



CITY OF MARINE CITY

Pension Board Meeting Agenda

Retiree Health Care

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 ~ Retiree Health Care Plan 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, 2018
 - C. Preliminary Financial Statements ~ July & August, 2018
 - D. Invoice Approval
 - Nyhart – Invoice #R143599 (\$4,000.00)
11. **ADJOURNMENT**

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

A regular meeting of the Pension Board ~ Retiree Health Care 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 5:16 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 Board Member Heaslip, seconded by City Manager Leven, to approve the Agenda, as presented. All Ayes. Motion Carried.

Approve Minutes

Motion by City Manager Leven, seconded by Mayor Vandebossche, to approve the Minutes of the Regular Pension Board ~ Retiree Health Care 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

Treasurer McDonald clarified that Patrick Hupcik was eligible for retiree healthcare benefits but Lynn Zyrowski was not eligible due to being a part-time employee.

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

The Board discussed this at the Pension Plan meeting and the Board 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

None.

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 Annualized Performance was 3.83%.
- Year-to-date, the beginning Market Value was \$187,343.82 and ending Market Value was \$186,096.54.
- Since Inception, the Retiree Healthcare Plan was up 36.14% and Year-to-date down .03%.

Financial Consultant Miller recommended selling Goldman Sachs Income Builder Fund and transferring the \$15,352.44 into CD's.

Motion by City Manager Leven, seconded by Board Member Heaslip, to sell the Goldman Sachs Income Builder Fund and transfer the \$15,352.44 into CD's. All Ayes. Motion Carried.

Preliminary Financial Statements

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

Invoice Approval

Motion by Board Member Itrich, seconded by City Manager Leven, to approve Nyhart Invoice #0139871 in the amount of \$3,700.00. All Ayes. Motion Carried.

Adjournment

Motion by City Manager Leven, seconded by Mayor Vandebossche, to adjourn at 5:25 pm. All Ayes. Motion Carried.

Respectfully submitted,

Elizabeth McDonald
Deputy Clerk

Kristen Baxter
City Clerk

Marine City, MI Code of Ordinances

§ 33.53 BOARD OF TRUSTEES.

(A) The general administration, management and responsibility for the proper operation of the trust and for making effective and construing the provisions of the trust shall be vested in the Board of Trustees established by this section, consistent with applicable state and federal laws and regulations. A trustee or other fiduciary under the trust shall discharge his or her duties with respect to the trust solely in the interest of the participants for the exclusive purpose of providing benefits to participants and paying reasonable expenses of administering the plan and trust. A trustee shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing, which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose.

(B) The Board of Trustees shall consist of same trustees appointed/elected to the retirement system Board of Trustees.

(C) Each trustee shall be a fiduciary and have fiduciary responsibilities under applicable law and shall act prudently and in the best interests of the trust. Each trustee will receive and hold the trust as trustees by virtue of the terms, conditions and provisions of the trust and for the purposes, uses and trusts and with the powers and duties herein set forth.

(Ord. 08-03, passed 9-4-2008)



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.

(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.

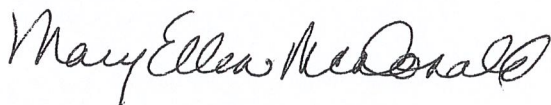
(2) One alternate elector of the City who shall be nominated and approved by a majority of the remaining members of the Board who shall possess the same qualifications as the elector described in division (B)(3) above. The elector shall be approved by the Board for a 4-year term.

(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.

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 position on
the board.

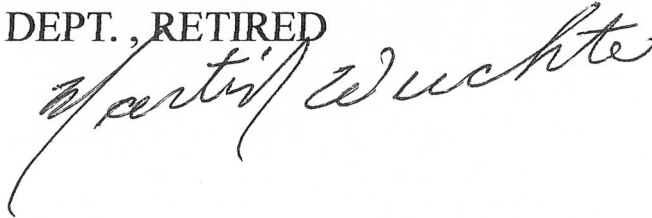
Sarah Daniels
230 Huron Ln
Marine City, Mi

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



RECEIVED
SEP 04 2018

City of Marine City

RAYMOND JAMES®

Portfolio Investment Report

Prepared for **Marine City Retiree's Healthcare**

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	7
Executive Overview	8
Value Over Time	9
Security Level Performance Detail	11
Holdings with Annualized Returns	13
Equity Sector	15
Global Exposure	16
Risk vs. Return Analysis	17
Additional Information	18

Account Listing

Raymond James	Account Number	Account Type	Market Value (\$)
Marine City Retiree's Healthcare	49347090	Company	189,612.25
Total Market Value			\$189,612.25
Total Portfolio			\$189,612.25

Contributions and Withdrawals as of Sep 30, 2018

RAYMOND JAMES®

Marine City Retiree's Healthcare // 49347090

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

Contributions and Withdrawals Summary

For the period 9/30/17 to 9/30/18

	Total	Contributions	Withdrawals
Cash	(\$4,734.83)	\$255,399.67	(\$260,134.50)
Securities	\$0.00	\$0.00	\$0.00
Total	(\$4,734.83)	\$255,399.67	(\$260,134.50)

Contributions and Withdrawals Detail

For the period 9/30/17 to 9/30/18

Marine City Retiree's Healthcare // 49347090

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
10/4/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$10,006.17)
10/5/17	Deposit	CHECK DEPOSIT		0.000	\$19,806.55	
10/13/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
10/13/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,203.39)
11/2/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$10,006.17)
11/6/17	Deposit	CHECK DEPOSIT		0.000	\$21,529.08	
11/8/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
11/22/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,203.39)
12/6/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$10,006.17)
12/8/17	Deposit	CHECK DEPOSIT		0.000	\$21,529.08	
12/13/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
12/27/17	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$11,703.39)
1/3/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$10,007.45)

Contributions and Withdrawals as of Sep 30, 2018

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Marine City Retiree's Healthcare // 49347090

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

Contributions and Withdrawals Detail *(continued)*

For the period 9/30/17 to 9/30/18

Marine City Retiree's Healthcare // 49347090 *(continued)*

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
1/5/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
1/16/18	Deposit	CHECK DEPOSIT		0.000	\$568.66	
1/18/18	Deposit	CHECK DEPOSIT		0.000	\$34,036.53	
1/24/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,203.39)
2/2/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$10,007.45)
2/7/18	Deposit	CHECK DEPOSIT		0.000	\$11,522.91	
2/8/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
2/21/18	Withdrawal	REV 1/16 CK DEP INCORR ACCT		0.000		(\$568.66)
2/21/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,203.39)
3/2/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,665.28)
3/7/18	Deposit	CHECK DEPOSIT		0.000	\$21,530.36	
3/7/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
3/21/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,057.68)
4/2/18	Other Expense	ANNUAL CAP ACC FEE WAIVED		0.000		\$0.00
4/4/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
4/6/18	Deposit	*MARINE CITY		0.000	\$21,042.48	
4/11/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
4/25/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,811.92)
5/2/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
5/9/18	Deposit	CHECK DEPOSIT		0.000	\$20,764.42	

Contributions and Withdrawals as of Sep 30, 2018

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Marine City Retiree's Healthcare // 49347090

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Contributions and Withdrawals Detail *(continued)*

For the period 9/30/17 to 9/30/18

Marine City Retiree's Healthcare // 49347090 *(continued)*

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
5/11/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
5/18/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$3,750.00)
5/23/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,742.96)
6/6/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
6/7/18	Deposit	CHECK DEPOSIT		0.000	\$20,695.46	
6/27/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
6/27/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,838.88)
7/5/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
7/5/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
7/19/18	Deposit	CHECK DEPOSIT		0.000	\$20,791.38	
7/25/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,838.88)
8/3/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
8/7/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
8/8/18	Deposit	CHECK DEPOSIT		0.000	\$20,791.38	
8/22/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,838.88)
9/5/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$9,632.98)
9/6/18	Deposit	CHECK DEPOSIT		0.000	\$20,791.38	
9/11/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$2,319.52)
9/28/18	Withdrawal	CHECK WRITTEN ON CAP ACC ACCT		0.000		(\$8,838.88)

Contributions and Withdrawals as of Sep 30, 2018

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Marine City Retiree's Healthcare // 49347090

Frederick Miller/Cornelia Maier, CIMA
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Contributions and Withdrawals Detail *(continued)*

For the period 9/30/17 to 9/30/18

Marine City Retiree's Healthcare // 49347090 *(continued)*

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
Total					\$255,399.67	(\$260,134.50)

Fees and Expenses as of Sep 30, 2018

RAYMOND JAMES®

Marine City Retiree's Healthcare // 49347090

Frederick Miller/Cornelia Maier, CIMA
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Fees and Expenses Summary

For the period 9/30/17 to 9/30/18

	Total
Management Fees	(\$1,864.46)
Account Expenses	\$0.00
Total	(\$1,864.46)

