

# 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>

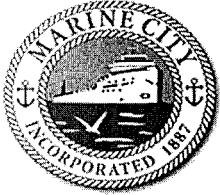
Meeting ID: 820 2973 7552

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 Retiree Health Care

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 – Retiree Health Care Plan Meeting
  8. **UNFINISHED BUSINESS**
    - A. Retiree Healthcare Eligibility
  9. **NEW BUSINESS**
  10. **FINANCIAL BUSINESS**
    - A. Investment Performance – Review by John Firek
      - Recommended Investment Change
    - B. GASB 74/75 Actuarial Valuation – Year Ending June 30, 2020
    - C. Invoice Approval:
      - Nyhart Invoice #0163802 in the amount of \$5,000
    - D. Preliminary Financial Statements
11. **ADJOURNMENT**

**City of Marine City  
Pension Board - Retiree Health Care Plan  
October 27, 2020**

A regular meeting of the Pension Board - Retiree Health Care 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 5:28 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.

**Approve Agenda**

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

**Open Discussion**

None.

**Approve Minutes**

Motion by Board Member Itrich, seconded by Board Member Klieman, to approve the Minutes of the Regular Pension Board - Retiree Health Care Plan Meeting of July 28, 2020. All Ayes. Motion Carried.

**Unfinished Business**

Retiree Eligibility

As a follow-up from the July 28, 2020 meeting, Treasurer Peace provided a list of retiree's receiving a pension and a list of those who were receiving healthcare.

Board Member Klieman, who had initiated the request, provided several names of people to investigate and said he did not believe they qualified for healthcare because they were not participating in the retirement fund but were part of ICMA:

- Karen Ameal (employee Jack Ameal)
- Rick Ames

He also named the following as being over 65 years and said they should be on Blue Care Network:

- Paul McAlpine
- Rick Nichols

Mr. Klieman requested that a review be completed of the ages of other retirees to be sure none were missed. In addition, he asked how same sex couples were being addressed in the ordinance, and stated that the refunds from Blue Cross should be divided up among retirees.

### **New Business**

None.

### **Financial Business**

#### Raymond James Agreement

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

#### Investment Performance ~ Review by John Firek

Financial Consultant, John Firek, reviewed the Performance Analysis Summary, dated October 19, 2020. He reported the following:

- Total Market Value was \$257,807
- Total withdrawal amount was \$246,245
- Total Contributions was \$263,817
- Pension Plan Holdings year-to-date annualized performance was 4.16%
- Portfolio consisted of:

- 24.61% Cash & Cash Alternatives
- 24.16% Fixed Income
- 48.83% Equity
- 2.28% Alternative Investments
- 0.12% Non-Classified

Mr. Firek recommended the City specify a dollar amount to keep in cash and move the remaining amounts into equity. He stated that the current percentage of cash was not earning anything.

City Manager Leven expressed concern about the cost of healthcare and said she didn't want to worry about not being able to pay the bills and needed a minimum of six months expenditures for safety net.

Mr. Firek to work with Treasurer Pearce on cash percentage to incorporate into the Investment Policy.

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

#### **Adjournment**

Motion by Board Member Itrich, seconded by City Manager Leven, to adjourn at 6:01 pm. All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter  
City Clerk

**RAYMOND JAMES®**

# Portfolio Review

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

**John R. Firek, AAMS®**

248.276.2805

**Report Listing**

<b>Report Name</b>	<b>Page</b>
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**Account Listing**

<b>Raymond James</b>	<b>Account Number</b>	<b>Account Type</b>	<b>Market Value (\$)</b>
Marine City Retiree's Healthcare	xxxxx090	Other	313,913.74
<b>Total Market Value</b>			<b>\$313,913.74</b>
 <b>Total Portfolio</b>			 <b>\$313,913.74</b>

# Contributions and Withdrawals as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Retiree's Healthcare // xxxxx090

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	\$22,956.11	\$265,530.09	(\$242,573.98)
Securities	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$22,956.11</b>	<b>\$265,530.09</b>	<b>(\$242,573.98)</b>

## Contributions and Withdrawals Detail

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

Marine City Retiree's Healthcare // xxxxx090

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
1/2/20	Withdrawal	Activity		0.000		(\$18,881.71)
1/2/20	Withdrawal	Activity		0.000		(\$19,117.15)
1/21/20	Deposit	Activity		0.000	\$5,420.67	
1/21/20	Deposit	Activity		0.000	\$5,420.67	
1/21/20	Deposit	Activity		0.000	\$13,461.04	
1/21/20	Deposit	Activity		0.000	\$13,461.04	
1/22/20	Withdrawal	Activity		0.000		(\$1,938.00)
1/22/20	Withdrawal	Activity		0.000		(\$7,525.86)
1/23/20	Withdrawal	Activity		0.000		(\$20,603.75)
4/1/20	Other Expense	Activity		0.000		\$0.00
4/30/20	Deposit	Activity		0.000	\$2,400.00	
4/30/20	Withdrawal	Activity		0.000		(\$20,168.97)
4/30/20	Withdrawal	Activity		0.000		(\$19,117.15)



