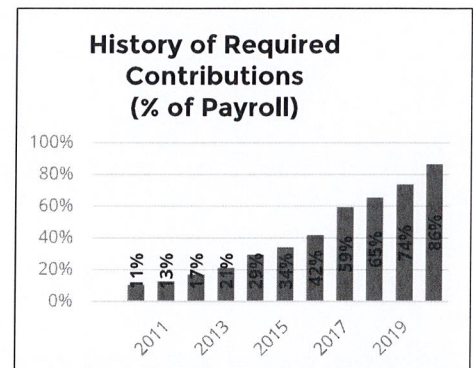
	June 30, 2018
1. UAAL beginning of prior year	\$1,578,520
2. Normal Cost	\$38,798
3. Expenses	\$0
4. Employer Contributions	(\$209,928)
5. Non-Employer Contributions	(\$14,284)
6. Interest	\$109,128
7. Expected UAAL, beginning of current year	\$1,502,234
8. Changes due to:	
(a) Amendments	\$0
(b) Assumptions	\$207,276
(c) Funding Methods	\$0
(d) (Gain)/Loss	\$267,662
(e) Total	\$474,938
9. UAAL beginning of current year	\$1,977,172

**City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
Contribution Requirements**

Development of Actuarially Determined Contribution

The recommended actuarially determined contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws. It is anticipated to be paid uniformly throughout the Fiscal Year beginning July 1, 2019.

	June 30, 2018
Funded Position	
1. Entry age accrued liability	\$7,188,213
2. Actuarial value of assets	5,211,041
3. Unfunded actuarial accrued liability (UAAL)	\$1,977,172
Employer Contributions for Fiscal Year 2019	
1. Normal Cost	
(a) Total normal cost	\$23,076
(b) Interest-adjusted Expected participant contributions	14,075
(c) Net normal cost	\$9,001
2. Amortization of UAAL (14 years)	213,968
3. Interest	24,248
4. Total contribution for Fiscal 2020	\$247,217
As a percentage of most recent payroll	86.4%



Demographic Information

The foundation of a reliable actuarial report is the participant information provided by the plan sponsor. Monitoring trends in demographic information is crucial for long-term pension planning.

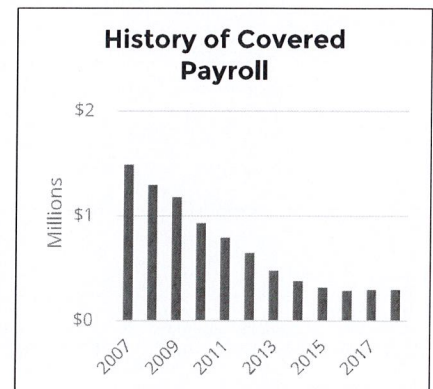
June 30, 2018

Participant Counts

Active Participants	5
Retired Participants	22
Beneficiaries	2
Disabled Participants	0
Terminated Vested Participants	4
Total Participants	33

Active Participant Demographics

Average Age	52.2
Average Service	23.0
Average Compensation	\$57,196
Covered Payroll for Year Ending	\$285,980
Total Payroll for Year Ending	\$285,980



Demographic Information (continued)

June 30, 2018

Retiree Statistics

Average Age	68.0
Average Monthly Benefit	\$1,672

Beneficiary Statistics

Average Age	83.5
Average Monthly Benefit	\$705

Disabled Participants Statistics

Average Age	N/A
Average Monthly Benefit	N/A

Terminated Participants Statistics

Average Age	54.7
Average Monthly Benefit	\$2,275

City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
Participant Reconciliation

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
Prior Year	5	4	0	22	2	33
Active						
To Retired	0	0	0	0	0	0
To Terminated Vested	0	0	0	0	0	0
Terminated Vested						
To Retired	0	0	0	0	0	0
Retired						
To Survivor	0	0	0	0	0	0
To Death	0	0	0	0	0	0
Survivor						
To Death	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Departures	0	0	0	0	0	0
Current Year	5	4	0	22	2	33

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service										Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under 25											0
25 to 29											0
30 to 34											0
35 to 39											0
40 to 44											0
45 to 49					1	1					2
50 to 54								1			1
55 to 59				1		1					2
60 to 64											0
65 to 69											0
70 & up											0
Total	0	0	0	1	1	2	0	1	0	0	5

Plan Effective Date

The effective date of the Plan is July 1, 1980. The most recent amendment was effective January 1, 2009.

