

# City of Marine City PUBLIC NOTICE

## Pension Board & Retiree Healthcare Meeting January 26, 2021

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To protect the public health, safety and welfare while continuing to ensure the continued function of government, notice is hereby given that the Pension Board/Retiree Health Care Board of the City of Marine City will hold an electronic meeting on January 26, 2021 beginning at 4:30 p.m. The reason for holding an electronic public meeting is to limit the spread of COVID-19 (novel coronavirus).

The electronic public meeting will be held as a telephonic conference. The public may participate in the electronic public meeting by calling one of the provided numbers and entering the Meeting ID when prompted. You may call in or connect from a computer and use either audio source. The public will be able to listen to all discussion by Commissioners and will be permitted to speak for up to 5 minutes during the public comment section of the agenda.

Join Zoom Meeting:

<https://us02web.zoom.us/j/82029737552>

Meeting ID: 820 2973 7552

Dial by your location

- +1 312 626 6799 US (Chicago)
- +1 929 436 2866 US (New York)
- +1 301 715 8592 US (Washington D.C)
- +1 346 248 7799 US (Houston)
- +1 669 900 6833 US (San Jose)
- +1 253 215 8782 US (Tacoma)

**Kristen Baxter**  
**City Clerk**  
**January 19, 2021**

The City of Marine City complies with the American Disabilities Act. Individuals with disabilities requiring auxiliary aids or services should contact the City of Marine City, 303 South Water Street, Marine City, Michigan 48039; (810) 765-8830.



# CITY OF MARINE CITY

## Pension Board Meeting Agenda

### Pension Plan

Virtual Meeting Via Phone Conference

Regular Meeting: Tuesday, January 26, 2021; 4:30 PM

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1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:** City Commission Representative Wendy Kellehan; Board Members Michael Itrich, Robert Klieman, Rosalie Skwiers; City Manager Elaine Leven
4. **COMMUNICATIONS**
5. **APPROVE AGENDA**
6. **OPEN DISCUSSION** *Anyone in attendance is welcome to address the Pension Board. Please state name and limit comments to five (5) minutes.*
7. **APPROVE MINUTES**
  - A. October 27, 2020 Pension Board Meeting
8. **UNFINISHED BUSINESS**
9. **NEW BUSINESS**
10. **FINANCIAL BUSINESS**
  - A. Investment Performance – Review by John Firek
    - Recommended Investment Changes
  - B. Retirement System Actuarial Valuation for Period Ending June 30, 2020
  - C. Invoice Approval:
    - Nyhart Invoice #0164097 in the amount of \$2,200
    - Nyhart Invoice #0164098 in the amount of \$2,300
  - D. Preliminary Financial Statements
12. **ADJOURNMENT**

**City of Marine City  
Pension Board – Pension Plan  
October 27, 2020**

A regular meeting of the Pension Board – Pension Plan held on Tuesday, October 27, 2020 in the Fire Hall, 200 South Parker Street, Marine City, Michigan, and was called to order by Board Member Rosalie Skwiers at 4:39 pm.

**Present: Board Members Michael Itrich, Robert Klieman and Rosalie Skwiers; City Manager Elaine Leven; City Clerk Kristen Baxter**

**Absent: City Commission Representative Wendy Kellehan**

**Also in Attendance: Financial Consultant John Firek**

**Communications**

None.

**Election Results**

City Clerk Baxter advised the Board that an election had taken place with ballots sent to (Active) Retirement System members to elect their corresponding Board member representative and alternate. The results of the election were as follows:

(Active) Retirement System Representative:	Michael Itrich
(Active) Retirement System Alternate:	James Heaslip

Motion by City Manager Leven, seconded by Board Member Itrich, to accept and file the election results. All Ayes. Motion Carried.

**Approve Agenda**

Motion by City Manager Leven, seconded by Board Member Itrich, to approve the Agenda. All Ayes. Motion Carried.

**Open Discussion**

None.

## **Approve Minutes**

Motion by City Manager Leven, seconded by Board Member Itrich, to approve the minutes of the Regular Pension Board – Pension Plan Meeting of July 28, 2020. All Ayes. Motion Carried.

Motion by City Manager Leven, seconded by Board Member Itrich, to approve the Closed Session minutes of July 28, 2020. All Ayes. Motion Carried.

## **Unfinished Business**

None.

## **New Business**

None.

## **Financial Business**

### Investment Performance - Review by John Firek

Financial Consultant, John Firek, reviewed the Performance Analysis Summary, dated October 19, 2020:

- Total Pension Plan market value was \$5,141,593
- Total withdrawal amount was \$199,400
- Pension Plan Holdings year-to-date annualized performance was 5.75%
- Portfolio year-to-date (12-31-2019 to 10-26-2020) 7.27%
- Portfolio consisted of:
  - 8.11% Cash & Cash Alternatives
  - 36.54% Fixed Income
  - 53.96% Equity
  - 1.27% Alternative Investments
  - 0.12% Non-Classified

Mr. Firek said the goal was to continue with what was working and keep money in the sectors that have shown that they can withstand the changes in the market due to COVID-19.

Mr. Firek then spoke about the projected rates of returns for all asset classes and reported that they had come down. To address this, he recommended increasing the stock exposure to 60% with good, strong, stable companies. He stated that the increase was a reasonable amount



with a moderate amount of risk and explained that by moving up allocations, he hoped to make up for the projected lower rate of return.

Mr. Firek advised that before making an allocation change, the City would need to update its Investment Policy Statement. He said he would communicate with Treasurer Pearce on the update and bring it to the Board for consideration at the January, 2021 meeting.

Motion by City Manager Leven, seconded by Board Member Itrich, to receive and file the Investment Performance report. All Ayes. Motion Carried.

#### Fiscal Year Reporting

Motion by City Manager Leven, seconded by Board Member Itrich, to accept the Fiscal Year Reporting for period of 6-30-2019 to 6-30-2020. All Ayes. Motion Carried.

#### Preliminary Financial Statements

Motion by City Manager Leven, seconded by Board Member Itrich, to accept the Preliminary Financial Statements for July, August, September 2020 and place them on file. All Ayes. Motion Carried.

#### Invoice Approval

Motion by City Manager Leven, seconded by Board Member Itrich, to approve Invoice #0162768 from Howard E. Nyhart Company in the amount of \$4,000. All Ayes. Motion Carried.

#### **Adjournment**

Motion by City Manager Leven, seconded by Board Member Itrich, to adjourn at 5:27 pm. All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter  
City Clerk

**RAYMOND JAMES®**

# Portfolio Review

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

**John R. Firek, AAMS®**

248.276.2805

## Report Listing

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## Account Listing

Raymond James	Account Number	Account Type	Market Value (\$)
Marine City Employee's Pension Plan	xxxxx173	Retirement Plan	5,650,916.88
<b>Total Market Value</b>			<b>\$5,650,916.88</b>
<b>Total Portfolio</b>			<b>\$5,650,916.88</b>

# Contributions and Withdrawals as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

John R. Firek, AAMS®  
248.276.2805

## Contributions and Withdrawals Summary

For the period 12/31/19 to 12/31/20

	Total	Contributions	Withdrawals
Cash	(\$100,000.00)	\$2,400.00	(\$102,400.00)
Securities	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>(\$100,000.00)</b>	<b>\$2,400.00</b>	<b>(\$102,400.00)</b>

## Contributions and Withdrawals Detail

For the period 12/31/19 to 12/31/20

Marine City Employee's Pension Plan // xxxxx173

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
2/26/20	Deposit	Activity		0.000	\$2,400.00	
3/17/20	Withdrawal	Activity		0.000		(\$50,000.00)
4/30/20	Withdrawal	Activity		0.000		(\$2,400.00)
8/14/20	Withdrawal	Activity		0.000		(\$50,000.00)
<b>Total</b>					<b>\$2,400.00</b>	<b>(\$102,400.00)</b>



# Fees and Expenses as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

John R. Firek, AAMS®  
248.276.2805

## Fees and Expenses Summary

For the period 12/31/19 to 12/31/20

	Total
Management Fees	(\$36,182.17)
Account Expenses	\$0.00
<b>Total</b>	<b>(\$36,182.17)</b>

## Fees and Expenses Detail

For the period 12/31/19 to 12/31/20

Marine City Employee's Pension Plan // xxxxx173

Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
1/22/20	Management Fee	Activity	(\$9,227.62)	
1/31/20	Management Fee	Activity	\$3.37	
2/28/20	Management Fee	Activity	\$3.38	
3/27/20	Management Fee	Activity	\$3.17	
4/15/20	Management Fee	Activity	(\$8,044.93)	
4/24/20	Management Fee	Activity	\$3.27	
5/29/20	Management Fee	Activity	\$3.13	
6/26/20	Management Fee	Activity	\$3.29	
7/22/20	Management Fee	Activity	(\$9,260.50)	
7/31/20	Management Fee	Activity	\$3.25	
8/28/20	Management Fee	Activity	\$3.38	
9/25/20	Management Fee	Activity	\$3.40	
10/21/20	Management Fee	Activity	(\$9,688.82)	
10/30/20	Management Fee	Activity	\$3.31	

# Fees and Expenses as of Dec 31, 2020

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## Fees and Expenses Detail *(continued)*

For the period 12/31/19 to 12/31/20

Marine City Employee's Pension Plan // xxxxx173 *(continued)*

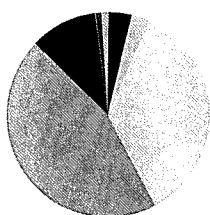
Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
11/27/20	Management Fee	Activity	\$3.42	
12/28/20	Management Fee	Activity	\$3.33	
<b>Total</b>			<b>(\$36,182.17)</b>	<b>\$0.00</b>

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### Asset Allocation

	Market Value (\$)	% of Portfolio
<b>Cash &amp; Cash Alternatives</b>	<b>368,390.16</b>	<b>6.52%</b>
■ Cash*	209,086.99	3.70%
□ Cash Alternatives	159,303.17	2.82%
<b>Fixed Income</b>	<b>2,014,272.74</b>	<b>35.65%</b>
<b>Equity</b>	<b>3,206,663.69</b>	<b>56.75%</b>
▨ U.S. Equity	2,545,710.89	45.05%
■ Non U.S. Equity	602,143.86	10.66%
■ Real Estate	54,638.66	0.97%
□ Equity Other	4,170.28	0.07%
□ Alternative Investments	55,664.61	0.99%
Allocation Strategies	0.00	0.00%
Non-Classified	5,925.68	0.10%
<b>Total Portfolio</b>	<b>\$5,650,916.88</b>	<b>100%</b>

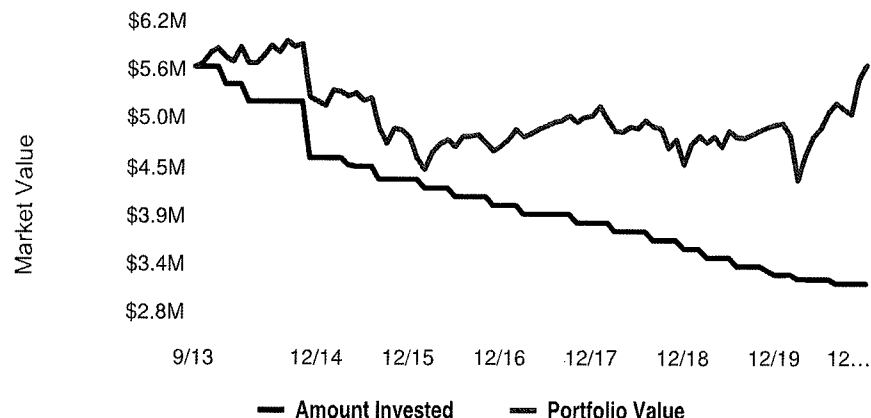


*Packaged products may be represented across multiple asset classes.*

\*\$150,416.43 is held in cash and cash sweep products

### Value Over Time

9/16/13 - 12/31/20



### Gains and Losses

#### Unrealized Gain/Loss

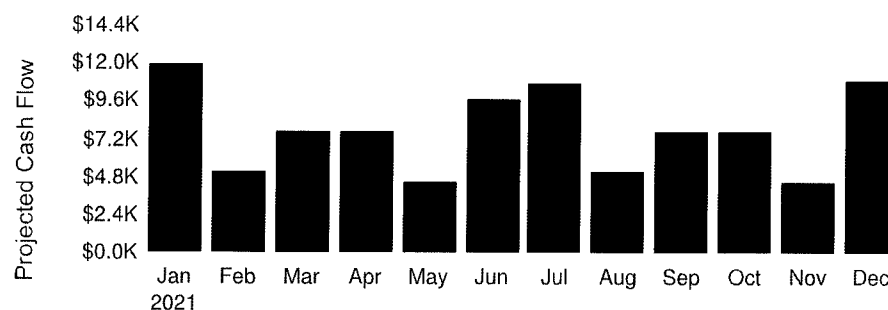
	Gain (\$)	Loss (\$)	Total (\$)
Short Term	30,152.23	(334.25)	29,817.97
Long Term	875,029.58	(26,760.33)	848,269.26
<b>Total</b>	<b>\$905,181.81</b>	<b>(\$27,094.58)</b>	<b>\$878,087.23</b>