# Contributions and Withdrawals as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Retiree's Healthcare // xxxxx090

John R. Firek, AAMS®  
248.276.2805

## Contributions and Withdrawals Detail *(continued)*

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

Marine City Retiree's Healthcare // xxxxx090 *(continued)*

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
4/30/20	Withdrawal	Activity		0.000		(\$19,853.66)
5/4/20	Deposit	Activity		0.000	\$14,086.27	
5/4/20	Deposit	Activity		0.000	\$13,618.00	
5/4/20	Deposit	Activity		0.000	\$5,767.39	
5/4/20	Deposit	Activity		0.000	\$13,618.00	
5/4/20	Deposit	Activity		0.000	\$5,499.15	
5/4/20	Deposit	Activity		0.000	\$5,499.15	
5/27/20	Withdrawal	Activity		0.000		(\$9,968.60)
5/27/20	Withdrawal	Activity		0.000		(\$8,262.37)
5/29/20	Withdrawal	Activity		0.000		(\$1,938.00)
6/22/20	Deposit	Activity		0.000	\$14,401.58	
6/22/20	Deposit	Activity		0.000	\$5,767.39	
6/22/20	Deposit	Activity		0.000	\$14,401.58	
6/22/20	Deposit	Activity		0.000	\$5,767.39	
7/1/20	Withdrawal	Activity		0.000		(\$5,725.95)
7/1/20	Withdrawal	Activity		0.000		(\$9,968.60)
7/1/20	Withdrawal	Activity		0.000		(\$1,938.00)
7/16/20	Withdrawal	Activity		0.000		(\$8,262.37)
7/16/20	Withdrawal	Activity		0.000		(\$9,968.60)
7/20/20	Deposit	Activity		0.000	\$12,000.00	

# Contributions and Withdrawals as of Dec 31, 2020

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Marine City Retiree's Healthcare // xxxxx090

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## Contributions and Withdrawals Detail *(continued)*

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

Marine City Retiree's Healthcare // xxxxx090 *(continued)*

Transaction Date	Transaction Type	Description	Symbol/ CUSIP	Quantity	Contributions	Withdrawals
7/22/20	Deposit	Activity		0.000	\$4,849.62	
7/22/20	Deposit	Activity		0.000	\$12,782.93	
7/29/20	Withdrawal	Activity		0.000		(\$1,938.00)
8/6/20	Withdrawal	Activity		0.000		(\$1,938.00)
8/7/20	Deposit	Activity		0.000	\$17,059.30	
8/26/20	Withdrawal	Activity		0.000		(\$8,262.37)
9/2/20	Withdrawal	Activity		0.000		(\$9,968.60)
9/9/20	Withdrawal	Activity		0.000		(\$1,938.00)
9/24/20	Deposit	Activity		0.000	\$20,168.97	
9/24/20	Withdrawal	Activity		0.000		(\$8,262.37)
10/2/20	Withdrawal	Activity		0.000		(\$9,968.60)
10/2/20	Withdrawal	Activity		0.000		(\$1,938.00)
10/21/20	Withdrawal	Activity		0.000		(\$8,262.37)
11/2/20	Deposit	Activity		0.000	\$5,767.39	
11/2/20	Deposit	Activity		0.000	\$14,401.58	
11/3/20	Withdrawal	Activity		0.000		(\$6,858.93)
12/30/20	Deposit	Activity		0.000	\$39,910.98	
<b>Total</b>					<b>\$265,530.09</b>	<b>(\$242,573.98)</b>

# Fees and Expenses as of Dec 31, 2020

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Marine City Retiree's Healthcare // xxxxx090

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248.276.2805

## Fees and Expenses Summary

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

	Total
Management Fees	(\$2,361.93)
Account Expenses	\$0.00
<b>Total</b>	<b>(\$2,361.93)</b>

## Fees and Expenses Detail

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

Marine City Retiree's Healthcare // xxxxx090

Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
1/22/20	Management Fee	Activity	(\$641.78)	
1/31/20	Management Fee	Activity	\$0.38	
2/28/20	Management Fee	Activity	\$0.38	
3/27/20	Management Fee	Activity	\$0.35	
4/1/20	Other Expense	Activity		\$0.00
4/15/20	Management Fee	Activity	(\$492.37)	
4/24/20	Management Fee	Activity	\$0.36	
5/29/20	Management Fee	Activity	\$0.35	
6/26/20	Management Fee	Activity	\$0.37	
7/22/20	Management Fee	Activity	(\$585.42)	
7/31/20	Management Fee	Activity	\$0.36	
8/28/20	Management Fee	Activity	\$0.38	
9/25/20	Management Fee	Activity	\$0.38	
10/21/20	Management Fee	Activity	(\$646.79)	

# 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 Retiree's Healthcare // xxxxx090 *(continued)*

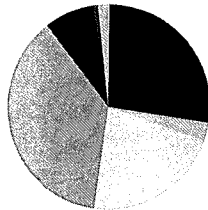
Transaction Date	Transaction Type	Description	Management Fees	Account Expenses
10/30/20	Management Fee	Activity	\$0.37	
11/27/20	Management Fee	Activity	\$0.38	
12/28/20	Management Fee	Activity	\$0.37	
<b>Total</b>			<b>(\$2,361.93)</b>	<b>\$0.00</b>