Fees and Expenses Detail

For the period 9/30/17 to 9/30/18

Marine City Retiree's Healthcare // 49347090

Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
10/18/17	Management Fee	4Q Fees for 092/365 Days	(\$472.11)	
10/27/17	Management Fee	4Q17 Mutual Fund Fee Offset	\$8.30	
1/17/18	Management Fee	1Q Fees for 090/365 Days	(\$461.93)	
4/2/18	Other Expense	ANNUAL CAP ACC FEE WAIVED		\$0.00
4/18/18	Management Fee	2Q Fees for 091/365 Days	(\$469.67)	
7/18/18	Management Fee	3Q Fees for 092/365 Days	(\$469.05)	
Total			(\$1,864.46)	\$0.00

Executive Overview as of Sep 30, 2018

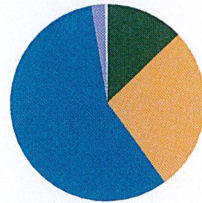
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Marine City Retiree's Healthcare // 49347090

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

Asset Allocation

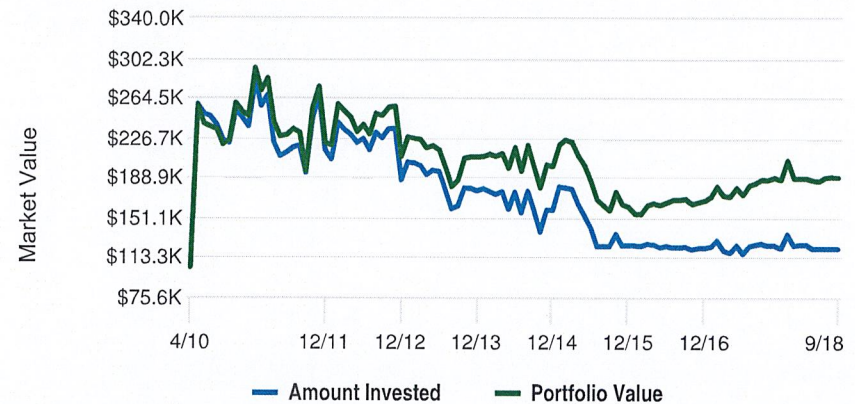
	Market Value (\$)	% of Portfolio
Cash & Cash Alternatives	24,267.54	12.80%
Fixed Income	51,253.01	27.03%
Equity	108,872.81	57.42%
Alternative Investments	4,181.37	2.21%
Allocation Strategies	0.00	0.00%
Non-Classified	1,037.52	0.55%
Total Portfolio	\$189,612.25	100%



Packaged products may be represented across multiple asset classes.

Value Over Time

4/15/10 - 9/30/18



Gains and Losses

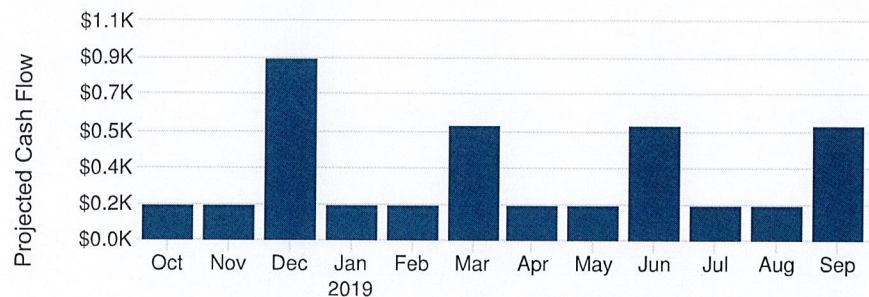
Unrealized Gain/Loss

	Gain (\$)	Loss (\$)	Total (\$)
Short Term	175.80	(171.83)	3.97
Long Term	18,068.41	(643.93)	17,424.48
Total	\$18,244.21	(\$815.76)	\$17,428.45

Realized Gain/Loss

1/1/18 - 9/30/18	Gain (\$)	Loss (\$)	Total (\$)
Short Term	2.90	(3.59)	(0.69)
Long Term	478.75	(16.60)	462.15
Total	\$481.65	(\$20.19)	\$461.46

Projected Cash Flow



Value Over Time as of Sep 30, 2018

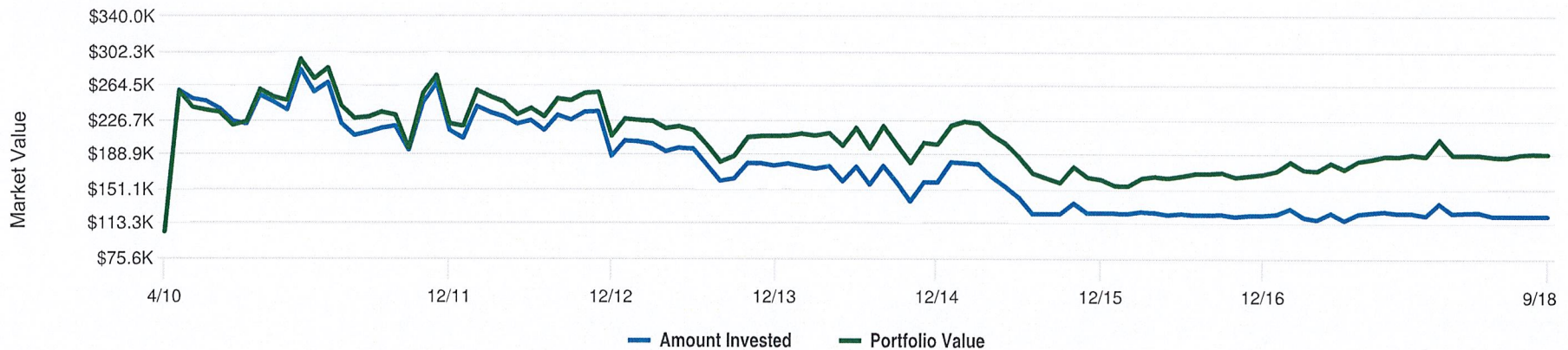
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Value Over Time

4/15/10 - 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	\$104,265.17	\$17,906.19	\$59,871.42	\$7,569.47	\$189,612.25	\$67,440.89		3.94%
Year to Date (12/31/2017 - 9/30/2018)	\$187,343.82	(\$512.30)	\$3,253.53	(\$472.80)	\$189,612.25	\$2,780.73	1.89%	3.94%
2017	\$167,415.25	\$55.39	\$9,030.36	\$10,842.82	\$187,343.82	\$19,873.18	11.98%	4.08%
2016	\$161,864.22	(\$2,538.70)	\$5,594.80	\$2,494.93	\$167,415.25	\$8,089.73	4.81%	2.96%
2015	\$200,019.76	(\$33,300.47)	\$6,853.64	(\$11,708.71)	\$161,864.22	(\$4,855.07)	(3.43%)	2.64%
2014	\$208,741.11	(\$18,284.62)	\$8,170.36	\$1,392.91	\$200,019.76	\$9,563.27	4.87%	3.97%
2013	\$209,044.83	(\$10,313.17)	\$6,288.81	\$3,720.64	\$208,741.11	\$10,009.45	5.20%	3.73%
2012	\$222,754.91	(\$28,409.21)	\$7,119.93	\$7,579.20	\$209,044.83	\$14,699.13	6.40%	3.19%
2011	\$248,124.54	(\$22,320.55)	\$7,396.26	(\$10,445.34)	\$222,754.91	(\$3,049.08)	(2.22%)	1.37%

Value Over Time as of Sep 30, 2018

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Marine City Retiree's Healthcare // 49347090

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

	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted (Net of Fees) Performance	Annualized*
2010 (4/15/2010 - 12/31/2010)	\$104,265.17	\$133,529.82	\$6,163.73	\$4,165.82	\$248,124.54	\$10,329.55	4.68%	4.68%

**Returns are annualized for periods greater than one year.*

Security Level Performance Detail as of Sep 30, 2018

RAYMOND JAMES®

Marine City Retiree's Healthcare // 49347090

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	\$21,709.12	(\$7,439.94)	\$42.96	\$0.00	\$14,312.14	\$42.96	0.12%
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	\$13,366.68	\$534.03	\$534.03	\$4,495.99	\$18,396.70	\$5,030.02	24.66%
COLUMBIA CAPITAL ALLOC MODERATE PORT INST CL N/L Symbol: CBMZX	7/31/17	\$18,000.00	\$1,556.01	\$1,556.01	(\$133.09)	\$19,422.92	\$1,422.92	6.74%
FIRST EAGLE GLOBAL FUND CLASS I N/L Symbol: SGIIX	8/14/17	\$29,454.77	\$1,338.67	\$1,338.67	\$395.52	\$31,188.96	\$1,734.19	5.20%
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	6/28/17	\$42,025.87	\$2,462.64	\$2,625.51	(\$1,183.25)	\$43,305.25	\$1,442.26	2.41%
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	6/28/17	\$21,889.61	\$1,465.56	\$1,465.56	\$1,072.93	\$24,428.10	\$2,538.49	9.12%
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	2/1/17	\$10,000.00	\$1,831.95	\$1,831.95	\$1,651.13	\$13,483.08	\$3,483.08	19.72%
VANGUARD WELLESLEY INCOME FUND ADMIRAL SHARES N/L Symbol: VWIAX	2/1/17	\$10,000.00	\$14,786.05	\$786.05	\$289.05	\$25,075.10	\$1,075.10	6.23%