#### Realized Gain/Loss

	Gain (\$)	Loss (\$)	Total (\$)
1/1/20 - 12/31/20			
Short Term	6,941.94	(31,177.42)	(24,235.48)
Long Term	144.63	(4,538.72)	(4,394.09)
<b>Total</b>	<b>\$7,086.57</b>	<b>(\$35,716.14)</b>	<b>(\$28,629.57)</b>

### Projected Cash Flow

Total Projected Cash Flow: \$94,385.82



# Value Over Time as of Dec 31, 2020

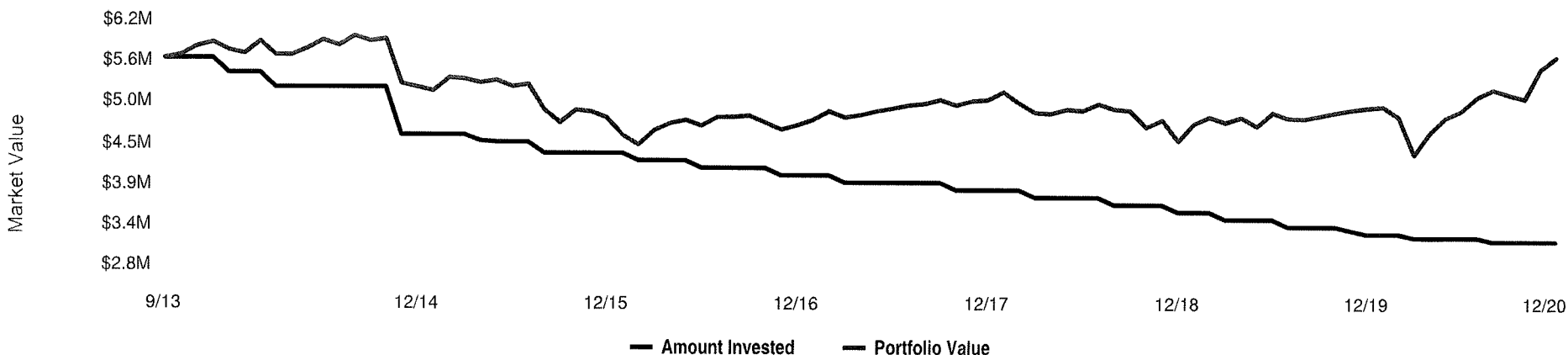
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## Value Over Time

9/16/13 - 12/31/20



	Beginning Market Value	Contributions/Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted (Net of Fees) Performance	Annualized* Performance
<b>Total Portfolio</b>	<b>\$5,624,300.75</b>	<b>(\$2,497,000.00)</b>	<b>\$1,810,305.75</b>	<b>\$713,310.39</b>	<b>\$5,650,916.89</b>	<b>\$2,523,616.14</b>		<b>6.92%</b>
Year to Date (12/31/2019 - 12/31/2020)	\$4,956,218.81	(\$100,000.00)	\$220,084.50	\$574,613.58	\$5,650,916.89	\$794,698.08	16.49%	6.92%
2019	\$4,499,033.74	(\$297,000.00)	\$172,614.36	\$581,570.72	\$4,956,218.81	\$754,185.08	17.07%	5.48%
2018	\$5,059,527.23	(\$300,000.00)	\$350,464.04	(\$610,957.53)	\$4,499,033.74	(\$260,493.49)	(5.41%)	3.42%
2017	\$4,709,664.50	(\$200,000.00)	\$254,896.92	\$294,965.81	\$5,059,527.23	\$549,862.73	11.86%	5.60%
2016	\$4,809,273.05	(\$300,000.00)	\$199,969.09	\$422.36	\$4,709,664.50	\$200,391.45	4.46%	3.77%
2015	\$5,227,595.66	(\$250,000.00)	\$248,267.80	(\$416,590.41)	\$4,809,273.05	(\$168,322.61)	(3.40%)	3.47%
2014	\$5,734,999.04	(\$850,000.00)	\$248,950.31	\$93,646.31	\$5,227,595.66	\$342,596.62	6.06%	9.13%
2013 (9/16/2013 - 12/31/2013)	\$5,624,300.75	(\$200,000.00)	\$115,058.73	\$195,639.56	\$5,734,999.04	\$310,698.29	5.54%	5.54%



# Value Over Time as of Dec 31, 2020

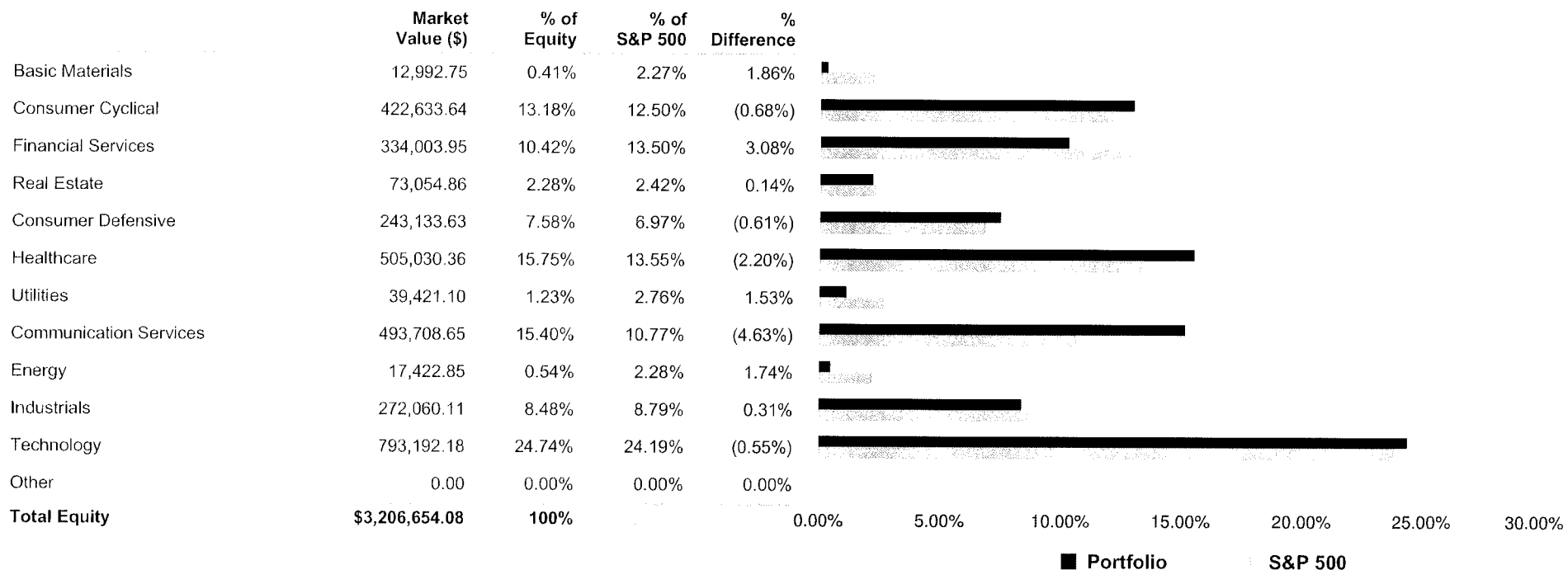
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*\*Returns are annualized for periods greater than one year.*

### Equity Sector Summary



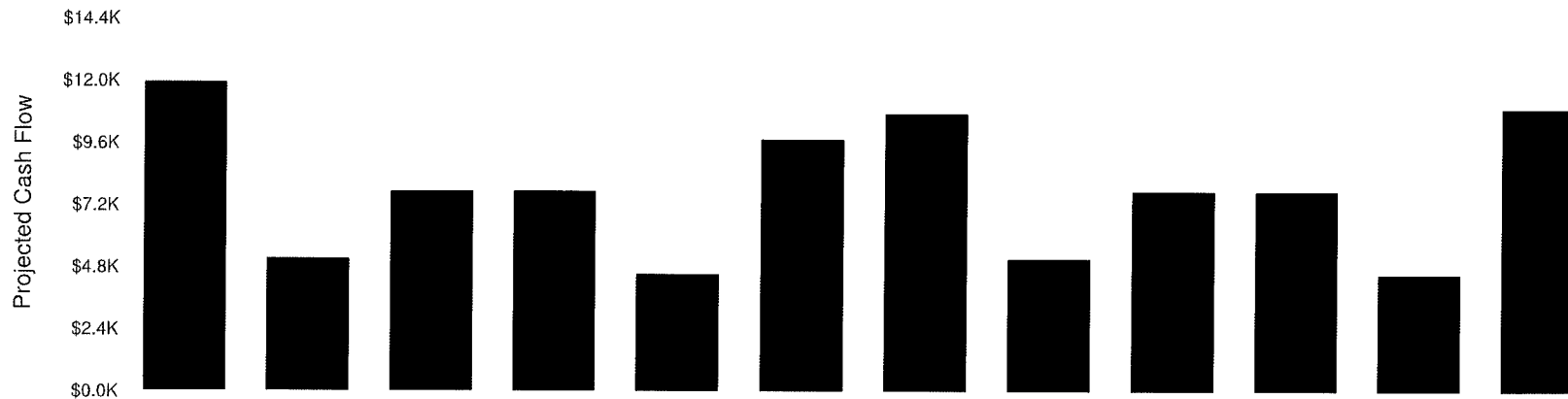
# Projected Cash Flow as of Dec 31, 2020

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## Projected Cash Flow Summary



	2021 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Projected Total
Cash and Cash Alternatives:													
Cash	1	1	1	1	1	1	1	1	1	1	1	1	\$15
Funds: Open-end Mutual Funds	7,831*	4,031*	6,577*	7,831*	4,031*	8,636*	7,831*	4,031*	6,577*	7,831*	4,031*	9,770*	\$79,009
Funds: Exchange Traded Funds			1,165*			1,165*			1,165*			1,165*	\$4,662
Fixed Income Products:													
Certificates of Deposit	4,150	1,175			600		3,000	1,175			600		\$10,700
<b>Total Portfolio</b>	<b>\$11,982*</b>	<b>\$5,208*</b>	<b>\$7,744*</b>	<b>\$7,832*</b>	<b>\$4,633*</b>	<b>\$9,802*</b>	<b>\$10,832*</b>	<b>\$5,208*</b>	<b>\$7,744*</b>	<b>\$7,832*</b>	<b>\$4,633*</b>	<b>\$10,937*</b>	<b>\$94,386</b>

\*Due to missing information, actual payments may be made on months other than the ones listed on this report.  
Annual Yield calculation is inclusive of all client holdings.

# Security Level Performance Summary as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

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## Performance Summary

	Start Date	Current Market Value	MTD 11/30/20 12/31/20	QTD 9/30/20 12/31/20	YTD 12/31/19 12/31/20	Last 12 Months 12/31/19 12/31/20	Since Inception* Inception 12/31/20
<b>Cash and Cash Alternatives: Cash</b>							
Cash	12/31/15	\$150,416.43	0.00%	0.00%	0.03%	0.03%	(0.51%)
<b>Fixed Income Products: Certificates of Deposit</b>							
ALLY BANK CUSIP: 02007GEA7	8/16/18	\$103,017.29	0.04%	0.06%	2.65%	2.65%	3.74%
CAPITAL ONE BANK, NA CUSIP: 14042RHE4	8/16/18	\$104,591.37	0.11%	0.13%	4.55%	4.55%	5.26%
DISCOVER BANK CUSIP: 254673RU2	8/16/18	\$103,025.51	0.04%	0.06%	2.65%	2.65%	3.74%
SALLIE MAE BK CUSIP: 795450J22	8/16/18	\$101,190.23	0.02%	0.03%	1.77%	1.77%	2.90%
SYNCHRONY BANK CUSIP: 87165EL96	8/16/18	\$51,758.95	0.08%	0.12%	4.08%	4.08%	4.88%
<b>Funds: Exchange Traded Funds</b>							
VANGUARD FINANCIALS ETF Symbol: VFH	10/31/19	\$210,682.20	6.93%	25.37%	(1.96%)	(1.96%)	4.77%

The inception date on the report may be different than the actual account inception date.