Marine City Retiree's Healthcare // xxxxx090

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### Asset Allocation

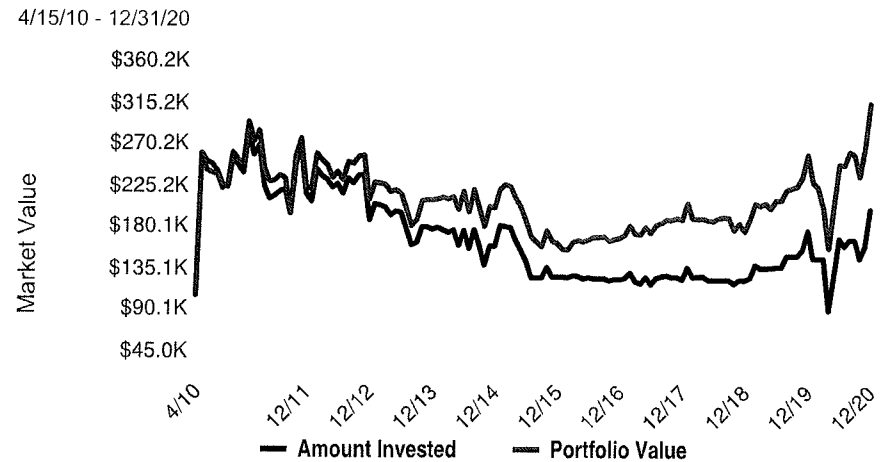
	Market Value (\$)	% of Portfolio
<b>Cash &amp; Cash Alternatives</b>	<b>94,864.90</b>	<b>30.22%</b>
Cash*	86,070.78	27.42%
Cash Alternatives	8,794.12	2.80%
<b>Fixed Income</b>	<b>68,651.23</b>	<b>21.87%</b>
<b>Equity</b>	<b>144,778.73</b>	<b>46.12%</b>
U.S. Equity	117,505.25	37.43%
Non U.S. Equity	24,920.38	7.94%
Real Estate	2,174.85	0.69%
Equity Other	178.25	0.06%
<b>Alternative Investments</b>	<b>5,336.35</b>	<b>1.70%</b>
<b>Allocation Strategies</b>	<b>0.00</b>	<b>0.00%</b>
<b>Non-Classified</b>	<b>282.56</b>	<b>0.09%</b>
<b>Total Portfolio</b>	<b>\$313,913.74</b>	<b>100%</b>



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

\*\$84,454.01 is held in cash and cash sweep products

### Value Over Time



### Gains and Losses

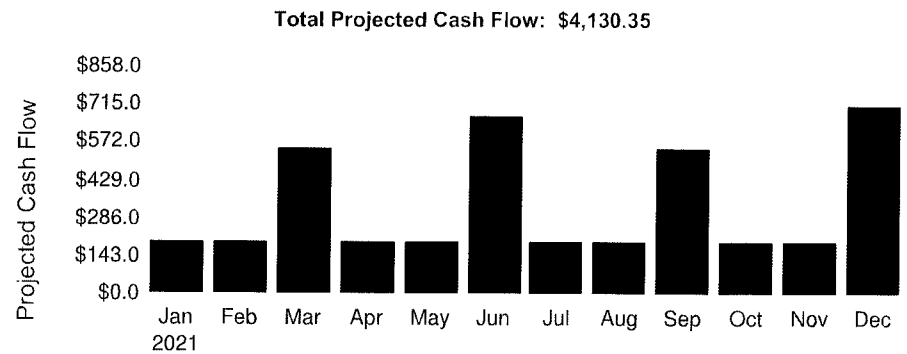
#### Unrealized Gain/Loss

	Gain (\$)	Loss (\$)	Total (\$)
Short Term	2,594.10	(18.43)	2,575.67
Long Term	33,022.36	(1,838.88)	31,183.48
<b>Total</b>	<b>\$35,616.46</b>	<b>(\$1,857.30)</b>	<b>\$33,759.16</b>

#### Realized Gain/Loss

1/1/20 - 12/31/20	Gain (\$)	Loss (\$)	Total (\$)
Short Term	265.81	(1,624.42)	(1,358.61)
Long Term	0.00	0.00	0.00
<b>Total</b>	<b>\$265.81</b>	<b>(\$1,624.42)</b>	<b>(\$1,358.61)</b>

### Projected Cash Flow



# Value Over Time as of Dec 31, 2020

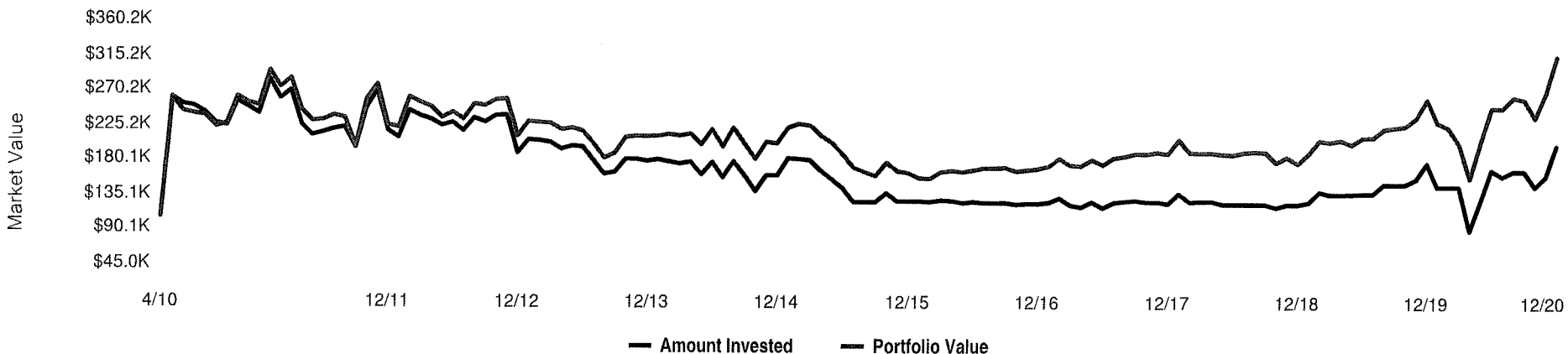
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## Value Over Time