Security Level Performance Detail as of Sep 30, 2018

RAYMOND JAMES®

Marine City Retiree's Healthcare // 49347090

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
--	-----------------------	-----------------------------------	---------------------------------------	---------------	-----------------------------------	--------------------------------	-------------------------------	--------------------------------------

**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

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Marine City Retiree's Healthcare // 49347090

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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	14,312.14	7.55%									
Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Cash	\$14,312.14	7.55%									
Subtotal Weighted Average Returns			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Total Cash and Cash Alternatives	\$14,312.14	7.55%									
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	18,396.70	9.70%	17.22%	20.89%	11.62%	17.79%	15.06%	15.00%	13.44	0.24	1.00
COLUMBIA CAPITAL ALLOC MODERATE PORT INST CL N/L Symbol: CBMZ	19,422.92	10.24%	2.65%	7.21%	8.20%	7.51%	7.07%		5.52	(0.02)	0.96
FIRST EAGLE GLOBAL FUND CLASS I N/L Symbol: SGIIX	31,188.96	16.45%	(0.20%)	4.48%	8.53%	6.93%	7.51%	9.77%	7.54	(1.73)	1.24
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	43,305.25	22.84%	(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	24,428.10	12.88%	4.96%	14.20%	16.82%	12.65%			10.87	1.07	0.98
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGT	13,483.08	7.11%	7.19%	13.98%	24.31%	24.61%	19.26%	15.75%	16.25	7.86	1.34

*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)*

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
VANGUARD WELLESLEY INCOME FUND ADMIRAL SHARES N/L Symbol: VWIAX	25,075.10	13.22%	0.47%	4.46%	7.17%	6.73%	7.63%	7.13%	4.08	1.65	0.60
Weighted Average Returns			2.91%	7.49%	10.18%	9.84%	10.22%	11.02%			
Total Open-end Mutual Funds	\$175,300.11	92.45%									
Subtotal Weighted Average Returns			2.91%	7.49%	10.18%	9.84%	10.22%	11.02%			
Total Funds	\$175,300.11	92.45%									
Total Weighted Average Returns			2.91%	7.49%	10.18%	9.84%	10.22%	11.02%			
Total Portfolio	\$189,612.25	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.

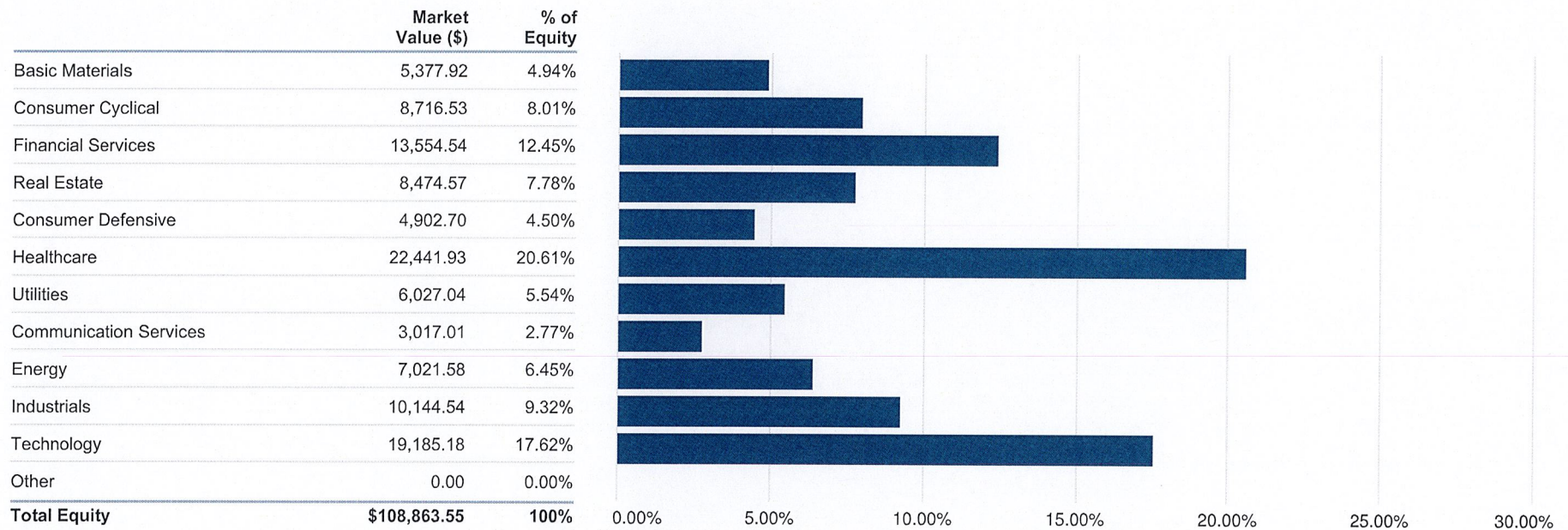
Equity Sector as of Sep 30, 2018

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Equity Sector Summary



Global Exposure as of Sep 30, 2018

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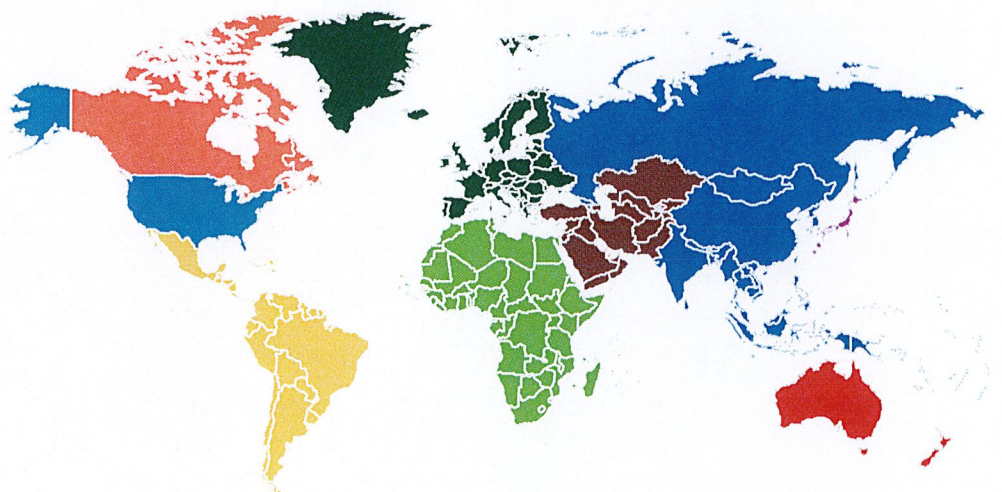
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Global Exposure Summary

	Market Value (\$)	% of Portfolio
US	124,414.58	65.62%
Canada	5,808.77	3.06%
Latin America	5,072.43	2.68%
Europe	17,223.28	9.08%
Middle East	1,086.33	0.57%
Africa	1,776.25	0.94%
Japan	5,896.77	3.11%
Australasia	901.98	0.48%
Asia	8,637.42	4.56%
Non-Classified	18,794.44	9.91%
Total Portfolio	\$189,612.25*	100.00%

*Accrued Income is included in the US region.

	Market Value (\$)	% of Portfolio
Developed	\$156,446.01	82.51%
Emerging	\$10,806.35	5.70%
Frontier	\$3,565.44	1.88%
Other	\$18,794.44	9.91%



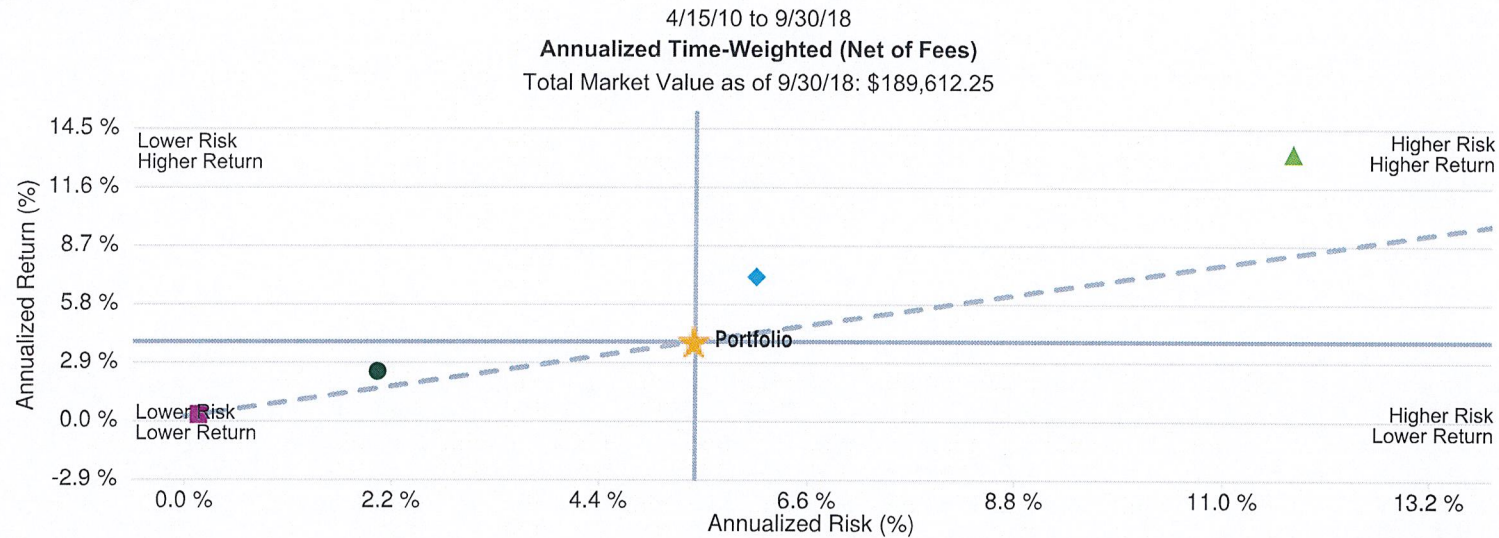
Risk vs. Return Analysis as of Sep 30, 2018

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Analysis Summary



★ Portfolio

▲ S&P 500 Total Return Indx

◆ Custom Blended Benchmark 1^

● BBG Barclays Intrm. US Agg

■ Citi 3 Month U.S. T-Bill Indx

BBG Barclays US Agg Bd

Inception Date: 4/15/10

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.