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

# Security Level Performance Summary as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

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## Performance Summary *(continued)*

	Start Date	Current Market Value	MTD 11/30/20 12/31/20	QTD 9/30/20 12/31/20	YTD 12/31/19 12/31/20	Last 12 Months 12/31/19 12/31/20	Since Inception* Inception 12/31/20
<b>Funds: Open-end Mutual Funds</b>							
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	4/19/17	\$474,098.67	5.27%	8.18%	19.72%	19.72%	18.24%
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZX	7/28/17	\$501,192.56	1.48%	4.92%	7.43%	7.43%	5.17%
FIDELITY ADVISOR REAL ESTATE INCOME FUND CLASS I N/L Symbol: FRIRX	5/2/19	\$92,361.89	2.67%	9.06%	(1.08%)	(1.08%)	4.07%
FIDELITY ADVISOR TELECOMMUNICATIONS FD CL N/L Symbol: FSTCX	10/31/19	\$291,144.97	1.39%	9.07%	20.61%	20.61%	20.10%
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	2/1/18	\$103,554.33	5.05%	21.97%	(7.97%)	(7.97%)	1.21%
FIDELITY SELECT RETAILING FUND N/L Symbol: FSRPX	10/31/19	\$280,622.52	4.01%	14.88%	43.48%	43.48%	38.45%
HARTFORD BALANCED INCOME FUND CLASS I N/L Symbol: HBLIX	7/28/16	\$625,575.85	1.48%	7.28%	7.72%	7.72%	7.71%
JANUS HENDERSON BALANCED FUND CLASS I N/L Symbol: JBALX	5/2/19	\$81,817.41	2.50%	7.48%	14.39%	14.39%	15.17%
LORD ABBETT SHORT DURATION INCOME FUND CLASS F N/L Symbol: LDLFX	10/31/19	\$40,943.86	0.71%	1.64%	3.11%	3.11%	3.12%

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# Security Level Performance Summary as of Dec 31, 2020

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## Performance Summary *(continued)*

	Start Date	Current Market Value	MTD 11/30/20 12/31/20	QTD 9/30/20 12/31/20	YTD 12/31/19 12/31/20	Last 12 Months 12/31/19 12/31/20	Since Inception* Inception 12/31/20
<b>Funds: Open-end Mutual Funds <i>(continued)</i></b>							
PGIM TOTAL RETURN BOND FUND CLASS Z N/L Symbol: PDBZX	10/31/19	\$579,741.73	0.57%	2.35%	7.73%	7.73%	6.68%
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	6/28/17	\$266,312.46	2.61%	8.52%	1.87%	1.87%	3.89%
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	6/28/17	\$52,807.36	6.15%	25.12%	(6.31%)	(6.31%)	2.72%
T. ROWE PRICE GLOBAL INDUSTRIALS FUND INVESTOR CLASS N/L Symbol: RPGIX	2/1/18	\$183,828.22	4.32%	24.54%	30.06%	30.06%	12.71%
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	7/28/16	\$1,097,324.88	5.92%	20.81%	75.63%	75.63%	29.75%
VANGUARD CONSUMER STAPLES INDEX FUND ADMIRAL SHARES N/L Symbol: VCSAX	5/2/19	\$154,908.19	2.09%	7.41%	10.79%	10.79%	13.72%

*The inception date on the report may be different than the actual account inception date.*

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

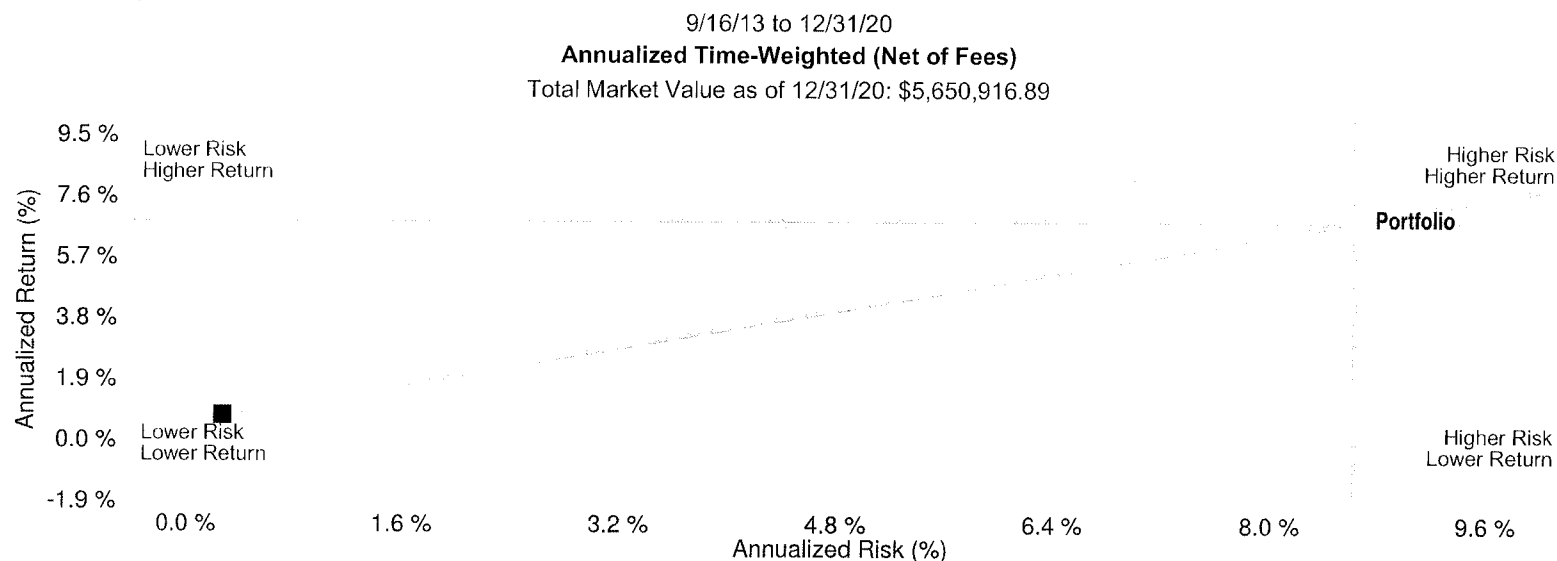
# Risk vs. Return Analysis as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

John R. Firek, AAMS®  
248.276.2805

## Analysis Summary



**Portfolio**

Custom Blended Benchmark 1^

■ ICE BofA US 3 Month T Bill

S&P 500 Total Return Indx

BBG Barclays US Agg Bd

	Annualized Return (%)	Annualized Risk (%)
Custom Blended Benchmark 1^	8.26%	7.01%
ICE BofA US 3 Month T Bill	0.83%	0.27%
S&P 500 Total Return Indx	13.77%	13.95%
BBG Barclays US Agg Bd	4.08%	3.01%

Inception Date: 9/16/13

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

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

# Portfolio Holdings as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Employee's Pension Plan // xxxxx173

John R. Firek, AAMS®  
248.276.2805

## Holdings Detail

	Quantity	Current Price (\$)	Market Value (\$)	% of Portfolio	Average Investment Price (\$)	Investment Amount (\$)	Investment G/L (\$)/(%)	Est. Annual Income (\$)	Est. Annual Yield (%) / Yield to Inv. (%)	Accrued Income (\$)
<b>Cash and Cash Alternatives: Cash</b>										
Accrued Income/Principal			4,775.35	0.08%		4,775.35	0.00 0.00%			
RJ Bank Deposit Program	150,416.430	1.000	150,416.43	2.66%	0.00	150,416.43	0.00 0.00%	15.04	0.01% 0.01%	0.00
<b>Total Cash and Cash Alternatives: Cash</b>			<b>\$155,191.78</b>	<b>2.75%</b>		<b>\$155,191.78</b>	<b>\$0.00 0.00%</b>	<b>\$15.04</b>	<b>0.01% 0.01%</b>	<b>\$0.00</b>
<b>Funds: Open-end Mutual Funds</b>										
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	6,076.630	78.020	474,098.67	8.39%	13.40	81,418.60	392,680.07 482.30%	808.19	0.17% 0.99%	0.00
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZX	20,315.872	24.670	501,192.56	8.87%	21.79	442,594.03	58,598.53 13.24%	17,715.44	3.53% 4.00%	0.00
FIDELITY ADVISOR REAL ESTATE INCOME FUND CLASS I N/L Symbol: FRIRX	7,873.989	11.730	92,361.89	1.63%	11.53	90,764.46	1,597.43 1.76%	4,433.06	4.80% 4.88%	0.00
FIDELITY ADVISOR TELECOMMUNICATIONS FD CL N/L Symbol: FSTCX	4,273.374	68.130	291,144.97	5.15%	54.28	231,941.94	59,203.03 25.52%	2,427.28	0.83% 1.05%	0.00
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	6,302.759	16.430	103,554.33	1.83%	15.87	100,000.00	3,554.33 3.55%	1,689.14	1.63% 1.69%	0.00
FIDELITY SELECT RETAILING FUND N/L Symbol: FSRPX	12,335.056	22.750	280,622.52	4.97%	17.11	211,000.00	69,622.52 33.00%	0.00	0.00% 0.00%	0.00



# Portfolio Holdings as of Dec 31, 2020

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## Holdings Detail *(continued)*

Funds: Open-end Mutual Funds <i>(continued)</i>	Quantity	Current Price (\$)	Market Value (\$)	% of Portfolio	Average Investment Price (\$)	Investment Amount (\$)	Investment G/L (\$)/(%)	Est. Annual Income (\$)	Est. Annual Yield (%) / Yield to Inv. (%)	Accrued Income (\$)
HARTFORD BALANCED INCOME FUND CLASS I N/L Symbol: HBLIX	40,101.016	15.600	625,575.85	11.07%	11.57	463,873.92	161,701.93 34.86%	15,198.29	2.43% 3.28%	0.00
JANUS HENDERSON BALANCED FUND CLASS I N/L Symbol: JBALX	1,993.116	41.050	81,817.41	1.45%	32.26	64,306.62	17,510.79 27.23%	1,154.01	1.41% 1.79%	0.00
LORD ABBETT SHORT DURATION INCOME FUND CLASS F N/L Symbol: LDLFX	9,725.382	4.210	40,943.86	0.72%	4.06	39,500.00	1,443.86 3.66%	1,235.12	3.02% 3.13%	0.00
PGIM TOTAL RETURN BOND FUND CLASS Z N/L Symbol: PDBZX	38,418.935	15.090	579,741.73	10.26%	13.99	537,500.00	42,241.73 7.86%	17,096.43	2.95% 3.18%	0.00
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	19,948.499	13.350	266,312.46	4.71%	0.00	0.00	266,312.46 100.00%	12,328.17	4.63% 0.00%	0.00
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	3,731.969	14.150	52,807.36	0.93%	0.00	0.00	52,807.36 100.00%	724.00	1.37% 0.00%	0.00
T. ROWE PRICE GLOBAL INDUSTRIALS FUND INVESTOR CLASS N/L Symbol: RPGIX	10,870.977	16.910	183,828.22	3.25%	12.00	130,464.00	53,364.22 40.90%	326.13	0.18% 0.25%	0.00
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	40,165.625	27.320	1,097,324.88	19.42%	10.41	417,992.98	679,331.90 162.52%	0.00	0.00% 0.00%	0.00
VANGUARD CONSUMER STAPLES INDEX FUND ADMIRAL SHARES N/L Symbol: VCSAX	1,805.036	85.820	154,908.19	2.74%	72.81	131,415.80	23,492.39 17.88%	3,873.61	2.50% 2.95%	0.00
<b>Total Funds: Open-end Mutual Funds</b>			<b>\$4,826,234.90</b>	<b>85.41%</b>		<b>\$2,942,772.35</b>	<b>\$1,883,462.55</b> <b>64.00%</b>	<b>\$79,008.87</b>	<b>1.64%</b> <b>2.24%</b>	<b>\$0.00</b>