4/15/10 - 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>\$104,265.17</b>	<b>\$94,499.58</b>	<b>\$87,881.15</b>	<b>\$27,267.85</b>	<b>\$313,913.75</b>	<b>\$115,149.00</b>		<b>4.89%</b>
Year to Date (12/31/2019 - 12/31/2020)	\$258,189.89	\$22,956.11	\$10,213.06	\$22,554.68	\$313,913.75	\$32,767.74	12.92%	4.89%
2019	\$174,756.77	\$54,021.02	\$7,047.86	\$22,364.24	\$258,189.89	\$29,412.10	15.25%	4.10%
2018	\$187,343.82	(\$896.04)	\$14,002.34	(\$25,693.35)	\$174,756.77	(\$11,691.01)	(5.84%)	2.89%
2017	\$167,415.25	\$55.39	\$9,030.36	\$10,842.82	\$187,343.82	\$19,873.18	11.98%	4.08%
2016	\$161,864.22	(\$2,538.70)	\$5,594.80	\$2,494.93	\$167,415.25	\$8,089.73	4.81%	2.96%
2015	\$200,019.76	(\$33,300.47)	\$6,853.64	(\$11,708.71)	\$161,864.22	(\$4,855.07)	(3.43%)	2.64%
2014	\$208,741.11	(\$18,284.62)	\$8,170.36	\$1,392.91	\$200,019.76	\$9,563.27	4.87%	3.97%
2013	\$209,044.83	(\$10,313.17)	\$6,288.81	\$3,720.64	\$208,741.11	\$10,009.45	5.20%	3.73%

# Value Over Time as of Dec 31, 2020

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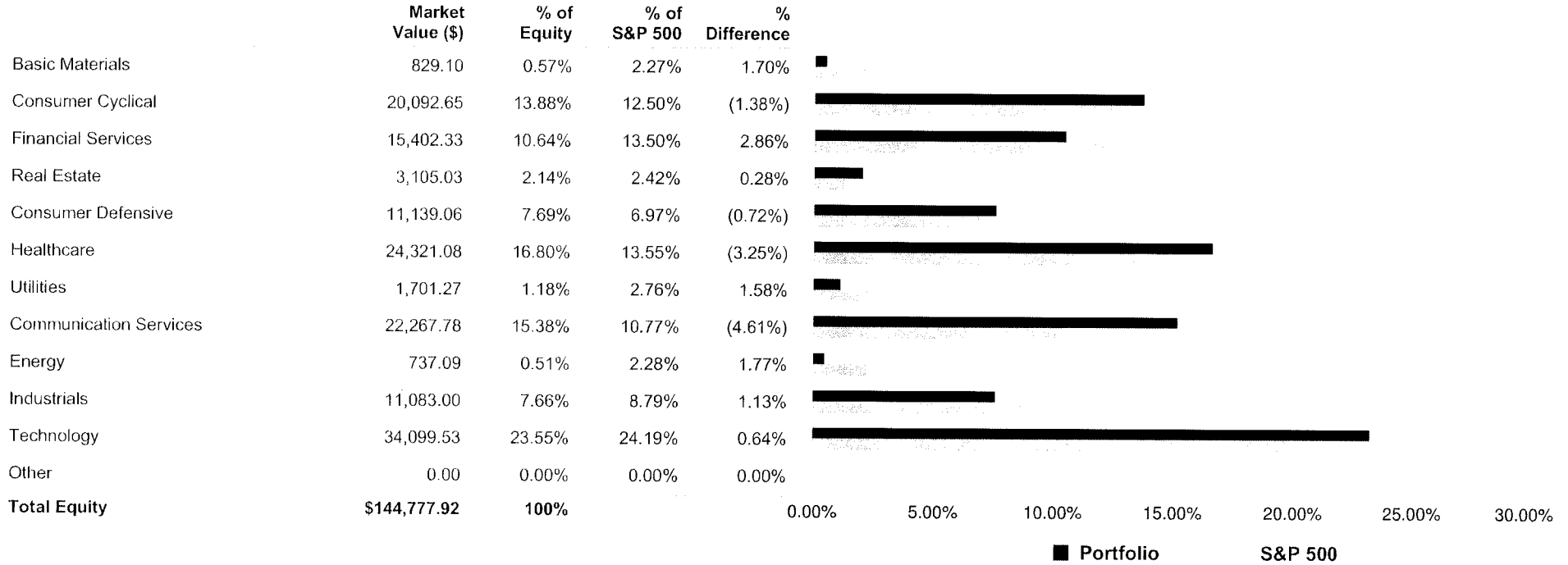
	Beginning Market Value	Contributions/ Withdrawals	Income	Change in Market Value	Ending Market Value	Investment Results	Time-Weighted (Net of Fees) Performance	Annualized* Performance
2012	\$222,754.91	(\$28,409.21)	\$7,119.93	\$7,579.20	\$209,044.83	\$14,699.13	6.40%	3.19%
2011	\$248,124.54	(\$22,320.55)	\$7,396.26	(\$10,445.34)	\$222,754.91	(\$3,049.08)	(2.22%)	1.37%
2010 (4/15/2010 - 12/31/2010)	\$104,265.17	\$133,529.82	\$6,163.73	\$4,165.82	\$248,124.54	\$10,329.55	4.68%	4.68%