Fiscal Year

The period beginning July 1, and ending on the next June 30.

Eligibility for Participation

The Plan is closed to new participants.

Accrual of Benefits

An eligible participant's monthly benefit shall be equal to the product of 2.25% of the participant's final average compensation, and the number of years of credited service at retirement or termination.

Benefits

Normal Retirement

Eligibility Attainment of age 55 with 25 or more years of credited service or age 60 and 10 or more years of credited service.

Benefit Unreduced Accrued Benefit payable immediately.

Early Retirement

Eligibility Attainment of age 55 with 15 or more years of credited service.

Benefit The early retirement benefit shall be equal to the participant's Accrued Benefit, reduced by 0.5% for each month by which the date of benefit commencement precedes the attainment of age 60.

Termination

Eligibility 10 years of credited service.

Benefit The participant's Accrued Benefit payable at age 60.

Death Before Retirement

Eligibility 10 years of credited service.

Benefit If a participant dies after becoming vested but prior to commencement of benefit, the spouse or beneficiary will receive a benefit as if the participant had retired under the joint and 100% survivor option. The beneficiary may elect to receive a lump sum payment in lieu of monthly benefits.

Disability

Eligibility Totally and permanently disabled at a time prior to normal retirement date after completion of 10 years of credited service.

Benefit Accrued Benefit payable immediately, reduced for any earnings from gainful employment, worker's compensation or unemployment payments.

Final Average Compensation

Defined as the average of the five consecutive years of compensation out of the previous 10 years that produces the highest average. Compensation includes base salary or wages, overtime salary or wages, longevity pay, vacation, holiday or illness pay, and worker's compensation benefits.

Credited Service

The number of calendar years worked by a participant. If the participant works less than 1,000 hours in a calendar year, the credited service granted for that calendar year will be the number of hours worked divided by 1,000.

Employee Contributions

5% of compensation.

Payment Forms

Normal Form	Single Life Annuity
Optional Forms	50% or 100% Joint and Survivor Annuity
	Social Security Adjustment Annuity

Actuarial Equivalence

1971 Group Annuity Mortality Table, set back no years for males and five years for females, and the interest rate published monthly by the Pension Benefit Guaranty Corporation for use in converting a series of monthly annuity payments into a lump sum value.

Cost-of-Living Allowance (COLA)

None

Plan Provisions Not Included

We are not aware of any plan provisions not included in the valuation.

Adjustments Made for Subsequent Events

We are not aware of any event following the measurement date and prior to the date of this report that would materially impact the results of this report.

City of Marine City Retirement System
Actuarial Valuation as of June 30, 2018
Actuarial Assumptions

Valuation Date	June 30, 2018
Participant and Asset Information Collected as of	June 30, 2018
Cost Method	Individual Entry Age Cost Method % of pay
Amortization Method	14 year closed level dollar amortization of Unfunded Actuarial Accrued Liability
Asset Valuation Method	4 year smoothing of asset gains and losses
Interest Rates	7.25% net of expenses The interest rate is the long-term rate of return on assets. This assumption is supported by the investment mix of the plan assets and long-term capital market return assumptions.
Annual Pay Increases	2.00% The annual pay increase assumption is based on recent experience and future expectations.
Mortality Rates	
Healthy & Disabled	RP-2014 Combined Mortality with generational improvements projected beginning in 2006 with Scale MP-2017 As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
Marital Status and Ages	100% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.

Retirement Rates

Rates based on age shown below.

<u>Age</u>	<u>Rate</u>
55	30%
56	25%
57	20%
58	15%
59	20%
60	20%
61	40%
62	70%
63	50%
64	50%
65	80%
66	70%
67	60%
68	60%
69	70%
70	100%

Disability Rates

Rates based on age. Sample rates below.

<u>Age</u>	<u>Rate</u>
20	0.05%
25	0.07%
30	0.08%
35	0.10%
40	0.16%
45	0.24%
50	0.39%
55	0.69%
60	1.15%

Withdrawal Rates

Rates based on age and service. Sample rates below.