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Holdings Detail (continued)

Funds: Exchange Traded Funds	Quantity	Current Price (\$)	Market Value (\$)	% of Portfolio	Average Investment Price (\$)	Investment Amount (\$)	Investment G/L (\$)/(%)	Est. Annual Income (\$)	Est. Annual Yield (%) / Yield to Inv. (%)	Accrued Income (\$)
VANGUARD FINANCIALS ETF Symbol: VFH	2,892.000	72.850	210,682.20	3.73%	71.25	206,053.56	4,628.64 2.25%	4,661.90	2.21% 2.26%	0.00
<b>Total Funds: Exchange Traded Funds</b>			<b>\$210,682.20</b>	<b>3.73%</b>		<b>\$206,053.56</b>	<b>\$4,628.64 2.25%</b>	<b>\$4,661.90</b>	<b>2.21% 2.26%</b>	<b>\$0.00</b>
Fixed Income Products: Certificates of Deposit	Quantity	Current Price (\$)	Market Value (\$)	% of Portfolio	Average Investment Price (\$)	Investment Amount (\$)	Investment G/L (\$)/(%)	Est. Annual Income (\$)	Est. Annual Yield (%) / Yield to Inv. (%)	Accrued Income (\$)
ALLY BANK CUSIP: 02007GEA7	100,000.000	101.694	101,694.00	1.80%	99.90	99,899.97	1,794.03 1.80%	3,000.00	2.95% 3.00%	1,323.29
CAPITAL ONE BANK, NA CUSIP: 14042RHE4	100,000.000	103.690	103,690.00	1.83%	96.93	96,930.00	6,760.00 6.97%	2,350.00	2.27% 2.42%	901.37
DISCOVER BANK CUSIP: 254673RU2	100,000.000	101.694	101,694.00	1.80%	99.90	99,900.00	1,794.00 1.80%	3,000.00	2.95% 3.00%	1,331.51
SALLIE MAE BK CUSIP: 795450J22	100,000.000	100.119	100,119.00	1.77%	98.74	98,739.60	1,379.40 1.40%	2,300.00	2.30% 2.33%	1,071.23
SYNCHRONY BANK CUSIP: 87165EL96	50,000.000	103.222	51,611.00	0.91%	97.45	48,724.59	2,886.41 5.92%	1,200.00	2.33% 2.46%	147.95
<b>Total Fixed Income Products: Certificates of Deposit</b>			<b>\$458,808.00</b>	<b>8.12%</b>		<b>\$444,194.16</b>	<b>\$14,613.84 3.29%</b>	<b>\$11,850.00</b>	<b>2.58% 2.67%</b>	<b>\$4,775.35</b>
<b>Total Portfolio</b>			<b>\$5,650,916.88</b>	<b>100.00%</b>		<b>\$3,748,211.85</b>	<b>\$1,902,705.03 52.96%</b>	<b>\$95,535.81</b>	<b>1.69% 2.20%</b>	<b>\$4,775.35</b>

# 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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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: xxxxx173

Report ID: a\_230867\_1610427600000\_1610482281857\_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.

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.

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.

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 (January 11, 2021)

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Morningstar mutual fund and annuity information as of (January 07, 2021)

Morningstar 529 information as of (December 17, 2020)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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](http://raymondjames.com), [finra.org](http://finra.org), [emma.msrb.org](http://emma.msrb.org), and [investinginbonds.com](http://investinginbonds.com).

The yield displayed is an estimated annual income yield for the listed security. The security's actual yield may be lower. Please consult your financial advisor if you have additional questions.

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](http://raymondjames.com), [finra.org](http://finra.org), [emma.msrb.org](http://emma.msrb.org), and [investinginbonds.com](http://investinginbonds.com).

Investors interested in regular updates about individual municipal securities can sign up on EMMA ([emma.msrb.org](http://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.

Securities ratings, provided by independent nationally recognized statistical organizations, also called Ratings Agencies, are appraisals of the financial stability of a particular issuer and its ability to pay income and return principal on your investment. Although they can assist investors in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A Rating Agency may also place an issuer under review or credit watch which may be another indicator of a future rating change. Generally, higher yields and/or lower ratings reflect higher perceived credit risk. News events relating to a particular issuer may generally impact the market price, and consequently the yield, of that issuer's securities, even if their rating has not yet changed. Securities with the same rating can actually trade at significantly different prices. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied or removed. Non-rated securities are speculative in nature and are less liquid. Raymond James trade confirmations, online accounts and monthly statements display only the ratings of those Rating Agencies to which Raymond James subscribes. For more information on ratings, please visit [moody.com](http://moody.com), [standardandpoors.com](http://standardandpoors.com) and [fitchratings.com](http://fitchratings.com). Individual investors may request Moody's and/or S&P credit reports from their financial advisors. Additionally, Fitch reports are available for municipal bonds.

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](http://raymondjames.com/liquid.htm). For more information, please visit [fdic.gov](http://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](http://finra.org).

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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 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 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.

ICE BofA US 3 Month T Bill - The index is an unmanaged market index of US Treasury securities maturing in 90 days that assumes reinvestment of all income.

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

S&P 500 Total Return Indx 40%, BBG Barclays US Agg Bd 50%, MSCI EAFE (Net Div) Indx 10% - 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.

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.

MSCI EAFE Net Dividend is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the United States & Canada. As of June 2007 the MSCI EAFE Index consisted of the following 21 developed market countries: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. (Total Return Index) - With Net Dividends: Approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

**Pension Investment Recommendations**

*Prepared for City of Marine City Pension Board*

**Sector-Weighted Stock Strategy** (20% of Portfolio)

<i>Technology</i>	T. Rowe Price Global Technology Fund (PRGTX)	5.6%
<i>Healthcare</i>	BlackRock Health Sciences Opps (SHSSX)	2.74%
<i>Comm Svcs.</i>	Fidelity Advisor Telecommunications Fund (FSTCX)	2.2%
<i>Discretionary</i>	Fidelity Select Retailing Fund (FSRPX)	2.26%
<i>Financials</i>	Vanguard Financial Sector ETF (VFH)	2.1%
<i>Industrials</i>	Vanguard Industrial Sector ETF (VIS)	1.72%
<i>Staples</i>	Vanguard Consumer Staples ETF (VDC)	1.34%
<i>Materials</i>	Vanguard Materials Sector ETF (VAW)	0.54%
<i>Utilities</i>	Vanguard Utilities Sector ETF (VPU)	0.56%
<i>Real Estate</i>	Fidelity Advisor Real Estate Income Fund (FRIRX)	0.48%
<i>Energy</i>	Vanguard Energy Sector ETF (VDE)	0.46%

**Dividend Stock Strategy** (20% of Portfolio)

<i>Large Cap</i>	ProShares S&P 500 Dividend Aristocrats ETF (NOBL)	15%
<i>Mid Cap</i>	ProShares S&P MidCap 400 Dividend Aristocrats ETF (REGL)	3%
<i>Small Cap</i>	Russell 2000 Dividend Growers ETF (SMDV)	2%

**International Stock Strategy** (10% of Portfolio)

AMS International Equity Completion Portfolio	10%
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**Bond Strategy** (30% of Portfolio)

AMS Fixed Income Completion Portfolio	30%
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**Alternative Investments / Tactical / Opportunistic** (19% of Portfolio)

<i>Macro Strategy</i>	Permanent Portfolio Fund (PRPFX)	10%
<i>Macro Strategy</i>	First Eagle Global Fund (SGIIX)	5%
<i>Alternative</i>	State Street SPDR Gold Shares (GLD)	2%
<i>Alternative</i>	Gateway Fund (GTEYX)	1%
<i>Blockchain Technology</i>	Amplify Transformational Data Sharing ETF (BLOK)	1%

**Cash** (1% of Portfolio)

Raymond James Bank Deposit Program	1%
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**John R. Firek, AAMS®**

Financial Advisor

691 N Squirrel Road, Suite 222 / Auburn Hills, MI, 48326

O 248.276.2805 / F 866.522.9594 / [johnfirek@raymondjames.com](mailto:johnfirek@raymondjames.com) / [www.johnfirek.com](http://www.johnfirek.com)

**Raymond James & Associates, Inc.**, member of New York Stock Exchange/SIPC





# City of Marine City Employees Retirement System

June 30, 2020  
GASB Nos. 67 & 68 Report



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This report is prepared in accordance with our understanding of GASB Nos. 67 & 68 for the purpose of disclosing pension plans in financial statements. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report.

The information presented in this report is based on:

- the actuarial assumptions included in this report;
- the plan provisions;
- participant information furnished to us by the Plan Administrator;
- asset information furnished to us by the Plan Trustee.

We have reviewed the provided data for reasonableness when compared to prior information provided, but have not audited the data. Where relevant data may be missing, we may have made assumptions we believe are reasonable for the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided. Any errors in the data provided may result in a different result than those provided in this report.

The interest rate, other economic assumptions, and demographic assumptions have been selected by the plan sponsor with our recommendations. The assumptions used, in our opinion, are reasonable and represent a reasonable expectation of future experience under the plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

A summary of any assumptions not included in this report, the plan provisions and the participant information is included in the Actuarial Valuation Report for funding purposes.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status ); and
- changes in plan provisions or applicable law.

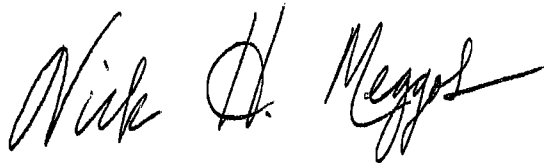
We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

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

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 which could materially affect the results contained herein.

Neither Nyhart nor any of its employees have any relationships with the plan or plan sponsor which could impair or appear to impair the objectivity of this report.

Nyhart



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Nick H. Meggos, EA, FCA



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Derek Schmitt, FSA, EA, MAAA

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11/12/2020

**Net Pension Liability**

The components of the net pension liability at June 30

	<b>06/30/2020</b>	<b>06/30/2019</b>
Total pension liability	\$ 8,269,405	\$ 7,675,935
Plan fiduciary net position	(4,999,609)	(4,948,426)
Net pension liability	\$ 3,269,796	\$ 2,727,509
Plan fiduciary net position as a percent of the total pension liability	60.46%	64.47%
Pension Expense for the Fiscal Year Ended June 30	\$ 919,638	\$ 871,050

**Actuarial Assumptions**

The total pension liability was determined using the following actuarial assumptions

Inflation	2.00%	2.00%
Salary increases, including inflation	2.00%	2.00%
Investment rate of return, including inflation, and net of investment expense	6.00%	6.50%

**Plan Membership**

The total pension liability was determined based on the plan membership as of June 30

	<b>2020</b>	<b>2019</b>
Inactive plan members and beneficiaries currently receiving benefits	26	26
Inactive plan members entitled to but not yet receiving benefits	6	6
Active plan members	3	3
Total members	35	35

City of Marine City Employees Retirement System  
 GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020  
 Statement of Fiduciary Net Position

	<u>06/30/2020</u>	<u>06/30/2019</u>
<b>Assets</b>		
Cash and deposits	\$ 385,830	\$ 333,144
Securities lending cash collateral	0	0
Total cash	<u>\$ 385,830</u>	<u>\$ 333,144</u>
Receivables:		
Contributions	\$ 0	\$ 0
Due from broker for investments sold	0	0
Investment income	0	0
Other	0	0
Total receivables	<u>\$ 0</u>	<u>\$ 0</u>
Investments:		
Equity	\$ 2,489,947	\$ 2,242,737
Fixed Income	2,055,372	2,363,517
Alternatives	68,460	9,028
Total investments	<u>\$ 4,613,779</u>	<u>\$ 4,615,282</u>
Total assets	<u>\$ 4,999,609</u>	<u>\$ 4,948,426</u>
<b>Liabilities</b>		
Payables:		
Investment management fees	\$ 0	\$ 0
Due to broker for investments purchased	0	0
Collateral payable for securities lending	0	0
Other	0	0
Total liabilities	<u>\$ 0</u>	<u>\$ 0</u>
<b>Net position restricted for pensions</b>	<u>\$ 4,999,609</u>	<u>\$ 4,948,426</u>