Additional Information Regarding This Report

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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: 49347090

Report ID: a_497006_1539576000000_1539638905796_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/assetallocation/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: 10/18/2018
Re: Retiree Health Care Plan GASB 74/75 Actuarial Valuation for Period Ending
June 30, 2018

Please include the attached Retiree Health Care Plan GASB 74/75 Actuarial Valuation for Period Ending June 30, 2018 on the next Retiree Health Care Board Meeting October 30, 2018.

If you have any questions, please contact me.

Thank you



GASB 74/75 ACTUARIAL VALUATION

Fiscal Year Ending June 30, 2018

CITY OF MARINE CITY

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Table of Contents

	Page
Certification	1
Executive Summary	3
GASB Disclosures	
Schedule of Changes in Net OPEB Liability and Related Ratios	5
Schedule of Employer Contributions	6
OPEB Expense	7
Deferred Outflows / (Inflows) of Resources	8
Sensitivity Results	10
Asset Information	11
Actuarially Determined Contributions	12
Projection of GASB Disclosures	13
Cash Flow Projections	14
Discussion of Discount Rates	15
Summary of Plan Participants	16
Substantive Plan Provisions	18
Actuarial Methods and Assumptions	20
Appendix	25
Comparison of Participant Demographic Information	26
Detailed Actuary's Notes	27
Summary of Medical Benefits	28
Glossary	29
Decrements Exhibit	30
Retirement Rates Exhibit	31
Definitions	32



October 15, 2018

**Mary Ellen McDonald
City of Marine City
303 S. Water Street
Marine City, MI 48039**

This report summarizes the GASB actuarial valuation for the City of Marine City 2017/18 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate, other economic assumptions, and demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

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.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.



Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.

A handwritten signature in black ink that reads "Randy Gomez".

Randy Gomez, FSA, MAAA
Consulting Actuary

A handwritten signature in black ink that reads "Emily Clauss".

Emily Clauss, ASA, MAAA
Valuation Actuary

Executive Summary

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2018.

As of June 30, 2018	
Total OPEB Liability	\$ 4,271,964
Actuarial Value of Assets	\$ (186,097)
Net OPEB Liability	\$ 4,085,867
Funded Ratio	4.4%

FY 2017/18	
OPEB Expense	\$ (254,503)
Annual Employer Contributions	\$ 265,663
Actuarially Determined Contribution	\$ 329,021

As of June 30, 2018	
Discount Rate	6.90%
Expected Return on Assets	7.65%

As of June 30, 2018	
Total Active Participants	5
Total Retiree Participants	19

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

Executive Summary

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Summary of Results

Below is a breakdown of total GASB 75 liabilities allocated to past and current service. The table below also provides a breakdown of the Total OPEB Liability allocated to pre and post Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor's GASB subsidies.

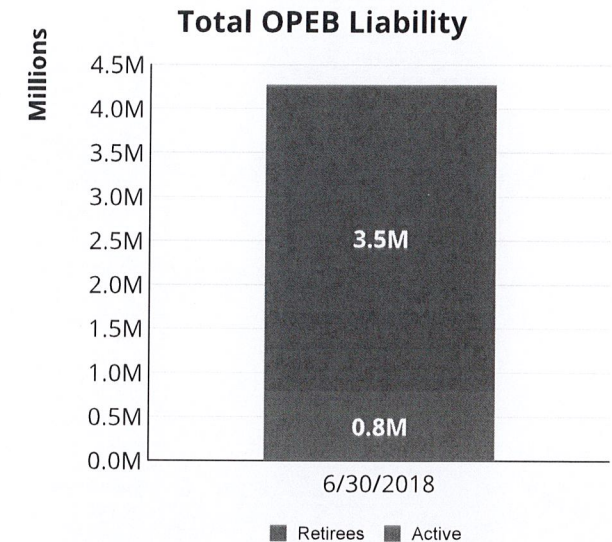
Present Value of Future Benefits		As of June 30, 2018
Active Employees	\$	861,233
Retired Employees		3,483,836
Total Present Value of Future Benefits	\$	4,345,069

Total OPEB Liability		As of June 30, 2018
Active Pre-Medicare	\$	342,847
Active Post-Medicare		445,281
Active Liability	\$	788,128

Retiree Pre-Medicare	\$	721,752
Retiree Post-Medicare		2,762,084
Retiree Liability	\$	3,483,836

Total OPEB Liability	\$	4,271,964
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		As of June 30, 2018
Discount Rate		6.90%



Present Value of Future Benefits (PVFB) is the amount needed as of June 30, 2018 to fully fund the City's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Total OPEB Liability is the portion of PVFB considered to be accrued or earned as of June 30, 2018. This amount is a required disclosure in the Required Supplementary Information section.

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2017/18
Total OPEB Liability	
Total OPEB Liability - beginning of year	\$ 5,355,404
Service cost	18,400
Interest	319,964
Change of benefit terms	0
Changes in assumptions	151,350
Differences between expected and actual experience	(1,312,300)
Benefit payments	(260,854)
Net change in total OPEB liability	\$ (1,083,440)
Total OPEB Liability - end of year	\$ 4,271,964
Plan Fiduciary Net Position	
Plan fiduciary net position - beginning of year	\$ 172,979
Contributions - employer	265,663
Contributions - active employees	0
Net investment income	8,309
Benefit payments	(260,854)
Trust administrative expenses	0
Net change in plan fiduciary net position	\$ 13,118
Plan fiduciary net position - end of year	\$ 186,097
Net OPEB Liability - end of year	\$ 4,085,867
Plan fiduciary net position as % of total OPEB liability	4.4%
Covered employee payroll	\$ 259,705
Net OPEB liability as % of covered payroll	1,573.3%

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Schedule of Employer Contributions

The Actuarially Determined Contributions (ADC) shown below are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the City's financial statements.

	FY 2017/18		FY 2016/17		FY 2015/16	
Actuarially Determined Contribution (ADC)	\$	329,021	\$	569,428	\$	547,526
Contributions in relation to the ADC		265,663		256,929		233,279
Contribution deficiency/(excess)	\$	63,358	\$	312,499	\$	314,247
Covered employee payroll	\$	259,705	\$	300,535	\$	300,535
Contribution as a % of covered payroll		102.3%		85.5%		77.6%

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

OPEB Expense

OPEB Expense		FY 2017/18
Discount Rate		
Beginning of year		6.10%
End of year		6.90%
Service cost	\$	18,400
Interest		319,964
Change of benefit terms		0
Projected earnings on OPEB plan investments		(13,413)
Reduction for contributions from active employees		0
OPEB plan administrative expenses		0
Current period recognition of deferred outflows / (inflows) of resources		
Differences between expected and actual experience	\$	(656,150)
Changes in assumptions		75,675
Net difference between projected and actual earnings on OPEB plan investments		1,021
Total current period recognition	\$	(579,454)
Total OPEB expense	\$	(254,503)

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Deferred Outflows / (Inflows) of Resources

Deferred Outflows / (Inflows) of Resources represents the following items that have not been recognized in the OPEB Expense:

1. Differences between expected and actual experience of the OPEB plan
2. Changes of assumptions
3. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)

The initial amortization period for the first two items noted above is based on expected future service lives while the difference between the projected and actual earnings in OPEB plan investment is amortized over five years. All balances are amortized linearly on a principal only basis and new bases will be created annually for each of the item above.

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ (1,312,300)	2	\$ (656,150)	\$ (656,150)

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ 151,350	2	\$ 75,675	\$ 75,675

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2018
June 30, 2018	\$ 5,104	5	\$ 1,021	\$ 4,083

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2018	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 0	\$ (656,150)
Changes in assumptions	75,675	0
Net difference between projected and actual earnings in OPEB plan investments	4,083	0
Total	\$ 79,758	\$ (656,150)

Annual Amortization of Deferred Outflows / (Inflows)

The balances of June 30, 2018 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2019	\$ (579,454)
2020	\$ 1,021
2021	\$ 1,021
2022	\$ 1,020
2023	\$ 0
Thereafter	\$ 0

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Sensitivity Results

The following presents the net OPEB liability as of June 30, 2018, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 6.90%.
- The 1% decrease in discount rate would be 5.90%.
- The 1% increase in discount rate would be 7.90%.