<u>Age</u>	<u>Service</u>	<u>Rate</u>
ALL	0	30.00%
ALL	1	20.00%
ALL	2	15.00%
ALL	3	10.00%
ALL	4	7.00%
25	5+	6.00%
30	5+	5.50%
35	5+	4.40%
40	5+	1.85%
45	5+	1.25%
50	5+	1.25%
55	5+	1.25%
60	5+	1.25%

City of Marine City

Memo

To: Elaine Leven, City Manager
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date 8/8/18
Re: **PRELIMINARY FINANCIAL STATEMENTS FOR JULY 2018**

Please include the attached **Preliminary Financial Statements for July 2018** on the agenda of the next Pension Board Meeting. If you have any questions, please contact me.

Thank you

08/08/2018 04:40 PM
User: McDonald
DB: Marine City

BALANCE SHEET FOR CITY OF MARINE CITY
Period Ending 07/31/2018
PRELIMINARY FINANCIAL STATEMENTS-JULY 2018

Page: 1/1

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	44,075.73
731-000.000-017.000	INVESTMENT IN SECURITIES	4,914,983.89
Total Assets		4,959,059.62
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	5,042,690.90
Total Fund Balance		5,042,690.90
Beginning Fund Balance - 17-18		5,042,690.90
Net of Revenues VS Expenditures - 17-18		(64,021.38)
*17-18 End FB/18-19 Beg FB		4,978,669.52
Net of Revenues VS Expenditures - Current Year		(19,609.90)
Ending Fund Balance		4,959,059.62
Total Liabilities And Fund Balance		4,959,059.62

* Year Not Closed

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 07/31/2018

PRELIMINARY FINANCIAL STATEMENTS-JULY 2018

GL NUMBER	DESCRIPTION	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGE	YTD BALANCE 07/31/2018 NORM (ABNORM)	ACTIVITY FOR MONTH 07/31/1 INCR (DECR)	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 731 - MARINE CITY RETIREMENT SYSTEM								
Revenues								
Dept 000.000								
731-000.000-683.000	EMPLOYEE CONTRIBUTIONS	0.00	0.00	1,095.52	1,095.52	0.00	(1,095.52)	100.00
731-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	17,494.18	17,494.18	0.00	(17,494.18)	100.00
Total Dept 000.000		0.00	0.00	18,589.70	18,589.70	0.00	(18,589.70)	100.00
TOTAL REVENUES		0.00	0.00	18,589.70	18,589.70	0.00	(18,589.70)	100.00
Expenditures								
Dept 000.000								
731-000.000-874.000	RETIREMENT BENEFITS TO RETIRE	0.00	0.00	36,759.60	36,759.60	0.00	(36,759.60)	100.00
731-000.000-874.001	RETIREMENT BENEFITS (NON TAXA	0.00	0.00	1,440.00	1,440.00	0.00	(1,440.00)	100.00
Total Dept 000.000		0.00	0.00	38,199.60	38,199.60	0.00	(38,199.60)	100.00
TOTAL EXPENDITURES		0.00	0.00	38,199.60	38,199.60	0.00	(38,199.60)	100.00
Fund 731 - MARINE CITY RETIREMENT SYSTEM:								
TOTAL REVENUES		0.00	0.00	18,589.70	18,589.70	0.00	(18,589.70)	100.00
TOTAL EXPENDITURES		0.00	0.00	38,199.60	38,199.60	0.00	(38,199.60)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	(19,609.90)	(19,609.90)	0.00	19,609.90	100.00

City of Marine City

Memo

To: Elaine Leven, City Manager

From: Mary Ellen McDonald, CPFAMiCPT

Finance Director/Treasurer

Date 9/12/18

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR AUGUST 2018**

Please include the attached **Preliminary Financial Statements for August 2018** on the agenda of the next Pension Board Meeting. If you have any questions, please contact me.