City of Marine City Employees Retirement System  
 GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020  
 Statement of Changes in Fiduciary Net Position

	06/30/2020	06/30/2019
<b>Additions</b>		
Contributions:		
Employer	\$ 247,245	\$ 209,928
Member	10,999	13,274
Nonemployer contributing entity	0	0
Total contributions	\$ 258,244	\$ 223,202
Investment income:		
Net increase in fair value of investments	\$ 312,884	\$ 302,671
Interest and dividends	0	0
Less investment expense, other than from securities lending	0	0
Net income other than from securities lending	\$ 312,884	\$ 302,671
Securities lending income	0	0
Less securities lending expense	0	0
Net income from securities lending	\$ 0	\$ 0
Net investment income	\$ 312,884	\$ 302,671
Other	0	0
Total additions	\$ 571,128	\$ 525,873
<b>Deductions</b>		
Benefit payments, including refunds of member contributions	\$ 473,920	\$ 505,750
Administrative expense	46,025	50,363
Other	0	0
Total deductions	\$ 519,945	\$ 556,113
<b>Net increase in net position</b>	\$ 51,183	\$ (30,240)
<b>Net position restricted for pensions</b>		
Beginning of year	4,948,426	4,978,666
End of year	\$ 4,999,609	\$ 4,948,426

**City of Marine City Employees Retirement System**  
**GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020**  
**Schedule of Changes in Net Pension Liability and Related Ratios**

	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
<b>Total pension liability</b>			
Service cost	\$ 19,468	\$ 23,076	\$ 38,798
Interest	484,799	504,485	490,001
Changes of benefit terms	0	0	0
Differences between expected and actual experience	(3,742)	(59,838)	(38,499)
Changes of assumptions	566,865	525,749	207,276
Benefit payments, including refunds of member contributions	(473,920)	(505,750)	(458,395)
Net change in total pension liability	593,470	487,722	239,181
Total pension liability - beginning	7,675,935	7,188,213	6,949,032
<b>Total pension liability - ending (a)</b>	<b>\$ 8,269,405</b>	<b>\$ 7,675,935</b>	<b>\$ 7,188,213</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 247,245	\$ 209,928	\$ 209,928
Contributions - member	10,999	13,274	14,284
Contributions - nonemployer contributing member	0	0	0
Net investment income	312,884	302,671	208,983
Benefit payments, including refunds of member contributions	(473,920)	(505,750)	(458,395)
Administrative expenses	(46,025)	(50,363)	(38,823)
Other	0	0	0
Net change in plan fiduciary net position	\$ 51,183	\$ (30,240)	\$ (64,023)
Plan fiduciary net position - beginning	4,948,426	4,978,666	5,042,689
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 4,999,609</b>	<b>\$ 4,948,426</b>	<b>\$ 4,978,666</b>
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 3,269,796</b>	<b>\$ 2,727,509</b>	<b>\$ 2,209,547</b>
Plan fiduciary net position as a percentage of the total pension liability	60.46%	64.47%	69.26%
Covered-employee payroll	\$ 220,609	\$ 224,481	\$ 285,980
Net pension liability as percentage of covered-employee payroll	1,482.17%	1,215.03%	772.62%

**City of Marine City Employees Retirement System**  
**GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020**  
**Pension Expense**

Fiscal year ending	<b>06/30/2020</b>	<b>06/30/2019</b>
Service cost	\$ 19,468	\$ 23,076
Interest on total pension liability	484,799	504,485
Projected earnings on pension plan investments	(313,142)	(348,885)
Changes of benefit terms	0	0
Employee contributions	(10,999)	(13,274)
Pension plan administrative expense	46,025	50,363
Other changes	0	0
Current period recognition of deferred outflows/(inflows) of resources		
Differences between Expected & Actual Experience in measurement of the Total Pension Liability	\$ (3,742)	\$ (59,838)
Changes of assumptions	566,865	525,749
Differences between Projected & Actual Earnings on Pension Plan Investments	130,364	189,374
<b>Total</b>	<b>\$ 919,638</b>	<b>\$ 871,050</b>



**City of Marine City Employees Retirement System**  
**GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020**  
**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Differences between expected and actual experience in measurement of the total pension liability for fiscal year ending:	Initial Balance	Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ (3,742)	1.0	\$ (3,742)	\$ 0
			<u>\$ (3,742)</u>	<u>\$ 0</u>
Changes in assumptions for fiscal year ending:	Initial Balance	Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ 566,865	1.0	\$ 566,865	\$ 0
			<u>\$ 566,865</u>	<u>\$ 0</u>
Differences between projected and actual earnings on pension plan investments for fiscal year ending:	Initial Balance	Amortization Period	Annual Recognition	06/30/2020 Balance
June 30, 2020	\$ 258	5.0	\$ 52	\$ 206
June 30, 2019	\$ 46,214	5.0	\$ 9,243	\$ 27,728
June 30, 2018	\$ 146,715	5.0	\$ 29,343	\$ 58,686
June 30, 2017	\$ (98,018)	5.0	\$ (19,604)	\$ (19,602)
June 30, 2016	\$ 556,650	5.0	\$ 111,330	\$ 0
			<u>\$ 130,364</u>	<u>\$ 67,018</u>

City of Marine City Employees Retirement System  
 GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020  
 Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of Assumptions	\$ 0	\$ 0
Net difference between projected and actual earnings on pension plan investments	\$ 86,620	\$ (19,602)
	<u>\$ 86,620</u>	<u>\$ (19,602)</u>

The balances as of June 30, 2020 of the deferred outflows/(inflows) of resources will be recognized in pension expense for the fiscal year ending June 30

6/30/2021	\$ 19,036
6/30/2022	\$ 38,638
6/30/2023	\$ 9,294
6/30/2024	\$ 50
6/30/2025	\$ 0
Thereafter	\$ 0

The long-term expected rate of return on pension plan investments was determined using a building -block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return</b>
Equity	49.0%	4.50%
Fixed Income	42.0%	2.00%
Alternatives	3.0%	3.90%
Cash	6.0%	0.80%
<b>Total</b>	<b>100.0%</b>	

Long-term expected rate of return is 6.00%.

Current year analysis produced an expectation of 5.76%, reasonably close to the long-term assumption.

**Discount rate**

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate of 6.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	<u>1% Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1% Increase (7.00%)</u>
Net pension liability	\$ 4,192,615	\$ 3,269,796	\$ 2,491,511

**City of Marine City Employees Retirement System**  
**GASB Nos. 67 & 68 Report as of Fiscal Year Ending June 30, 2020**  
**Schedule of Contributions**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 247,217	\$ 209,066	\$ 189,645	\$ 188,938	\$ 158,748
Contributions in relation to the actuarially determined contribution	247,245	209,928	209,928	211,847	158,748
<b>Contribution deficiency (excess)</b>	<b>\$ (28)</b>	<b>\$ (862)</b>	<b>\$ (20,283)</b>	<b>\$ (22,909)</b>	<b>\$ 0</b>
Covered-employee payroll	\$ 220,609	\$ 224,481	\$ 285,980	\$ 304,657	\$ 335,085
Contributions as a percentage of covered-employee payroll	112.07%	93.52%	73.41%	69.54%	47.38%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contribution	\$ 164,043	\$ 190,302	\$ 168,317	\$ 157,716	\$ 149,956
Contributions in relation to the actuarially determined contribution	164,043	190,302	171,849	110,871	97,480
<b>Contribution deficiency (excess)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (3,532)</b>	<b>\$ 46,845</b>	<b>\$ 52,476</b>
Covered-employee payroll	\$ 318,492	\$ 379,897	\$ 479,446	\$ 647,948	\$ 824,677
Contributions as a percentage of covered-employee payroll	51.51%	50.09%	35.84%	17.11%	11.82%

<b>Valuation Date</b>	June 30, 2020
<b>Participant and Asset Information Collected as of</b>	June 30, 2020
<b>Cost Method</b>	Individual Entry Age Cost Method % of pay
<b>Asset Valuation Method</b>	Market Value
<b>Interest Rates</b>	6.00% net of expenses The interest rate is the long-term rate of return on assets. This assumption is supported by the investment mix of the plan assets and long-term capital market return assumptions.
<b>Annual Pay Increases</b>	2.00% The annual pay increase assumption is based on recent experience and future expectations.
<b>Mortality Rates</b>	
Healthy & Disabled	Pub-2010 Mortality with generational improvements projected beginning in 2010 with Scale MP-2019 As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
<b>Marital Status and Ages</b>	100% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.

**Retirement Rates**

Rates based on age shown below.

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

**Disability Rates**

Rates based on age. Sample rates below.

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

**Withdrawal Rates**

Rates based on age and service. Sample rates below.

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



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

**Marital Status and Ages**

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

**Retirement Rates**

Rates based on age shown below.

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

**Disability Rates**

Rates based on age. Sample rates below.

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

**Withdrawal Rates**

Rates based on age and service. Sample rates below.

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

**Plan Effective Date**

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

**Fiscal Year**

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

**Eligibility for Participation**

The Plan is closed to new participants.

**Accrual of Benefits**

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

**Benefits**

**Normal Retirement**

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

Benefit Unreduced Accrued Benefit payable immediately.

**Early Retirement**

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

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

**Termination**

Eligibility 10 years of credited service.

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

### **Death Before Retirement**

Eligibility 10 years of credited service.

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

### **Disability**

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

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

### **Final Average Compensation**

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

### **Credited Service**

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

### **Employee Contributions**

5% of compensation.

**Payment Forms**

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

**Actuarial Equivalence**

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

**Cost-of-Living Allowance (COLA)**

None

**Plan Provisions Not Included**

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

**Adjustments Made for Subsequent Events**

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





nyhart

# City of Marine City Retirement System

June 30, 2020  
Actuarial Valuation Report



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## **Actuarial Certification**

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At the request of the plan sponsor, this report summarizes the Retirement System for the City of Marine City as of June 30, 2020. The purpose of this report is to communicate the following results of the valuation:

- Funded Status
- Actuarially Determined Contribution for the Fiscal Year beginning July 1, 2021

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

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

The actuarial assumptions and methods were chosen by the City. In our opinion, all actuarial assumptions and methods are individually reasonable and in combination represent our best estimate of anticipated experience of the plan. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

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

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

**Actuarial Certification**

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

Nyhart



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Nick H. Meggos, EA, FCA



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Derek Schmitt, ASA, EA, MAAA

November 6, 2020

Date



## Executive Summary

The actuarial report provides the plan sponsor with several ways to measure the funded status of the pension plan. The following detail is included in the report:

- Recommended Contribution
- Asset Performance
- Plan Demographics

This report is filled with actuarial terminology. However, the ultimate objective of the valuation is to provide a rational method of funding the plan. It is necessary to fund the benefit promised by the employer in a manner that is logical and employer friendly, yet safeguards the participants' interest. The actuarially derived contribution, however, is not the true cost of the pension plan. The true cost is illustrated by the following formula:

$$\text{Ultimate Pension Cost} = \text{Benefits Paid} - \text{Investment Income} + \text{Plan Expenses}$$

While the plan's liability and normal cost determine the current contribution recommendations, the true cost is controlled only by the "defined" benefit and investment income generated by the underlying assets. The actuarial process only controls the timing of costs.

We suggest that a plan sponsor treat the actuarial report as you would treat a scorecard. It is simply a measure of progress toward the ultimate goal of paying all pension benefits when participants retire.