As of June 30, 2018	Net OPEB Liability	
1% Decrease	\$	4,622,365
Current Discount Rate	\$	4,085,867
1% Increase	\$	3,640,749

The following presents the net OPEB liability as of June 30, 2018, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 9.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 8.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 10.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2018	Net OPEB Liability	
1% Decrease	\$	3,632,027
Current Trend Rates	\$	4,085,867
1% Increase	\$	4,626,991

* Trend rate sensitivity also includes +/- 1% of the dental/vision trend rates, which are an initial rate of 5.0% decreasing by 0.5% annually to an ultimate rate of 2.5%.

GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Asset Information

Asset Breakdown		FY 2017/18
Assets		
Cash and cash equivalents	\$	0
Securities lending cash collateral		0
Total cash	\$	0
Receivables		
Contributions	\$	0
Accrued interest		0
Total receivables	\$	0
Investments		
Fixed income	\$	93,048
Equities		93,049
Mutual Funds		0
Total investments	\$	186,097
Total Assets	\$	186,097
Liabilities		
Payables		
Investment management fees	\$	0
Securities lending expense		0
Total liabilities	\$	0
Net Position Restricted to OPEB	\$	186,097

Asset Reconciliation		FY 2017/18
Additions		
Contributions Received		
Employer	\$	265,663
Employee		0
Total contributions	\$	265,663
Investment Income		
Net increase in fair value of investments	\$	9,576
Interest and Dividends		(1,267)
Investment expense, other than from securities lending		0
Securities lending income		0
Securities lending expense		0
Net investment income	\$	8,309
Total additions	\$	273,972
Deductions		
Benefit payments	\$	260,854
Administrative expenses		0
Other		0
Total deductions	\$	260,854
Net increase in net position	\$	13,118
Net position restricted to OPEB		
Beginning of year	\$	172,979
End of year	\$	186,097

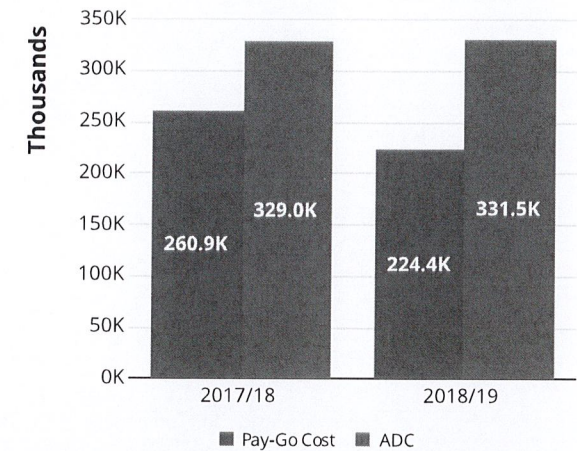
* Asset investment mix is based on the target allocation for equity vs. fixed income and does not represent actual figures.

Actuarially Determined Contributions

City of Marine City GASB 74/75 Valuation For Fiscal Year Ending June 30, 2018

		FY 2017/18	FY 2018/19
Discount rate (Funding)		7.65%	7.65%
Payroll growth factor used for amortization		N/A	N/A
Actuarial cost method		Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary
Amortization type		Level Dollar	Level Dollar
Amortization period (years)		30	30
Actuarial Accrued Liability (AAL) - beginning of year	\$	3,894,101	\$ 3,930,688
Actuarial Value of Assets (AVA) - beginning of year		(172,979)	(186,097)
Unfunded AAL - beginning of year	\$	3,721,122	\$ 3,744,591
Normal Cost	\$	8,673	\$ 9,063
Amortization of Unfunded AAL		296,967	298,840
Total normal cost plus amortization	\$	305,640	\$ 307,903
Interest to end of year		23,381	23,555
Actuarially Determined Contribution - Preliminary	\$	329,021	\$ 331,458
Expected Benefit Payments		260,854	224,371
Actuarially Determined Contribution - Final	\$	329,021	\$ 331,458

Cash Vs Accrual Accounting



Actuarially Determined Contribution (ADC) is the target or recommended contribution to a defined benefit OPEB plan, which if paid on an ongoing basis, will provide sufficient resources to fund future costs for services to be earned and liabilities attributed to past services. This is typically higher than the pay-as-you-go cost because it includes recognition of employer costs expected to be paid in future accounting periods.

Projection of GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

The Total OPEB Liability (TOL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the total OPEB liability and whether they increase or decrease the liability.

Expected Events

- Increases in TOL due to additional benefit accruals as employees continue to earn service each year
- Increases in TOL due to interest as the employees and retirees age
- Decreases in TOL due to benefit payments

Unexpected Events

- Increases in TOL when actual premium rates increase more than expected. A liability decrease occurs when the reverse happens.
- Increases in TOL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in TOL depending on whether benefits are improved or reduced.

Projection of Total OPEB Liability (TOL)	FY 2017/18	FY 2018/19
TOL as of beginning of year	\$ 5,355,404	\$ 4,271,964
Normal cost as of beginning of year	18,400	11,348
Exp. benefit payments during the year	(260,854)	(224,371)
Interest adjustment to end of year	319,964	287,937
Exp. TOL as of end of year	\$ 5,432,914	\$ 4,346,878
Actuarial Loss / (Gain)	(1,160,950)	TBD
Actual TOL as of end of year	\$ 4,271,964	\$ TBD

Discount rate as of beginning of year	6.10%	6.90%
Discount rate as of end of year	6.90%	TBD

Projection of Actuarial Value of Assets (AVA)	FY 2017/18	FY 2018/19
AVA as of beginning of year	\$ 172,979	\$ 186,097
Exp. employer contributions during the year	265,663	224,371
Exp. benefit payments during the year	(260,854)	(224,371)
Expected investment income	13,413	14,167
Exp. Trust administrative expenses	0	(1,861)
Exp. AVA as of end of year	\$ 191,201	\$ 198,403
Differences between expected and actual experience	(5,104)	TBD

AVA as of end of year	\$ 186,097	\$ TBD
Expected asset return as of beginning of year	7.65%	7.65%
Expected asset return as of end of year	7.65%	TBD

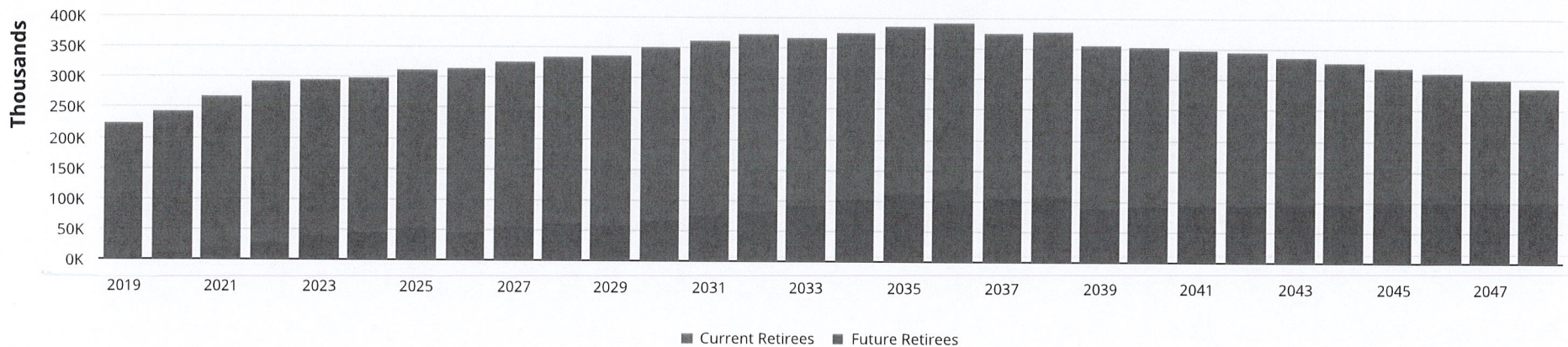
Cash Flow Projections

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next thirty years. Results are shown separately for a closed group of current/future retirees. These projections include explicit and implicit subsidies.

FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total
2019	\$ 219,830	\$ 4,541	\$ 224,371	2029	\$ 277,702	\$ 58,014	\$ 335,716	2039	\$ 266,399	\$ 89,096	\$ 355,495
2020	\$ 230,277	\$ 11,718	\$ 241,995	2030	\$ 282,582	\$ 67,119	\$ 349,701	2040	\$ 261,720	\$ 91,057	\$ 352,777
2021	\$ 249,796	\$ 18,438	\$ 268,234	2031	\$ 287,160	\$ 75,166	\$ 362,326	2041	\$ 255,962	\$ 92,871	\$ 348,833
2022	\$ 263,736	\$ 27,516	\$ 291,252	2032	\$ 290,813	\$ 82,862	\$ 373,675	2042	\$ 249,129	\$ 94,524	\$ 343,653
2023	\$ 257,630	\$ 37,828	\$ 295,458	2033	\$ 273,842	\$ 91,855	\$ 365,697	2043	\$ 241,249	\$ 95,986	\$ 337,235
2024	\$ 253,459	\$ 44,377	\$ 297,836	2034	\$ 274,811	\$ 101,298	\$ 376,109	2044	\$ 232,366	\$ 97,221	\$ 329,587
2025	\$ 259,301	\$ 51,192	\$ 310,493	2035	\$ 274,970	\$ 109,930	\$ 384,900	2045	\$ 222,541	\$ 98,189	\$ 320,730
2026	\$ 270,409	\$ 44,102	\$ 314,511	2036	\$ 274,259	\$ 118,031	\$ 392,290	2046	\$ 211,874	\$ 98,848	\$ 310,722
2027	\$ 271,998	\$ 53,952	\$ 325,950	2037	\$ 272,626	\$ 103,492	\$ 376,118	2047	\$ 200,495	\$ 99,157	\$ 299,652
2028	\$ 272,033	\$ 61,332	\$ 333,365	2038	\$ 270,021	\$ 107,192	\$ 377,213	2048	\$ 188,553	\$ 99,070	\$ 287,623

Projected Employer Pay-go Cost



* Projections for future retirees do not take into account future new hires.