Thank you

BALANCE SHEET FOR CITY OF MARINE CITY
Period Ending 08/31/2018
PRELIMINARY FINANCIAL STATEMENTS-AUGUST 2018

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	124,436.93
731-000.000-017.000	INVESTMENT IN SECURITIES	4,907,497.28
Total Assets		5,031,934.21
*** Liabilities ***		
731-000.000-200.000	ACCOUNTS PAYABLE	5,900.00
Total Liabilities		5,900.00
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	5,042,690.90
Total Fund Balance		5,042,690.90
Beginning Fund Balance - 17-18		5,042,690.90
Net of Revenues VS Expenditures - 17-18		(64,021.38)
*17-18 End FB/18-19 Beg FB		4,978,669.52
Net of Revenues VS Expenditures - Current Year		47,364.69
Ending Fund Balance		5,026,034.21
Total Liabilities And Fund Balance		5,031,934.21

* Year Not Closed

PERIOD ENDING 08/31/2018

PRELIMINARY FINANCIAL STATEMENTS-AUGUST 2018

GL NUMBER	DESCRIPTION	2018-19 ORIGINAL BUDGET	2018-19 AMENDED BUDGE	YTD BALANCE 08/31/2018 NORM (ABNORM)	ACTIVITY FOR MONTH 08/31/1 INCR (DECR)	ENCUMBERED YEAR-TO-DATE	UNENCUMBERED BALANCE	% BDGT USED
Fund 731 - MARINE CITY RETIREMENT SYSTEM								
Revenues								
Dept 000.000								
731-000.000-665.000	INTEREST	0.00	0.00	7,287.75	0.00	0.00	(7,287.75)	100.00
731-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	94,523.54	0.00	0.00	(94,523.54)	100.00
731-000.000-683.000	EMPLOYEE CONTRIBUTIONS	0.00	0.00	2,156.60	1,061.08	0.00	(2,156.60)	100.00
731-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	34,988.36	17,494.18	0.00	(34,988.36)	100.00
Total Dept 000.000		0.00	0.00	138,956.25	18,555.26	0.00	(138,956.25)	100.00
TOTAL REVENUES		0.00	0.00	138,956.25	18,555.26	0.00	(138,956.25)	100.00
Expenditures								
Dept 000.000								
731-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	5,900.00	0.00	0.00	(5,900.00)	100.00
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	9,292.36	0.00	0.00	(9,292.36)	100.00
731-000.000-874.000	RETIREMENT BENEFITS TO RETIRE	0.00	0.00	73,519.19	36,759.59	0.00	(73,519.19)	100.00
731-000.000-874.001	RETIREMENT BENEFITS (NON TAXA	0.00	0.00	2,880.01	1,440.01	0.00	(2,880.01)	100.00
Total Dept 000.000		0.00	0.00	91,591.56	38,199.60	0.00	(91,591.56)	100.00
TOTAL EXPENDITURES		0.00	0.00	91,591.56	38,199.60	0.00	(91,591.56)	100.00
Fund 731 - MARINE CITY RETIREMENT SYSTEM:								
TOTAL REVENUES		0.00	0.00	138,956.25	18,555.26	0.00	(138,956.25)	100.00
TOTAL EXPENDITURES		0.00	0.00	91,591.56	38,199.60	0.00	(91,591.56)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	47,364.69	(19,644.34)	0.00	(47,364.69)	100.00

City of Marine City

Memo

To: Elaine Leven, City Manager
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date: August 8, 2018
Re: Invoice Approval

Please include the attached invoice on the agenda of the next Pension Board Meeting for approval.

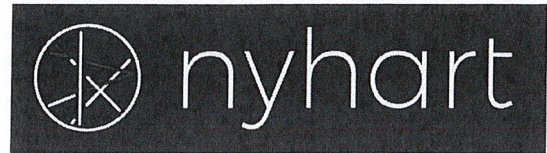
The Howard E Nyhart Company Invoice #0142357 \$5,900.00

(Actuarial Valuation Report for Fiscal Year Ending 6/30/17)

A/C #731-000.000-801.000 \$5,900.00

If you have any questions, please contact me.

Thank you



MARY ELLEN MCDONALD
CITY OF MARINE CITY
memcdonald@cityofmarinecity.org
303 S WATER ST
MARINE CITY, MI 48039

July 31, 2018
Invoice No: 0142357

Project 652401.DBVAL.ONG2018
CITY OF MARINE CITY__ONGOING

Actuarial and Administrative Services from July 1, 2018 to July 31, 2018

Services Provided:

6/30/2017 Funding Valuation

Total this Invoice \$5,900.00

Remit Payment To:
The Howard E Nyhart Company Incorporated
Attn: Finance Department
8415 Allison Pointe Blvd
Suite 300
Indianapolis, IN 46250
accounting@nyhart.com
Toll Free Number 800-428-7106