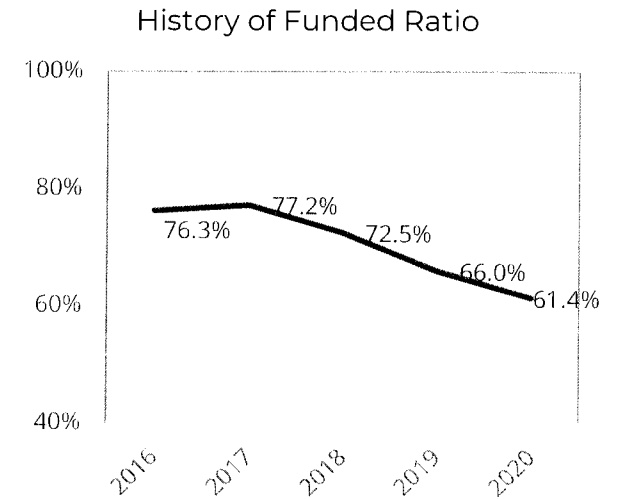


## Executive Summary

### Summary Results

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

	June 30, 2019	June 30, 2020
<b>Funded Status Measures</b>		
Accrued Liability	\$7,675,935	\$8,269,405
Actuarial Value of Assets	\$5,063,580	\$5,079,024
Unfunded Actuarial Accrued Liability (UAAL)	\$2,612,355	\$3,190,381
Funded Percentage (AVA)	65.97%	61.42%
Funded Percentage (MVA)	64.47%	60.46%
<b>Cost Measures</b>		
Recommended Contribution for Next Fiscal Year	\$322,237	\$404,383
Recommended Contribution (as a percentage of payroll)	143.5%	183.3%
<b>Asset Performance</b>		
Market Value of Assets (MVA)	\$4,948,426	\$4,999,609
Actuarial Value of Assets (AVA)	\$5,063,580	\$5,079,024
Actuarial Value/Market Value	102.3%	101.6%
Market Value Rate of Return	6.29%	6.49%
Actuarial Value Rate of Return	3.68%	5.62%
<b>Participant Information</b>		
Active Participants	3	3
Terminated Vested Participants	6	6
Retirees and Beneficiaries	26	26
Total	35	35
Payroll for Year Ending	\$224,481	\$220,609



## **Executive Summary**

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### **Changes since Prior Valuation and Key Notes**

The healthy mortality table used to measure funding liability has been updated from RP-2006 Total Mortality with generational improvements projected beginning in 2006 based on the SOA Scale MP-18 to Pub-2010 Mortality with generational improvements projected beginning in 2010 based on the SOA Scale MP-19. This change resulted in an increase in the liabilities and normal cost.

The disabled mortality table used to measure funding liability has been updated from RP-2006 Disabled Retiree Mortality with generational improvements projected beginning in 2006 based on the SOA Scale MP-18 to Pub-2010 Mortality with generational improvements projected beginning in 2010 based on the SOA Scale MP-19. This change resulted in an increase in the liabilities and normal cost.

The interest rate was changed from 6.50% to 6.00%. This change resulted in an increase in the liabilities and normal cost.

## Executive Summary

### Historical Valuation Summary

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
<b>Funding</b>					
Accrued Liability	\$6,950,695	\$6,919,054	\$7,188,213	\$7,675,935	\$8,269,405
Actuarial Value of Assets	\$5,299,897	\$5,340,534	\$5,211,041	\$5,063,580	\$5,079,024
Unfunded Actuarial Accrued Liability	\$1,650,798	\$1,578,520	\$1,977,172	\$2,612,355	\$3,190,381
Funded Percentage	76.25%	77.19%	72.49%	65.97%	61.42%
Normal Cost (NC)	\$32,617	\$38,798	\$23,076	\$19,468	\$22,918
Actual Contribution	\$158,748	\$211,847	\$209,928	\$209,928	\$247,245
Recommended Contribution	\$189,645	\$209,066	\$247,217	\$322,237	\$404,383
Interest Rate	7.25%	7.25%	7.25%	6.50%	6.00%
<b>Rate of Return</b>					
Actuarial Value of Assets	\$5,299,897	\$5,340,534	\$5,211,041	\$5,063,580	\$5,079,024
Market Value of Assets	\$4,847,088	\$5,042,689	\$4,978,666	\$4,948,426	\$4,999,609
<b>Demographic Information</b>					
Active Participants	5	5	5	3	3
Terminated Vested Participants	4	4	4	6	6
Retired Participants	22	22	22	24	24
Beneficiaries	2	2	2	2	2
Disabled Participants	0	0	0	0	0
Total Participants	33	33	33	35	35
Covered Payroll (prior year)	\$289,641	\$283,870	\$285,980	\$224,481	\$220,609
Average Covered Pay	\$57,928	\$56,774	\$57,196	\$74,827	\$73,536

## Executive Summary

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### Identification of Risks

The results presented in this report are shown as single point values. However, these values are derived using assumptions about future markets and demographic behavior. If actual experience deviates from our assumptions, the actual results for the plan will consequently deviate from those presented in this report. Therefore, it is critical to understand the risks facing this pension plan. The following table shows the risks we believe are most relevant to the Retirement System for the City of Marine City. The risks are generally ordered with those we believe to have the most significance at the top. Also shown are possible methods by which a more detailed assessment of the risk can be performed.

Type of Risk	Method to Assess Risk
Investment Return	Scenario Testing; Asset Liability Study
Interest Rates	Scenario Testing; Stochastic Modeling
Participant Longevity	Projections and Contribution Strategy
Salary Growth	Review salary history and future budgets; scenario testing
Early Retirement	Scenario Testing; Review population and retirement rates

### Plan Maturity Measures – June 30, 2020

Each pension plan has a distinct life-cycle. New plans promise future benefits to active employees and then accumulate assets to pre-fund those benefits. As the plan matures, benefits are paid and the pre-funded assets begin to decumulate until ultimately, the plan pays out all benefits. A plan's maturity has a dramatic influence on how risks should be viewed. The following maturity measures illustrate where the City of Marine City Police and Firefighter's Retirement System falls in its life-cycle.

#### **Duration of Liabilities: 11.2%**

Duration is the most common measure of plan maturity. It is defined as the sensitivity of the liabilities to a change in the interest rate assumption. The metric also approximates the weighted average length of time, in years, until benefits are expected to be paid. A plan with high duration is, by definition, more sensitive to changes in interest rates. A plan with low duration is more susceptible to risk if asset performance deviates from expectations as there would be less time to make up for market losses in adverse market environments while more favorable environments could result in trapped surplus from gains. Conversely, high duration plans can often take on more risk when investing, and low duration plans are less sensitive to interest rate fluctuations.

#### **Demographic Distribution - Ratio of Actively Accruing Participants to All Participants: 8.6%**

A plan with a high ratio is more sensitive to fluctuations in salary (if a salary-based plan) and statutory changes. A plan with a low ratio is at higher risk from demographic experience. Such a plan should pay close attention to valuation assumptions as there will be less opportunity to realize future offsetting gains or losses when current experience deviates from assumptions. Plans with a low ratio also have limited opportunities to make alterations to plan design to affect future funded status.

#### **Asset Leverage - Ratio of Payroll for Plan Participants to Market Value of Assets: 4.4%**

Younger plans typically have a large payroll base from which to draw in order to fund the plan while mature plans often have a large pool of assets dedicated to providing benefits to a population primarily consisting of members no longer on payroll. Plans with low asset leverage will find it more difficult to address underfunding, as the contributions needed to make up the deficit will represent a higher percentage of payroll than for a plan with high asset leverage.

#### **Benefit Payment Percentage - Ratio of Annual Benefit Payments to Market Value of Assets: 9.7%**

As a plan enters its decumulation phase, a larger percentage of the pre-funded assets are paid out each year to retirees. A high percentage is not cause for alarm as long as the plan is nearly fully funded. However, such a plan is more sensitive to negative asset performance, especially if cash contributions are not an option to make up for losses.



## Assets and Liabilities

The basic building blocks of the actuarial report are contained in this section. These include:

- Actuarial Accrued Liabilities
- Asset Information
- Summary of Contributions



**Assets and Liabilities**

**Present Value of Future Benefits**

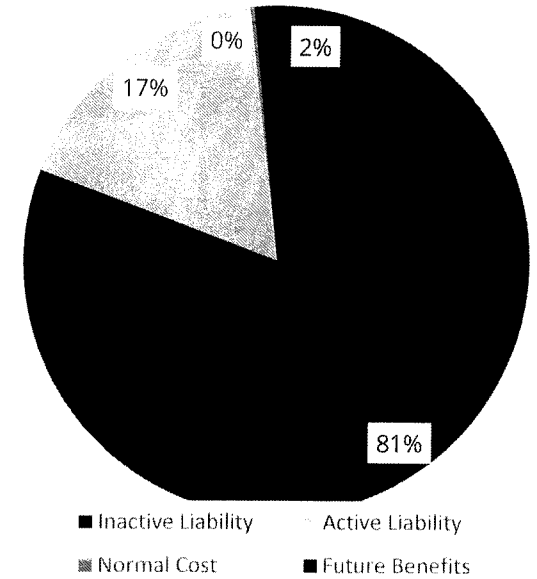
The Present Value of Future Benefits represents the future benefits payable to the existing participants.

**June 30, 2020**

**Present Value of Future Benefits**

Active participants	
Retirement	\$1,475,294
Disability	78,112
Death	25,586
Termination	44,565
Refund of contributions	0
Total active	\$1,623,557
Inactive participants	
Retired participants	\$5,324,665
Beneficiaries	87,748
Disabled participants	0
Terminated vested participants	1,389,532
Total inactive	\$6,801,945
Total	\$8,425,502
Present value of future payrolls	\$1,488,985

Breakdown of Present Value of Future Benefits



**Assets and Liabilities**

**Actuarial Accrued Liability**

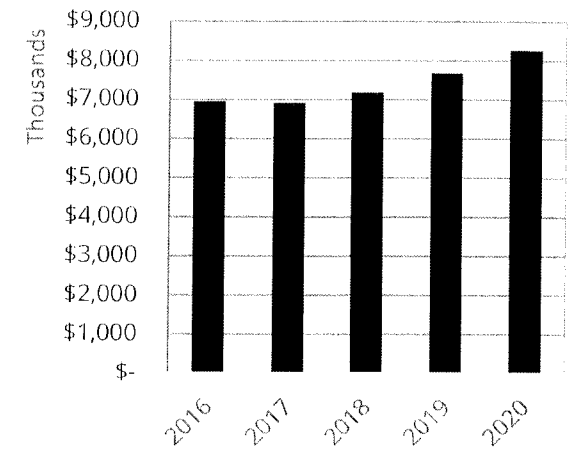
The Actuarial Accrued Liability measures the present value of benefits earned as of the valuation date, using a specified set of actuarial assumptions.

**June 30, 2020**

**Funding Liabilities - Entry Age Normal as Percent of Pay**

Active participants	
Retirement	\$1,350,588
Disability	64,964
Death	20,788
Termination	31,120
Refund of contributions	0
<b>Total Active</b>	<b>\$1,467,460</b>
Inactive participants	
Retired participants	\$5,324,665
Beneficiaries	87,748
Disabled participants	0
Terminated vested participants	1,389,532
<b>Total Inactive</b>	<b>\$6,801,945</b>
<b>Total</b>	<b>\$8,269,405</b>
Normal Cost	\$22,918
Interest Rate	6.00%

History of Liabilities

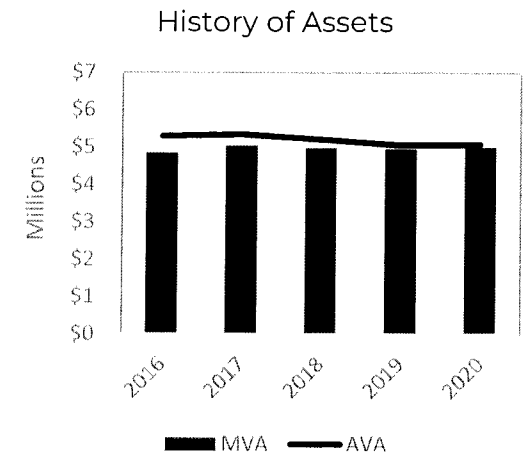


## Assets and Liabilities

### Asset Information

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

	June 30, 2020
<b>Market Value Reconciliation</b>	
Market value of assets, beginning of prior year	\$4,948,426
Contributions	
Employer contributions	247,245
Employee contributions	10,999
Total	\$258,244
Investment income	\$312,884
Administrative Expenses	(\$46,025)
Benefit payments	(\$473,920)
Market value of assets, beginning of current year	\$4,999,609
Return on Market Value	6.49%
Market value of assets available for pension benefits	\$4,999,609
<b>Actuarial Value of Assets</b>	
Value at beginning of current year	\$5,079,024



Monitoring the pension plan's investment performance is crucial to eliminating surprises.