Discussion of Discount Rates

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Under GASB 74, the discount rate used in valuing OPEB liabilities for funded plans as of the Measurement Date must be based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that (a) they are sufficient to pay for the projected benefit payments and (b) the OPEB plan assets are invested using a strategy that will achieve that return. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA /Aa or higher (or equivalent quality on another rating scale) must be used.

For the current valuation:

1. The long-term expected rate of return on OPEB plan investment is assumed to be 7.65%. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.00%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2018 are summarized in the following table.
2. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.
3. The final equivalent single discount rates used for this year's valuation are 6.10% as of July 1, 2017 and 6.90% as of June 30, 2018. This is based on the assumption that the City will fund the pay-go costs with no additional pre-funding.

Asset Class	Target Allocation	L/T Expected Real ROR
U.S. All Cap Equity	35.00%	7.22%
Non-U.S. Developed Large Cap Equity Unhedged	15.00%	8.81%
U.S. Aggregate Fixed Income	50.00%	3.60%
Total	100.00%	5.65%

Yield as of	July 1, 2017	June 30, 2018
Bond Buyer Go 20-Bond Municipal Bond Index	3.58%	3.87%
S&P Municipal Bond 20-Year High Grade Rate Index	3.13%	2.98%
Fidelity 20-Year Go Municipal Bond Index	3.56%	3.62%
Bond Index Range	3.13% - 3.58%	2.98% - 3.87%

Summary of Plan Participants

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Active Employees

Actives with coverage	Single	Non-Single	Total	Avg. Age	Avg. Svc	Salary
Total actives with coverage		3	3	52.7	25.7	\$ 189,172

Actives without coverage	Total	Avg. Age	Avg. Svc	Salary
Total actives without coverage	1	47.1	23.0	\$ 70,533

Active employees who currently have no coverage are receiving an insurance buy-out amount. They are assumed to elect coverage at retirement and have been included in this valuation.

Active Age-Service Distribution

Age	Years of Service										Total
	< 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
60 to 64											0
65 to 69											0
70 & up											0
Total	0	0	0	0	1	2	0	1	0	0	4

Summary of Plan Participants

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Retirees

Retirees with coverage	Single ¹	Non-Single	Total	Avg. Age
BCBS Plan	2	5	7	62.2
BCN Advantage	4	9	13	69.3
Total retirees with coverage	6	14	20	66.8

In addition to the above, there were 3 terminated vested employees that are not eligible for retiree health coverage according to their respective contracts. They have been excluded from this valuation.

Retiree Age Distribution

Age	Retirees
< 45	
45 to 49	
50 to 54	
55 to 59	1
60 to 64	8
65 to 69	5
70 to 74	3
75 to 79	2
80 to 84	1
85 to 89	
90 & up	
Total	20

¹ Includes employee and employee and child(ren) coverage levels.

Substantive Plan Provisions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Eligibility

Employees hired prior to December 31, 2007 are eligible for lifetime health benefits (medical/Rx, dental, and vision) at the earlier of the following eligibility requirements:

- Age 55 with 25 years of service
- Age 60 with 10 years of service

Spouse Benefit

Spousal coverage continues upon the death of retirees at the same cost share as an eligible retiree. For active employees that have met retirement eligibility requirements, spousal coverage continues upon the death of the employee at the same cost share as an eligible retiree, if electing pension benefits rather than a lump sum payout.

Disability

There is no age or service requirement for disability health coverage in the line of duty. An employee must have 10 years of service for non-duty disability health coverage.

Medical Benefits

Same benefits are available to retirees as active employees. All health plans are fully-insured and community-rated. Sample age-based monthly premium rates (per person) for the BCBS pre-65 medical/Rx and vision plans effective on April 1, 2018 are as shown below.

Age	Medical/Rx	Vision
25	\$ 252.70	\$ 4.07
30	\$ 285.67	\$ 4.59
35	\$ 307.57	\$ 4.94
40	\$ 321.66	\$ 5.18
45	\$ 363.44	\$ 5.85
50	\$ 449.52	\$ 7.24
55	\$ 561.27	\$ 9.03
60	\$ 683.09	\$ 10.99
64	\$ 755.07	\$ 12.15

Premium rates effective on January 1, 2018 are as shown below.

Plans	EE	EE + Sp
BCN Advantage (post-65 plan) ²	\$ 383.74	\$ 767.48
Dental	\$ 55.52	\$ 113.28

² Includes \$5.94 premium/per person for vision coverage.

Substantive Plan Provisions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Retiree Cost Sharing

Hired on/before 12/31/2007

Retirees contribute the following amounts:

Plans	EE	EE + Sp
Pre/post-65	\$ 50.00	\$ 75.00

The above amounts are not assumed to increase in the future.

For Teamsters and IUOE retirees, post-Medicare insurance premiums are provided as follows:

- For members with 20 years of service or more on 12/31/2007, 100% of the post-Medicare insurance premium is provided.
- For member with 10 to 20 years of service on 12/31/2007, the member contributes 10% of the post-65 health insurance premium.
- For members with less than 10 years of service on 12/31/2007, the member contributes 20% of the post-65 health insurance premium.

Hired after 12/31/2007

Members contribute 100% for both pre and post-Medicare insurance premiums. The member will contribute \$1,500 on an annual basis to a retiree health savings plan. The City will match the member contribution to the established retiree health savings plan dollar for dollar, up to \$1,500. The City match is assumed to be incorporated in a separate accounting entry and is not included in this valuation. There is no implicit subsidy for health coverage as the premiums are assumed to represent the full cost of coverage. This group has been excluded from the valuation.

Excise Tax

ACA Excise Tax liability is not included in this GASB valuation due to the uncertainty of its implementation. Nyhart has estimated that if the Excise Tax Liability were included, the Total OPEB Liability as of June 30, 2018 would increase by 0.3%.

Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and City experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There are changes to the actuarial methods and assumptions since the last GASB valuation, which was for the fiscal year ending June 30, 2015. Refer to Actuary's Notes section for complete information on these changes. For the current year GASB valuation, we have also updated the per capita costs. We expect to update discount rate, health care trend rates, mortality table, and per capita costs again in the next full GASB valuation, which will be for the fiscal year ending June 30, 2020.

Measurement Date	For fiscal year ending June 30, 2018, June 30, 2018 measurement date was used.
Actuarial Valuation Date	June 30, 2018 with no adjustments to get to the June 30, 2018 measurement date. Liabilities as of July 1, 2017 are based on an actuarial valuation date of July 1, 2015 projected to July 1, 2017 on a "no loss / no gain" basis.
Discount Rate	6.10% as of July 1, 2017 and 6.90% as of June 30, 2018 for accounting disclosure purposes 7.65% for funding disclosure purposes (in calculating the Actuarially Determined Contribution) Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.
Payroll Growth	2.00% per year
Inflation Rate	2.50% per year
Employer Funding Policy	The City will fund pay-as-you-go costs into the OPEB Trust. No additional pre-funding is expected.
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none">• Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and• Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.
Census Data	Census information was provided by the City as of June 30, 2018. We have reviewed it for reasonableness and no material modifications were made to the census data.

Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Health Care Coverage Election Rate

Active employees with current coverage: 100%

Active employees with no coverage: 100%

Inactive employees with current coverage: 100%

Inactive employees with no coverage: N/A

Spousal Coverage

Spousal coverage and age for current retirees is based on actual data.

For future retirees, 100% of spouses are assumed to elect coverage under the retiree group health plan. Husbands are assumed to be the same age as wives.

Mortality

Healthy Retirees: RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017

Disabled Retirees: RPH-2017 Disabled Mortality Table fully generational using Scale MP-2017

Retirement Rate

Retirement rates are based on the City's prior GASB 45 actuarial valuation for fiscal year ending June 30, 2015. Annual retirement rates are as shown below.

Age	Rates
55	30%
56	25%
57	20%
58	15%
59 – 60	20%
61	40%
62	70%
63 – 64	50%
65	80%
66	70%
67 – 68	60%
69	70%
70	100%

Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Disability

Disability rates are based on the City's prior GASB 45 actuarial valuation for fiscal year ending June 30, 2015. Sample annual disability rates are as shown below.