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

Marine City Retiree's Healthcare // xxxxx090

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Equity Sector Summary





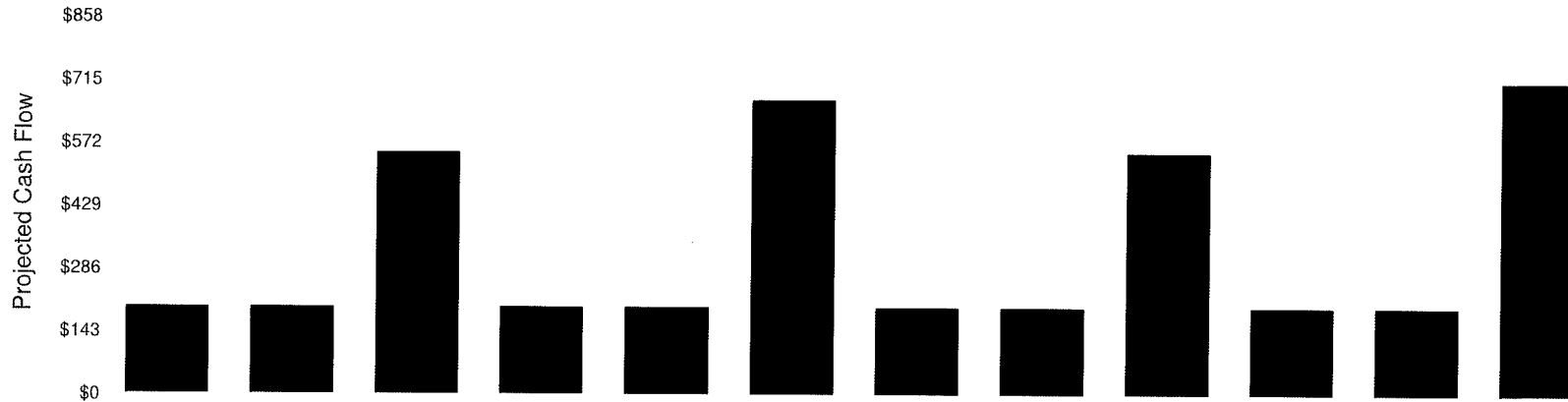
# Projected Cash Flow as of Dec 31, 2020

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Marine City Retiree's Healthcare // xxxxx090

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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	\$8
Funds: Open-end Mutual Funds	204*	204*	484*	204*	204*	605*	204*	204*	484*	204*	204*	645*	\$3,853
Funds: Exchange Traded Funds			67*			67*			67*			67*	\$269
<b>Total Portfolio</b>	<b>\$205*</b>	<b>\$205*</b>	<b>\$552*</b>	<b>\$205*</b>	<b>\$205*</b>	<b>\$673*</b>	<b>\$205*</b>	<b>\$205*</b>	<b>\$552*</b>	<b>\$205*</b>	<b>\$205*</b>	<b>\$713*</b>	<b>\$4,130</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 Retiree's Healthcare // xxxxx090

John R. Firek, AAMS®  
248.276.2805

## 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	\$84,454.01	0.00%	0.00%	(0.04%)	(0.04%)	0.12%
<b>Funds: Exchange Traded Funds</b>							
VANGUARD FINANCIALS ETF Symbol: VFH	10/31/19	\$10,762.89	6.92%	25.37%	(1.93%)	(1.93%)	4.66%
VANGUARD INDUSTRIALS ETF Symbol: VIS	7/29/20	\$2,226.57	2.00%	17.87%	N/A	N/A	24.43%
<b>Funds: Open-end Mutual Funds</b>							
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	4/19/17	\$23,823.95	5.27%	8.18%	19.54%	19.54%	18.19%
COLUMBIA CAPITAL ALLOC MODERATE PORT INST CL N/L Symbol: CBMZX	7/31/17	\$32,338.68	2.81%	9.00%	12.28%	12.28%	8.26%
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZX	10/31/19	\$11,973.09	1.48%	4.92%	7.43%	7.43%	7.51%
FIDELITY ADVISOR REAL ESTATE INCOME FUND CLASS I N/L Symbol: FRIRX	10/31/19	\$2,318.42	2.67%	9.06%	(1.08%)	(1.08%)	(0.55%)

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 Retiree's Healthcare // xxxxx090