## Assets and Liabilities

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### Asset Information (continued)

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

June 30, 2020

1. Expected Investment Income	
(a) Actuarial value of assets, beginning of prior year	\$5,063,580
(b) Employee Contributions	10,999
(c) Employer Contributions	247,245
(d) Refund of Member Contributions	0
(e) Benefit payments	473,920
(f) Administrative Expenses	46,025
(g) Expected Investment Income - end of year $[6.50\% \times (a) + 6.50\% \times (1/2) \times \{(b)+(c)-(d)-(e)-(f)\}]$	<u>\$320,627</u>
2. Market value of Investment Income, beginning of current year	\$312,884
3. Gain/Loss on market value (2)-(1g)	(\$7,743)
4. Phased-In Recognition of Investment Income	
(a) Current Year Phase in of gain/(loss) $(\{ \$7,743 \} \times .75)$	\$(5,807)
(b) First Prior Year $(\{ \$63,061 \} \times .50)$	(31,531)
(c) Second Prior Year $(\{ \$168,309 \} \times .25)$	(42,077)
(e) Total	<u>\$(79,415)</u>
5. Final market value of assets	\$4,999,609
6. Final actuarial value of assets 5-(4e)	\$5,079,024



## Funding Results

The basic building blocks of the actuarial report are contained in this section. These include:

- Reconciliation of Gain/Loss
- Recommended Contribution



## Funding Results

### Reconciliation of Gain/Loss

June 30, 2020

#### Liability (Gain)/Loss

1. Actuarial liability, beginning of prior year	\$7,675,935
2. Normal cost for prior year	19,468
3. Benefit payments	(473,920)
4. Expected Interest	484,799
5. Change in Assumptions (Mortality Update & Interest Rate)	566,865
6. Change in Plan Provisions	0
7. Expected actuarial liability, beginning of current year	\$8,273,147
8. Actual actuarial liability	8,269,405
9. Liability (Gain)/Loss, (8) – (7)	(\$3,742)

#### Asset Gain/(Loss)

10. Actuarial value of assets, beginning of prior year	\$5,063,580
11. Contributions	258,244
12. Benefit payments	(473,920)
13. Expected Investment return	322,123
14. Expected actuarial value of assets, beginning of current year	\$5,170,027
15. Actual actuarial value of assets, beginning of current year	5,079,024
16. Asset (Gain)/Loss, (14) – (15)	\$91,003

#### Total (Gain)/ Loss, (9) + (16)

\$87,261

## Funding Results

### Reconciliation of Unfunded Actuarial Accrued Liability (UAAL)

	<b>June 30, 2020</b>
1. UAAL beginning of prior year	\$2,612,355
2. Normal Cost for prior year	19,468
3. Expenses	0
4. Employer Contributions	(247,245)
5. Non-Employer Contributions	(10,999)
6. Interest	162,676
7. Expected UAAL, beginning of current year	<u>\$2,536,255</u>
8. Changes due to:	
(a) Amendments	0
(b) Assumptions	
(1) Mortality Update	176,157
(2) Interest Rate	390,708
(c) Funding Methods	0
(d) (Gain)/Loss	87,261
(e) Total	<u>\$654,126</u>
9. UAAL beginning of current year	\$3,190,381



## Funding Results

### Development of Recommended Contribution

The recommended contribution is the annual amount necessary to fund the plan according to funding policies and/or applicable laws.

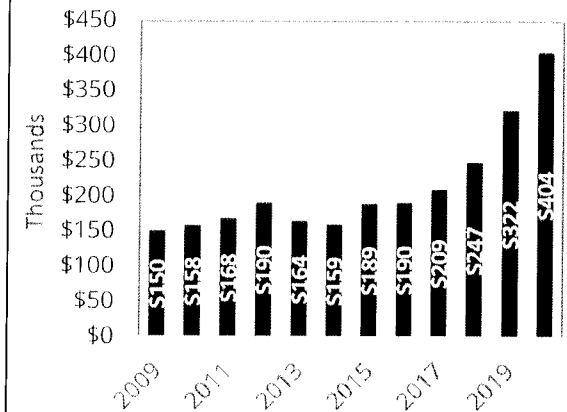
#### Funded Position

1. Entry age accrued liability	\$8,269,405
2. Actuarial value of assets	\$5,079,024
3. Unfunded actuarial accrued liability (UAAL)	\$3,190,381

#### Employer Contributions for Fiscal Year 2021

1. Normal Cost	
(a) Total normal cost	\$22,918
(b) Interest-adjusted Expected participant contributions	10,923
(c) Net normal cost	\$11,995
2. Amortization of UAAL (12 years)	358,999
3. Interest	33,389
4. Total contribution for Fiscal 2021	\$404,383
As a percentage of most recent payroll	183.3%

History of Recommended Contributions



**Funding Results**

**Michigan PA 202 Reporting Requirements**

**June 30, 2020**

<b>Funding Assumptions</b>	<b>Plan Assumptions</b>	<b>State Treasury Uniform Assumptions</b>
<b>Funded Ratio</b>		
Interest Rate	6.00%	6.00%
Mortality	Pub-2010 Mortality with SOA Scale MP-19	Pub-2010 Mortality with SOA Scale MP-18
Salary Scale	2.00%	3.50%
Accrued Liability	\$8,269,405	\$8,338,887
Market Value of Assets	\$4,999,609	\$4,999,609
Unfunded Accrued Liability, MVA Basis	\$3,269,796	\$3,339,278
<b>Funded Percentage (MVA)</b>	<b>60.46%</b>	<b>59.96%</b>
Underfunded Status	Not underfunded	Underfunded
Actuarially Determined Contribution	\$404,383	\$420,507



## Data, Assumptions, and Plan Provisions

- Demographic Information
- Plan Provisions
- Assumptions and Methods



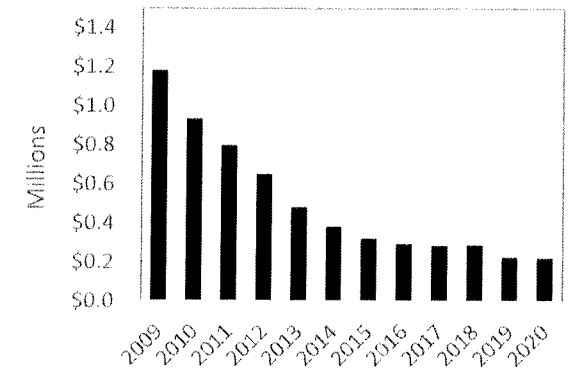
## Data, Assumptions, and Plan Provisions

### Demographic Information

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

	June 30, 2019	June 30, 2020
<b>Participant Counts</b>		
Active Participants	3	3
Retired Participants	24	24
Beneficiaries	2	2
Disabled Participants	0	0
Terminated Vested Participants	6	6
Total Participants	35	35
<b>Active Participant Demographics (Ongoing)</b>		
Average Age	50.0	51.0
Average Service	26.1	27.1
Average Compensation	\$74,827	\$73,536
Covered Payroll for Year Ending	\$224,481	\$220,609
Total Payroll for Year Ending	\$224,481	\$220,609

History of Covered Payroll



Demographic Information (continued)

	June 30, 2019	June 30, 2020
<b>Retiree Statistics</b>		
Average Age	68.2	69.2
Average Monthly Benefit	\$1,585	\$1,585
<b>Beneficiary Statistics</b>		
Average Age	84.5	85.5
Average Monthly Benefit	\$705	\$705
<b>Disabled Participant Statistics</b>		
Average Age	N/A	N/A
Average Monthly Benefit	N/A	N/A
<b>Terminated Vested Participant Statistics</b>		
Average Age	54.4	55.4
Average Monthly Benefit	\$1,726	\$1,726

Monitoring the average age of the population is important due to the relationship of actuarial cost to age. Generally speaking, an older population generates a higher actuarial cost.

Changes in the ratio of active to retired participants can be a significant driver of costs in a volatile asset market.

Data, Assumptions, and Plan Provisions

Participant Reconciliation

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Totals
<b>Prior Year</b>	3	6	0	24	2	35
<b>Active</b>						
To Retired	0	0	0	0	0	0
To Terminated Vested	0	0	0	0	0	0
<b>Terminated Vested</b>						
To Retired	0	0	0	0	0	0
<b>Retired</b>						
To Survivor	0	0	0	0	0	0
To Death	0	0	0	0	0	0
<b>Survivor</b>						
To Death	0	0	0	0	0	0
<b>Additions</b>	0	0	0	0	0	0
<b>Departures</b>	0	0	0	0	0	0
<b>Current Year</b>	3	6	0	24	2	35

Active Participant Schedule

Active participant information grouped based on age and service.

Age Group	Years of Service									Total
	0 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										0
55 to 59								1		1
60 to 64										0
65 to 69										0
70 & up										0
Total	0	0	0	1	1	0	0	1	0	3

## **Data, Assumptions, and Plan Provisions**

---

### **Plan Effective Date**

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

### **Fiscal Year**

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

### **Eligibility for Participation**

The Plan is closed to new participants.

### **Accrual of Benefits**

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

## **Benefits**

### **Normal Retirement**

Eligibility	Attainment of age 55 with 25 or more years of credited service or age 60 and 10 or more years of credited service.
Benefit	Unreduced Accrued Benefit payable immediately.

### **Early Retirement**

Eligibility	Attainment of age 55 with 15 or more years of credited service.
Benefit	The early retirement benefit shall be equal to the participant's Accrued Benefit, reduced by 0.5% for each month by which the date of benefit commencement precedes the attainment of age 60.

### **Termination**

Eligibility	10 years of credited service.
Benefit	The participant's Accrued Benefit payable at age 60.



## Data, Assumptions, and Plan Provisions

---

### Death Before Retirement

Eligibility	10 years of credited service.
Benefit	If a participant dies after becoming vested but prior to commencement of benefit, the spouse or beneficiary will receive a benefit as if the participant had retired under the joint and 100% survivor option. The beneficiary may elect to receive a lump sum payment in lieu of monthly benefits.

### Disability

Eligibility	Totally and permanently disabled at a time prior to normal retirement date after completion of 10 years of credited service.
Benefit	Accrued Benefit payable immediately, reduced for any earning from gainful employment, worker's compensation or unemployment payments.

### Final Average Compensation

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

### Credited Service

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

### Employee Contributions

5% of compensation.

## **Data, Assumptions, and Plan Provisions**

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### **Payment Forms**

Normal Form      Single Life Annuity

Optional Forms    50% or 100% Joint and Survivor Annuity

                         Social Security Adjustment Annuity

### **Actuarial Equivalence**

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

### **Cost-of-Living Allowance (COLA)**

None

### **Plan Provisions Not Included**

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

### **Adjustments Made for Subsequent Events**

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

## Data, Assumptions, and Plan Provisions

---

<b>Valuation Date</b>	June 30, 2020
<b>Participant and Asset Information Collected as of</b>	June 30, 2020
<b>Cost Method</b>	Individual Entry Age Cost Method % of pay
<b>Amortization Method</b>	12 year closed level dollar amortization of Unfunded Actuarial Accrued Liability
<b>Asset Valuation Method</b>	4 year smoothing of asset gains and losses
<b>Interest Rates</b>	6.00% net of expenses The interest rate is the long-term rate of return on assets. This assumption is supported by the investment mix of the plan assets and long-term capital market return assumptions.
<b>Annual Pay Increases</b>	2.00% The annual pay increase assumption is based on recent experience and future expectations.
<b>Mortality Rates</b>	
Healthy & Disabled	Pub-2010 Mortality with generational improvements projected beginning in 2010 with Scale MP-2019  As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
<b>Marital Status and Ages</b>	100% of Participants assumed to be married with wives assumed to be 3 years younger than husbands.

**Retirement Rates**

Rates based on age shown below.

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

**Disability Rates**

Rates based on age. Sample rates below.

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

**Withdrawal Rates**

Rates based on age and service. Sample rates below.