Age	Rates
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%
65	1.15%

Turnover Rate

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates are based on the City's prior GASB 45 actuarial valuation for fiscal year ending June 30, 2015. Sample annual turnover rates are shown below:

Age	YOS	Rates
All	0	30.00%
	1	20.00%
	2	15.0%
	3	10.00%
	4	7.00%
25	5+	6.00%
30		5.50%
35		4.40%
40		1.85%
45+		1.25%

Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Health Care Trend Rates

FYE	Medical/Rx	Dental/Vision
2019	9.0%	5.0%
2020	8.5%	4.5%
2021	8.0%	4.0%
2022	7.5%	3.5%
2023	7.0%	3.0%
2024	6.5%	2.5%
2025	6.0%	2.5%
2026	5.5%	2.5%
2027	5.0%	2.5%
2028+	4.5%	2.5%

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

Retiree Contributions

Retiree contributions that are a % of premium are assumed to increase according to health care trend rates. Flat dollar contributions are not expected to increase in the future.

Per Capita Costs

Annual per capita costs are assumed to equal the age-based premium rates for pre-65 coverage and the flat premiums for Medicare Advantage coverage post-65. Per capita costs for dental and vision are also assumed to equal the premium rates both pre and post-65.

All future and current pre-65 retirees are assumed to be on the BCBS plan and all future and current post-65 retirees are assumed to be on the BCN Advantage plan. All retirees are assumed to elect vision and dental coverage.

Explicit Subsidy

The difference between (a) the premium rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a future Police retiree age 64 enrolled in the BCBS plan with dental and vision.

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A - B
Retiree	\$ 822.74	\$ 50.00	\$ 772.74
Spouse	\$ 824.98	\$ 25.00	\$ 799.98

Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Implicit Subsidy

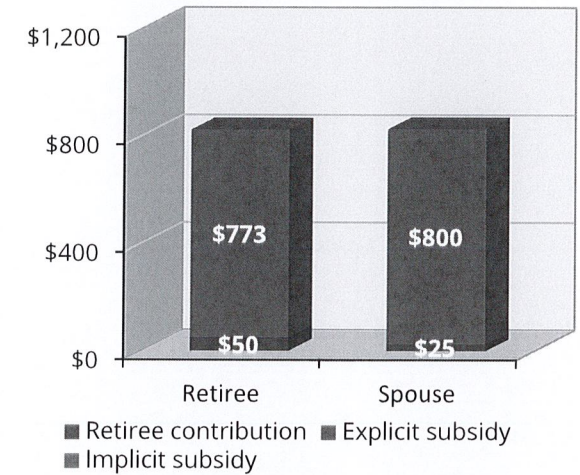
None

GASB Subsidy Breakdown

Below is a breakdown of the GASB 75 monthly total cost for a future Police retiree age 64 enrolled in the BCBS plan with dental and vision.

	Retiree		Spouse	
Retiree contribution	\$	50.00	\$	25.00
Explicit subsidy	\$	772.74	\$	799.98
Implicit subsidy	\$	0.00	\$	0.00
Total monthly cost	\$	822.74	\$	824.98

GASB Subsidy Breakdown



APPENDIX

The background of the page is an abstract composition of overlapping geometric shapes, primarily triangles, in various shades of gray and white. The shapes create a sense of depth and movement, with some areas appearing lighter and others darker, suggesting a three-dimensional space. The overall effect is modern and minimalist.

Appendix

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	As of June 30, 2015	As of June 30, 2018
Active Participants	5	4
Retired Participants	23 ³	20
Averages for Active		
Age	49.0	51.3
Service	21.0	25.0
Averages for Inactive		
Age	61.9	66.8

³ Included 4 terminated vested participants that were eligible for coverage. There are no current terminated vested participants as of June 30, 2018 that are eligible for future coverage.

Appendix

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full GASB 45 valuation, which was for the fiscal year ending June 30, 2015.

The City will disclose OPEB liabilities under GASB 75 for the current valuation. The prior valuation was disclosed under GASB 45. The following assumptions have been updated in accordance with GASB 75.

Discount rate as of the Measurement Date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The prior full valuation used a discount rate of 4.00% for GASB 45 as of June 30, 2015 and 3.13% for GASB 74 as of June 30, 2017, as disclosed by the prior actuary. The current full valuation uses a discount rate of 6.10% as of July 1, 2017 and 6.90% as of June 30, 2018 for accounting purposes and 7.65% for funding purposes. This change has caused a significant decrease in liabilities.

The accounting discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Additionally, the following assumptions have also been updated:

1. Mortality table has been updated to SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 for healthy retirees and SOA RPH-2017 Disability Mortality Table fully generational using Scale MP-2017 for disabled retirees. As disclosed by the prior actuary, the prior GASB 45 actuarial valuation as of June 30, 2015 used the RP-2000 Combined Healthy mortality table projected to 2015 and the prior GASB 74 actuarial valuation as of June 30, 2017 used the RP-2000 Combined Healthy mortality table projected to 2010. The impact of this change is a increase in liabilities.
2. The salary scale has been updated to be 2.00% per year based on recent City experience. The prior GASB 45 actuarial valuation report as of June 30, 2015 used a salary scale assumption of 3.75% and the prior GASB 74 actuarial valuation report as of June 30, 2017 did not have a salary scale assumption. This change has caused a slight decrease in liabilities.
3. Medical/Rx trend rates have been reset to an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. Dental and vision trend rates have been set to an initial rate of 5.0% decreasing by 0.5% annually to an ultimate rate of 2.5%. There is no trend applied to flat retiree contributions. The prior GASB 45 actuarial valuation report as of June 30, 2015 was using an initial rate of 9.0% graded down to 4.0% in 0.5% increments and then 3.75% thereafter for all benefits. The prior GASB 74 valuation as of June 30, 2017 (based on the fiscal year ending June 30, 2015 GASB 45 valuation) was using an initial rate of 6.0% decreasing by 0.1% annually to an ultimate rate of 5.0%. The updates caused an increase in liabilities.

Appendix

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

Summary of Medical Benefits

A brief summary of all health plans offered by the City as of April 1, 2018 (BCBS plan) and January 1, 2018 (BCN Advantage) are as shown below. The out-of-pocket maximum includes the deductible, coinsurance, and copayments.

City plans	BCBS Plan	BCN Advantage
Deductible (EE / EE + Sp)	\$ 2,700 / \$ 5,400	\$0
Coinsurance	100%	100%
Out-of-Pocket Maximum (EE / EE + Sp)	\$ 5,000 / \$ 10,000	\$ 6,700 (per person)
Co-pay / co-insurances for:		
Office Visit / Urgent Care	Ded/coins	\$10
Emergency Room	Ded/coins	\$50
Prescription drugs ⁴		
	\$15	\$5
	\$50	\$5
Retail (Tier 1 / 2 / 3/ 4 / 5)	Greater of \$70 or 50% (max. \$100)	\$30
	20% (max. \$200)	\$30
	25% (max. \$300)	\$30
Mail Order (Tier 1 / 2 / 3/ 4 / 5)	Same as retail for 30-day supply	1x retail copay up to 90-day supply

⁴ Copayments apply after the global deductible is met. Up to 30-day supply shown above for BCBS plan and 34-day supply for BCN Advantage. Separate copays apply to other supply amounts for BCBS plan.

GLOSSARY

The background of the page is an abstract geometric composition. It features several large, overlapping triangles in various shades of gray, from light to dark. A prominent white triangle is located in the lower-left quadrant. The overall effect is a modern, minimalist design with sharp lines and a sense of depth created by the overlapping planes.

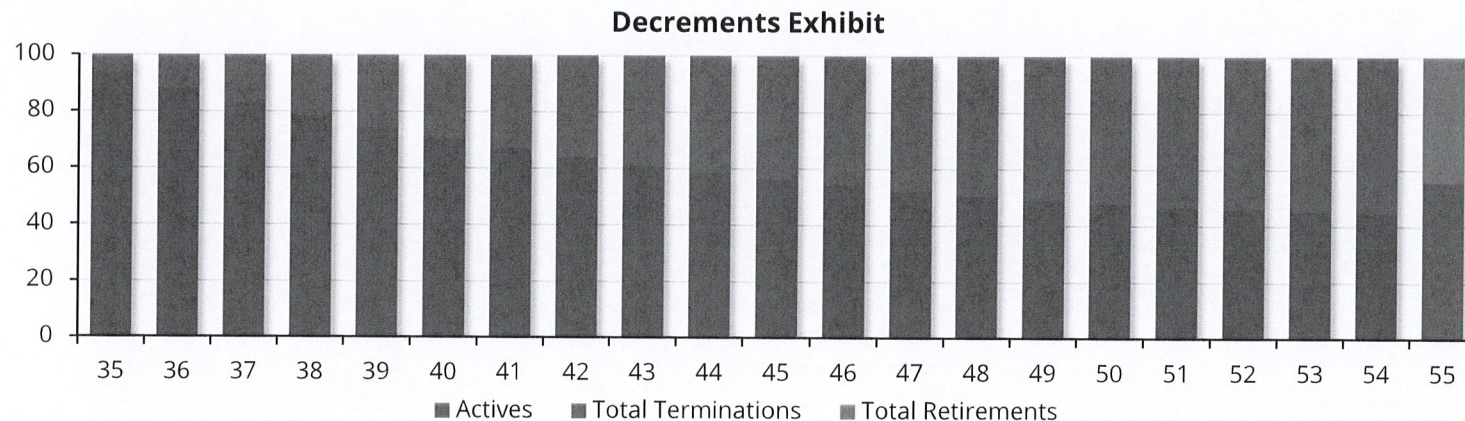
Glossary – Decrements Exhibit

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.43 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year ⁵	# of Retirements per Year	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year	# of Retirements per Year	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430