John R. Firek, AAMS®  
248.276.2805

## Performance Summary *(continued)*

	Start	Current	MTD	QTD	YTD	Last 12 Months	Since Inception*
	Date	Market Value	11/30/20 12/31/20	9/30/20 12/31/20	12/31/19 12/31/20	12/31/19 12/31/20	Inception 12/31/20
<b>Funds: Open-end Mutual Funds <i>(continued)</i></b>							
FIDELITY ADVISOR TELECOMMUNICATIONS FD CL N/L Symbol: FSTCX	10/31/19	\$13,212.86	1.39%	9.07%	20.61%	20.61%	20.10%
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	10/31/19	\$8,035.01	5.05%	21.97%	(7.97%)	(7.97%)	(4.70%)
FIDELITY SELECT RETAILING FUND N/L Symbol: FSRPX	10/31/19	\$15,365.83	4.01%	14.88%	43.22%	43.22%	38.23%
LORD ABBETT SHORT DURATION INCOME FUND CLASS F N/L Symbol: LDLFX	10/31/19	\$4,556.64	0.71%	1.64%	3.11%	3.11%	2.88%
PGIM TOTAL RETURN BOND FUND CLASS Z N/L Symbol: PDBZX	10/31/19	\$23,729.04	0.57%	2.35%	7.73%	7.73%	6.68%
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	6/28/17	\$25,733.86	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	\$904.81	6.15%	25.12%	(6.31%)	(6.31%)	2.72%
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	2/1/17	\$46,904.12	5.92%	20.81%	75.63%	75.63%	30.85%
VANGUARD CONSUMER STAPLES INDEX FUND ADMIRAL SHARES N/L Symbol: VCSAX	10/31/19	\$7,573.96	2.09%	7.41%	10.79%	10.79%	13.04%

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

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

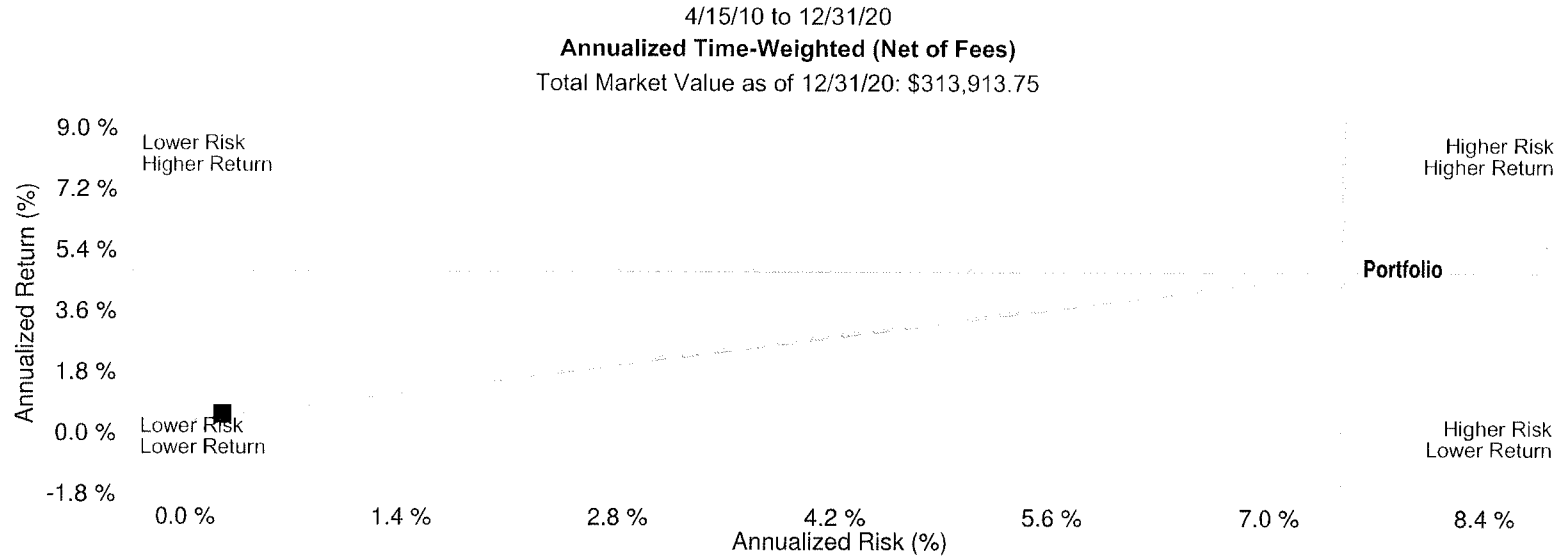
# Risk vs. Return Analysis as of Dec 31, 2020

**RAYMOND JAMES®**

Marine City Retiree's Healthcare // xxxxx090

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248.276.2805

## Analysis Summary



Portfolio	Annualized Return (%)	Annualized Risk (%)
Custom Blended Benchmark 1 <sup>^</sup>	8.15%	7.09%
■ ICE BofA US 3 Month T Bill	0.60%	0.24%
S&P 500 Total Return Indx	13.44%	14.09%
BBG Barclays US Agg Bd	3.99%	2.93%
<b>Portfolio</b>	<b>4.89%</b>	<b>7.47%</b>

Inception Date: 4/15/10

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

<sup>^</sup>Please see the Additional Information section of this report for detailed benchmark information.