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



ENTERED  
DEC 22 2020

RECEIVED  
DEC 21 2020  
City of Marine City

MARY ELLEN MCDONALD  
CITY OF MARINE CITY  
303 S WATER ST  
MARINE CITY, MI 48039

November 30, 2020  
Invoice No: 0164097

Project 652401.DBACC.GAS2020  
CITY OF MARINE CITY\_\_GASB

Actuarial and Administrative Services from November 1, 2020 to November 30, 2020

Services Provided:

2020 GASB Report

Total this Invoice

\$2,200.00 ✓

731,000.00 - 801,000  
Meghan A Peane

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



ENTERED  
12/22/2020

RECEIVED  
DEC 21 2020

City of Marine City

MARY ELLEN MCDONALD  
CITY OF MARINE CITY  
303 S WATER ST  
MARINE CITY, MI 48039

November 30, 2020  
Invoice No: 0164098

Project 652401.DBVAL.ONG2020  
CITY OF MARINE CITY\_\_ONGOING

**Actuarial and Administrative Services from November 1, 2020 to November 30, 2020**

Services Provided:

6/30/2020 Valuation completion

Total this Invoice \$2,300.00 ✓

731.000 000-801.000

in equal parts

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



**City of Marine City**

# Memo

To: Elaine Leven, City Manager

From: Megan Pearce, Finance Director/Treasurer

Date 01/19/2021

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR OCTOBER 2020**

---

Please include the attached **Preliminary Financial Statements for October 2020** on the agenda of the next Pension Board Meeting January 26, 2021. If you have any questions, please contact me.

Thank You

BALANCE SHEET FOR CITY OF MARINE CITY  
Period Ending 10/31/2020  
PRELIMINARY FINANCIAL STATEMENTS - OCTOBER 2020

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	90,910.20
731-000.000-017.000	INVESTMENT IN SECURITIES	5,079,631.17
<b>Total Assets</b>		<b>5,170,541.37</b>
*** Liabilities ***		
731-000.000-200.000	ACCOUNTS PAYABLE	4,000.00
<b>Total Liabilities</b>		<b>4,000.00</b>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	4,999,609.05
<b>Total Fund Balance</b>		<b>4,999,609.05</b>
<b>Beginning Fund Balance</b>		<b>4,999,609.05</b>
<b>Net of Revenues VS Expenditures</b>		<b>166,932.32</b>
<b>Ending Fund Balance</b>		<b>5,166,541.37</b>
<b>Total Liabilities And Fund Balance</b>		<b>5,170,541.37</b>

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 10/31/2020  
 % Fiscal Year Completed: 33.70

PRELIMINARY FINANCIAL STATEMENTS - OCTOBER 2020

GL NUMBER	DESCRIPTION	2020-21		YTD BALANCE	ACTIVITY FOR		ENCUMBERED	UNENCUMBERED	% BDGT
		ORIGINAL	2020-21	10/31/2020	MONTH 10/31/2	YEAR-TO-DATE			
		BUDGET	AMENDED BUDGE	NORM (ABNORM)	INCR (DECR)				
Fund 731 - MARINE CITY RETIREMENT SYSTEM									
Revenues									
Dept 000.000									
731-000.000-665.000	INTEREST	0.00	0.00	29,104.64	4,021.09	0.00	(29,104.64)	100.00	
731-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	207,378.99	(54,001.39)	0.00	(207,378.99)	100.00	
731-000.000-683.000	EMPLOYEE CONTRIBUTIONS	0.00	0.00	3,754.48	1,257.58	0.00	(3,754.48)	100.00	
731-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	107,412.36	26,853.09	0.00	(107,412.36)	100.00	
Total Dept 000.000		0.00	0.00	347,650.47	(21,869.63)	0.00	(347,650.47)	100.00	
TOTAL REVENUES		0.00	0.00	347,650.47	(21,869.63)	0.00	(347,650.47)	100.00	
Expenditures									
Dept 000.000									
731-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	4,000.00	0.00	0.00	(4,000.00)	100.00	
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	18,953.91	9,685.51	0.00	(18,953.91)	100.00	
731-000.000-874.000	RETIREMENT BENEFITS TO RETIRE	0.00	0.00	151,825.80	37,956.45	0.00	(151,825.80)	100.00	
731-000.000-874.001	RETIREMENT BENEFITS (NON TAXA	0.00	0.00	5,938.44	1,484.61	0.00	(5,938.44)	100.00	
Total Dept 000.000		0.00	0.00	180,718.15	49,126.57	0.00	(180,718.15)	100.00	
TOTAL EXPENDITURES		0.00	0.00	180,718.15	49,126.57	0.00	(180,718.15)	100.00	
Fund 731 - MARINE CITY RETIREMENT SYSTEM:									
TOTAL REVENUES		0.00	0.00	347,650.47	(21,869.63)	0.00	(347,650.47)	100.00	
TOTAL EXPENDITURES		0.00	0.00	180,718.15	49,126.57	0.00	(180,718.15)	100.00	
NET OF REVENUES & EXPENDITURES		0.00	0.00	166,932.32	(70,996.20)	0.00	(166,932.32)	100.00	

# Memo

To: Elaine Leven, City Manager

From: Megan Pearce, Finance Director/Treasurer

Date 01/19/2021

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR NOVEMBER 2020**

---

Please include the attached **Preliminary Financial Statements for November 2020** on the agenda of the next Pension Board Meeting January 26, 2021. If you have any questions, please contact me.

Thank You

BALANCE SHEET FOR CITY OF MARINE CITY  
Period Ending 11/30/2020  
PRELIMINARY FINANCIAL STATEMENTS - NOVEMBER 2020

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	80,628.60
731-000.000-017.000	INVESTMENT IN SECURITIES	5,483,392.22
<b>Total Assets</b>		<b>5,564,020.82</b>
*** Liabilities ***		
731-000.000-200.000	ACCOUNTS PAYABLE	8,500.00
<b>Total Liabilities</b>		<b>8,500.00</b>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	4,999,609.05
<b>Total Fund Balance</b>		<b>4,999,609.05</b>
<b>Beginning Fund Balance</b>		<b>4,999,609.05</b>
<b>Net of Revenues VS Expenditures</b>		<b>555,911.77</b>
<b>Ending Fund Balance</b>		<b>5,555,520.82</b>
<b>Total Liabilities And Fund Balance</b>		<b>5,564,020.82</b>

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 11/30/2020  
 % Fiscal Year Completed: 41.92

PRELIMINARY FINANCIAL STATEMENTS - NOVEMBER 2020

GL NUMBER	DESCRIPTION	2020-21		YTD BALANCE	ACTIVITY FOR		ENCUMBERED	UNENCUMBERED	% BDGT
		ORIGINAL	2020-21	11/30/2020	MONTH 11/30/2	YEAR-TO-DATE			
		BUDGET	AMENDED BUDGE	NORM (ABNORM)	INCR (DECR)				
Fund 731 - MARINE CITY RETIREMENT SYSTEM									
Revenues									
Dept 000.000									
731-000.000-665.000	INTEREST	0.00	0.00	33,639.34	4,534.70	0.00	(33,639.34)	100.00	
731-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	606,602.53	399,223.54	0.00	(606,602.53)	100.00	
731-000.000-683.000	EMPLOYEE CONTRIBUTIONS	0.00	0.00	4,163.24	408.76	0.00	(4,163.24)	100.00	
731-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	134,265.45	26,853.09	0.00	(134,265.45)	100.00	
Total Dept 000.000		0.00	0.00	778,670.56	431,020.09	0.00	(778,670.56)	100.00	
TOTAL REVENUES		0.00	0.00	778,670.56	431,020.09	0.00	(778,670.56)	100.00	
Expenditures									
Dept 000.000									
731-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	8,500.00	4,500.00	0.00	(8,500.00)	100.00	
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	18,950.49	(3.42)	0.00	(18,950.49)	100.00	
731-000.000-874.000	RETIREMENT BENEFITS TO RETIRE	0.00	0.00	187,885.25	36,059.45	0.00	(187,885.25)	100.00	
731-000.000-874.001	RETIREMENT BENEFITS (NON TAXA	0.00	0.00	7,423.05	1,484.61	0.00	(7,423.05)	100.00	
Total Dept 000.000		0.00	0.00	222,758.79	42,040.64	0.00	(222,758.79)	100.00	
TOTAL EXPENDITURES		0.00	0.00	222,758.79	42,040.64	0.00	(222,758.79)	100.00	
Fund 731 - MARINE CITY RETIREMENT SYSTEM:									
TOTAL REVENUES		0.00	0.00	778,670.56	431,020.09	0.00	(778,670.56)	100.00	
TOTAL EXPENDITURES		0.00	0.00	222,758.79	42,040.64	0.00	(222,758.79)	100.00	
NET OF REVENUES & EXPENDITURES		0.00	0.00	555,911.77	388,979.45	0.00	(555,911.77)	100.00	

# Memo

To: Elaine Leven, City Manager

From: Megan Pearce, Finance Director/Treasurer

Date 01/19/2021

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR DECEMBER 2020**

---

Please include the attached **Preliminary Financial Statements for December 2020** on the agenda of the next Pension Board Meeting January 26, 2021. If you have any questions, please contact me.

Thank You



BALANCE SHEET FOR CITY OF MARINE CITY  
Period Ending 12/31/2020  
PRELIMINARY FINANCIAL STATEMENTS - DECEMBER 2020

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	71,145.57
731-000.000-017.000	INVESTMENT IN SECURITIES	5,646,141.53
<b>Total Assets</b>		<b>5,717,287.10</b>
*** Liabilities ***		
731-000.000-200.000	ACCOUNTS PAYABLE	8,500.00
<b>Total Liabilities</b>		<b>8,500.00</b>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	4,999,609.05
<b>Total Fund Balance</b>		<b>4,999,609.05</b>
<b>Beginning Fund Balance</b>		<b>4,999,609.05</b>
<b>Net of Revenues VS Expenditures</b>		<b>709,178.05</b>
<b>Ending Fund Balance</b>		<b>5,708,787.10</b>
<b>Total Liabilities And Fund Balance</b>		<b>5,717,287.10</b>

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 12/31/2020  
 % Fiscal Year Completed: 50.41

PRELIMINARY FINANCIAL STATEMENTS - DECEMBER 2020

GL NUMBER	DESCRIPTION	2020-21		YTD BALANCE	ACTIVITY FOR		ENCUMBERED	UNENCUMBERED	% BDGT
		ORIGINAL	2020-21	12/31/2020	MONTH 12/31/2	INCR (DECR)			
		BUDGET	AMENDED BUDGE	NORM (ABNORM)					
Fund 731 - MARINE CITY RETIREMENT SYSTEM									
Revenues									
Dept 000.000									
731-000.000-665.000	INTEREST	0.00	0.00	50,540.22	16,900.88		0.00	(50,540.22)	100.00
731-000.000-669.000	INVESTMENT GAINS/LOSSES-REALI	0.00	0.00	113,202.53	113,202.53		0.00	(113,202.53)	100.00
731-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	639,245.62	32,643.09		0.00	(639,245.62)	100.00
731-000.000-683.000	EMPLOYEE CONTRIBUTIONS	0.00	0.00	5,370.66	1,207.42		0.00	(5,370.66)	100.00
731-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	161,118.54	26,853.09		0.00	(161,118.54)	100.00
Total Dept 000.000		0.00	0.00	969,477.57	190,807.01		0.00	(969,477.57)	100.00
TOTAL REVENUES		0.00	0.00	969,477.57	190,807.01		0.00	(969,477.57)	100.00
Expenditures									
Dept 000.000									
731-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	8,500.00	0.00		0.00	(8,500.00)	100.00
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	18,947.16	(3.33)		0.00	(18,947.16)	100.00
731-000.000-874.000	RETIREMENT BENEFITS TO RETIRE	0.00	0.00	223,944.70	36,059.45		0.00	(223,944.70)	100.00
731-000.000-874.001	RETIREMENT BENEFITS (NON TAXA	0.00	0.00	8,907.66	1,484.61		0.00	(8,907.66)	100.00
Total Dept 000.000		0.00	0.00	260,299.52	37,540.73		0.00	(260,299.52)	100.00
TOTAL EXPENDITURES		0.00	0.00	260,299.52	37,540.73		0.00	(260,299.52)	100.00
Fund 731 - MARINE CITY RETIREMENT SYSTEM:									
TOTAL REVENUES		0.00	0.00	969,477.57	190,807.01		0.00	(969,477.57)	100.00
TOTAL EXPENDITURES		0.00	0.00	260,299.52	37,540.73		0.00	(260,299.52)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	709,178.05	153,266.28		0.00	(709,178.05)	100.00