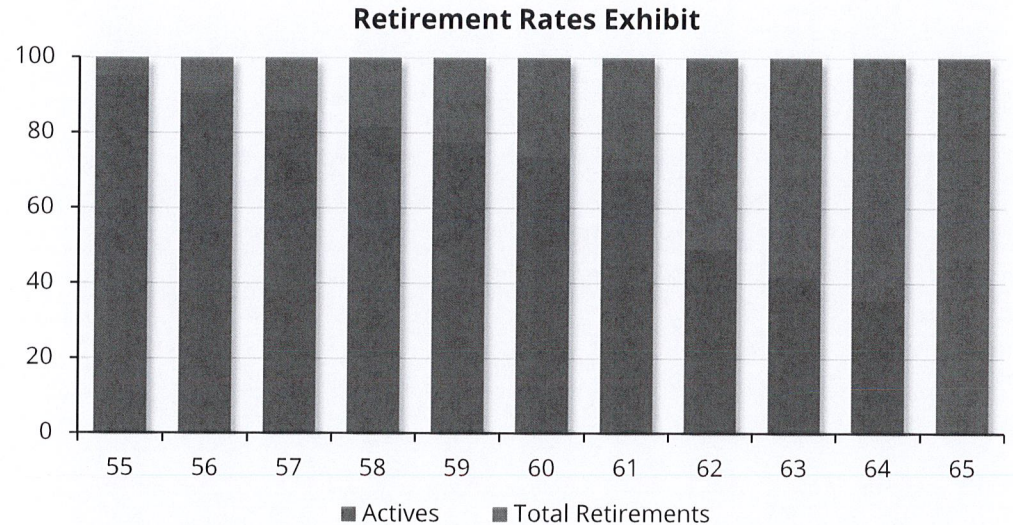
⁵ The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Retirement Rates Exhibit

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees BOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100.000	5.0%	5.000	95.000
56	95.000	5.0%	4.750	90.250
57	90.250	5.0%	4.513	85.738
58	85.738	5.0%	4.287	81.451
59	81.451	5.0%	4.073	77.378
60	77.378	5.0%	3.869	73.509
61	73.509	5.0%	3.675	69.834
62	69.834	30.0%	20.950	48.884
63	48.884	15.0%	7.333	41.551
64	41.551	15.0%	6.233	35.318
65	35.318	100.0%	35.318	0.000



* The above rates are illustrative rates and are not used in our GASB calculations.

Glossary – Definitions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

GASB 75 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
2. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of Future Benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Service Cost and a Total OPEB Liability.
3. **Actuarially Determined Contribution** - A target or recommended contribution to a defined benefit OPEB plan for the reporting period, determined in accordance with the parameters and in conformity with Actuarial Standards of Practice.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a. adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b. multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c. discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Deferred Outflow / (Inflow) of Resources** – represents the following items that have not been recognized in the OPEB Expense:
 - a. Differences between expected and actual experience of the OPEB plan
 - b. Changes in assumptions
 - c. Differences between projected and actual earnings in OPEB plan investments (for funded plans only)
6. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
7. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the Total OPEB Liability.

Glossary – Definitions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

8. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
9. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
10. **OPEB** – Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.
11. **OPEB Expense** – Changes in the Net OPEB Liability in the current reporting period, which includes Service Cost, interest cost, changes of benefit terms, expected earnings on OPEB Plan investments, reduction of active employees' contributions, OPEB plan administrative expenses, and current period recognition of Deferred Outflows / (Inflows) of Resources.
12. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
13. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
14. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
15. **Real Rate of Return** – the rate of return on an investment after adjustment to eliminate inflation.

Glossary – Definitions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2018

16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Service Cost** – The portion of the Actuarial Present Value of projected benefit payments that are attributed to a valuation year by the Actuarial Cost Method.
18. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.
19. **Total OPEB Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of Future Benefits which is attributed to past periods of employee service (or not provided for by the future Service Costs).

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 Retiree Health Care 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 736 RETIREE HEALTH INS TRUST FUND

GL Number	Description	Balance
*** Assets ***		
736-000.000-001.001	CASH	13,111.66
736-000.000-017.000	INVESTMENT IN SECURITIES	172,984.89
Total Assets		186,096.55
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
736-000.000-390.000	Fund Balance	172,979.29
Total Fund Balance		172,979.29
Beginning Fund Balance - 17-18		172,979.29
Net of Revenues VS Expenditures - 17-18		13,117.26
*17-18 End FB/18-19 Beg FB		186,096.55
Net of Revenues VS Expenditures - Current Year		0.00
Ending Fund Balance		186,096.55
Total Liabilities And Fund Balance		186,096.55

* Year Not Closed

PERIOD ENDING 07/31/2018

PRELIMINARY FINANCIAL STATEMENTS-JULY 2018

[illegible]

City of Marine City

Memo

To: Elaine Leven, City Manager

From: Mary Ellen McDonald, CPFA/MiCPT
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 Retiree Health Care 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 736 RETIREE HEALTH INS TRUST FUND

GL Number	Description	Balance
*** Assets ***		
736-000.000-001.001	CASH	12,644.41
736-000.000-017.000	INVESTMENT IN SECURITIES	176,638.20
Total Assets		189,282.61
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
736-000.000-390.000	Fund Balance	172,979.29
Total Fund Balance		172,979.29
Beginning Fund Balance - 17-18		172,979.29
Net of Revenues VS Expenditures - 17-18		13,117.26
*17-18 End FB/18-19 Beg FB		186,096.55
Net of Revenues VS Expenditures - Current Year		3,186.06
Ending Fund Balance		189,282.61
Total Liabilities And Fund Balance		189,282.61

* Year Not Closed

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 08/31/2018

PRELIMINARY FINANCIAL STATEMENTS-AUGUST 2018

GL NUMBER	DESCRIPTION	2018-19	2018-19	YTD BALANCE	ACTIVITY FOR	ENCUMBERED	UNENCUMBERED	% BDGT
		ORIGINAL	AMENDED BUDGE	08/31/2018	MONTH 08/31/1			
		BUDGET		NORM (ABNORM)	INCR (DECR)			
Fund 736 - RETIREE HEALTH INS TRUST FUND								
Revenues								
Dept 000.000								
736-000.000-665.000	INTEREST	0.00	0.00	220.94	0.00	0.00	(220.94)	100.00
736-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	3,434.17	0.00	0.00	(3,434.17)	100.00
736-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	41,582.76	20,791.38	0.00	(41,582.76)	100.00
Total Dept 000.000		0.00	0.00	45,237.87	20,791.38	0.00	(45,237.87)	100.00
TOTAL REVENUES		0.00	0.00	45,237.87	20,791.38	0.00	(45,237.87)	100.00
Expenditures								
Dept 000.000								
736-000.000-723.000	RETIREE HEALTH CARE-OPEB	0.00	0.00	41,582.76	20,791.38	0.00	(41,582.76)	100.00
736-000.000-805.000	SERVICE CHARGES	0.00	0.00	469.05	0.00	0.00	(469.05)	100.00
Total Dept 000.000		0.00	0.00	42,051.81	20,791.38	0.00	(42,051.81)	100.00
TOTAL EXPENDITURES		0.00	0.00	42,051.81	20,791.38	0.00	(42,051.81)	100.00
Fund 736 - RETIREE HEALTH INS TRUST FUND:								
TOTAL REVENUES		0.00	0.00	45,237.87	20,791.38	0.00	(45,237.87)	100.00
TOTAL EXPENDITURES		0.00	0.00	42,051.81	20,791.38	0.00	(42,051.81)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	3,186.06	0.00	0.00	(3,186.06)	100.00

Memo

To: Elaine Leven, City Manager
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date: October 10, 2018
Re: Invoice Approval

Please include the attached invoice on the agenda of the next Retiree Health Care Board Meeting for approval.

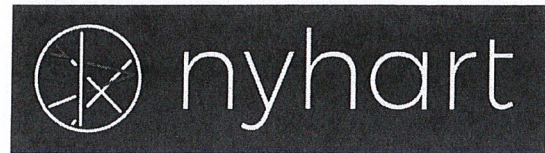
Nyhart	Invoice #R143599	\$4,000.00
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**(OPEB Projections based on FYE 6/30/18 GASB 74/75 Valuation –
PA202 Reporting Spreadsheet)**

A/C #736-000.000-801.000	\$4,000.00
---------------------------------	-------------------

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

September 30, 2018
Invoice No: R143599

Project 652490.HCSPC.OPE2018
CITY OF MARINE CITY__OPEB

Fee for Professional Services from September 1, 2018 to September 30, 2018

Services Provided:

OPEB Projections based on FYE 6/30/2018 GASB 74/75 Valuation

Total this Invoice	\$4,000.00
---------------------------	-------------------

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