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Holdings Detail

Cash and Cash Alternatives: Cash	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 (\$)
RJ Bank Deposit Program	84,454.010	1.000	84,454.01	26.90%	0.00	84,454.01	0.00 0.00%	8.45	0.01% 0.01%	0.00
<b>Total Cash and Cash Alternatives: Cash</b>			<b>\$84,454.01</b>	<b>26.90%</b>		<b>\$84,454.01</b>	<b>\$0.00 0.00%</b>	<b>\$8.45</b>	<b>0.01% 0.01%</b>	<b>\$0.00</b>
Funds: Open-end Mutual 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 (\$)
BLACKROCK HEALTH SCIENCES OPPORTUNITIES PORT INST CL N/L Symbol: SHSSX	305.357	78.020	23,823.95	7.59%	32.21	9,835.40	13,988.55 142.23%	40.61	0.17% 0.41%	0.00
COLUMBIA CAPITAL ALLOC MODERATE PORT INST CL N/L Symbol: CBMZ	2,706.166	11.950	32,338.68	10.30%	9.42	25,500.00	6,838.68 26.82%	806.44	2.49% 3.16%	0.00
COLUMBIA STRATEGIC INCOME FUND INST CL N/L Symbol: LSIZ	485.330	24.670	11,973.09	3.81%	22.66	11,000.00	973.09 8.85%	423.21	3.53% 3.85%	0.00
FIDELITY ADVISOR REAL ESTATE INCOME FUND CLASS I N/L Symbol: FRIR	197.649	11.730	2,318.42	0.74%	11.38	2,248.47	69.95 3.11%	111.28	4.80% 4.95%	0.00
FIDELITY ADVISOR TELECOMMUNICATIONS FD CL N/L Symbol: FSTC	193.936	68.130	13,212.86	4.21%	54.42	10,553.26	2,659.60 25.20%	110.16	0.83% 1.04%	0.00
FIDELITY SELECT DEFENSE & AEROSPACE FUND N/L Symbol: FSDAX	489.045	16.430	8,035.01	2.56%	17.38	8,500.00	(464.99) (5.47%)	131.06	1.63% 1.54%	0.00
FIDELITY SELECT RETAILING FUND N/L Symbol: FSRPX	675.421	22.750	15,365.83	4.89%	17.62	11,900.00	3,465.83 29.12%	0.00	0.00% 0.00%	0.00

# Portfolio Holdings as of Dec 31, 2020

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## Holdings Detail *(continued)*

<b>Funds: Open-end Mutual Funds</b> <i>(continued)</i>	<b>Quantity</b>	<b>Current Price (\$)</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>	<b>Average Investment Price (\$)</b>	<b>Investment Amount (\$)</b>	<b>Investment G/L (\$)/(%)</b>	<b>Est. Annual Income (\$)</b>	<b>Est. Annual Yield (%) / Yield to Inv. (%)</b>	<b>Accrued Income (\$)</b>
LORD ABBETT SHORT DURATION INCOME FUND CLASS F N/L Symbol: LDLFX	1,082.338	4.210	4,556.64	1.45%	4.07	4,408.00	148.64 3.37%	137.46	3.02% 3.12%	0.00
PGIM TOTAL RETURN BOND FUND CLASS Z N/L Symbol: PDBZX	1,572.501	15.090	23,729.04	7.56%	13.99	22,000.00	1,729.04 7.86%	699.76	2.95% 3.18%	0.00
PRINCIPAL GLOBAL DIVERSIFIED INCOME FUND INST CLASS N/L Symbol: PGDIX	1,927.630	13.350	25,733.86	8.20%	2.59	4,990.50	20,743.36 415.66%	1,191.28	4.63% 23.87%	0.00
PRINCIPAL SMALL MID CAP DIV INCOME FUND INST CLASS N/L Symbol: PMDIX	63.944	14.150	904.81	0.29%	0.00	0.00	904.81 100.00%	12.41	1.37% 0.00%	0.00
T. ROWE PRICE GLOBAL TECHNOLOGY FUND INVESTOR CLASS N/L Symbol: PRGTX	1,716.842	27.320	46,904.12	14.94%	11.49	19,718.39	27,185.73 137.87%	0.00	0.00% 0.00%	0.00
VANGUARD CONSUMER STAPLES INDEX FUND ADMIRAL SHARES N/L Symbol: VCSAX	88.254	85.820	7,573.96	2.41%	75.92	6,700.00	873.96 13.04%	189.39	2.50% 2.83%	0.00
<b>Total Funds: Open-end Mutual Funds</b>			<b>\$216,470.27</b>	<b>68.96%</b>		<b>\$137,354.02</b>	<b>\$79,116.25 57.60%</b>	<b>\$3,853.06</b>	<b>1.78% 2.80%</b>	<b>\$0.00</b>
<b>Funds: Exchange Traded Funds</b>	<b>Quantity</b>	<b>Current Price (\$)</b>	<b>Market Value (\$)</b>	<b>% of Portfolio</b>	<b>Average Investment Price (\$)</b>	<b>Investment Amount (\$)</b>	<b>Investment G/L (\$)/(%)</b>	<b>Est. Annual Income (\$)</b>	<b>Est. Annual Yield (%) / Yield to Inv. (%)</b>	<b>Accrued Income (\$)</b>
VANGUARD FINANCIALS ETF Symbol: VFH	147.740	72.850	10,762.89	3.43%	68.84	10,170.24	592.65 5.83%	238.16	2.21% 2.34%	0.00
VANGUARD INDUSTRIALS ETF Symbol: VIS	13.098	169.990	2,226.57	0.71%	136.62	1,789.45	437.12 24.43%	30.83	1.38% 1.72%	0.00
<b>Total Funds: Exchange Traded Funds</b>			<b>\$12,989.46</b>	<b>4.14%</b>		<b>\$11,959.69</b>	<b>\$1,029.77 8.61%</b>	<b>\$268.99</b>	<b>2.07% 2.25%</b>	<b>\$0.00</b>

# Portfolio Holdings as of Dec 31, 2020

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## Holdings Detail *(continued)*

Funds: Exchange Traded 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 (\$)
<b>Total Portfolio</b>			<b>\$313,913.74</b>	<b>100.00%</b>		<b>\$233,767.72</b>	<b>\$80,146.02 53.68%</b>	<b>\$4,130.50</b>	<b>1.32% 1.76%</b>	<b>\$0.00</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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Alex.Brown a division of Raymond James.

The account listing may or may not include all of your accounts with Raymond James & Associates, Inc. This report is comprised of data from the following accounts: xxxxx090

Report ID: a\_230867\_1610427600000\_1610483981837\_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)



# Additional Information Regarding This Report

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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 issuers 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 issuers 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).

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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).

# Additional Information Regarding This Report

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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.



# GASB 74/75 ACTUARIAL VALUATION

## Fiscal Year Ending June 30, 2020

# CITY OF MARINE CITY

### CONTACT

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**January 15, 2021**

**Megan A. Pearce**  
**City of Marine City**  
**303 S. Water Street**  
**Marine City, MI 48039**

This report summarizes the GASB actuarial valuation for the City of Marine City 2019/20 fiscal year. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 74 (Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans) and GASB Statement No. 75 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

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

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

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

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

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

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



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

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

A handwritten signature in black ink, appearing to read "Suraj M. Datta".

Suraj M. Datta, ASA, MAAA  
Consulting Actuary

A handwritten signature in black ink, appearing to read "Emily Clauss".

Emily Clauss, ASA, MAAA  
Valuation Actuary

# Executive Summary

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Summary of Results

Presented below is the summary of GASB 75 results for the fiscal year ending June 30, 2020 compared to the prior fiscal year as shown in the City's Notes to Financial Statement.

	As of June 30, 2019		As of June 30, 2020	
<b>Total OPEB Liability</b>	\$	4,239,338	\$	4,013,503
<b>Actuarial Value of Assets</b>	\$	(208,813)	\$	(229,688)
<b>Net OPEB Liability</b>	\$	4,030,525	\$	3,783,815
<b>Funded Ratio</b>		4.9%		5.7%

	FY 2018/19		FY 2019/20	
<b>OPEB Expense</b>	\$	(382,594)	\$	(2,437)
<b>Annual Employer Contributions</b>	\$	255,752	\$	244,634
<b>Actuarially Determined Contribution</b>	\$	331,458	\$	303,118

	As of June 30, 2019		As of June 30, 2020	
<b>Discount Rate</b>		5.90%		5.96%
<b>Expected Return on Assets</b>		6.10%		5.96%

	As of June 30, 2020	
<b>Total Active Participants</b>		3
<b>Total Retiree Participants</b>		21

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



# Executive Summary

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Summary of Results

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

Present Value of Future Benefits	As of June 30, 2019	As of June 30, 2020
Active Employees	\$ 954,350	\$ 684,324
Retired Employees	3,382,434	3,398,039
<b>Total Present Value of Future Benefits</b>	<b>\$ 4,336,784</b>	<b>\$ 4,082,363</b>

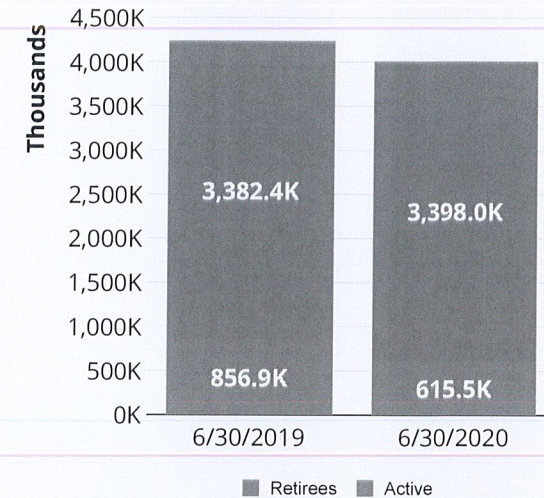
Total OPEB Liability	As of June 30, 2019	As of June 30, 2020
Active Pre-Medicare	\$ 346,274	\$ 274,723
Active Post-Medicare	510,630	340,741
Active Liability	\$ 856,904	\$ 615,464

Retiree Pre-Medicare	\$ 588,111	\$ 587,181
Retiree Post-Medicare	2,794,323	2,810,858
Retiree Liability	\$ 3,382,434	\$ 3,398,039

<b>Total OPEB Liability</b>	<b>\$ 4,239,338</b>	<b>\$ 4,013,503</b>
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	As of June 30, 2019	As of June 30, 2020
Discount Rate	5.90%	5.96%

## Changes In Total OPEB Liability



**Present Value of Future Benefits (PVFB)** is the amount needed as of June 30, 2020 and June 30, 2019, to fully fund the City's retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

**Total OPEB Liability** is the portion of PVFB considered to be accrued or earned as of June 30, 2020 and June 30, 2019. This amount is a required disclosure in the Required Supplementary Information section.

# GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Schedule of Changes in Net OPEB Liability and Related Ratios

OPEB Liability	FY 2019/20	FY 2018/19	FY 2017/18
<b>Total OPEB Liability</b>			
Total OPEB Liability - beginning of year	\$ 4,239,338	\$ 4,271,964	\$ 5,355,404
Service cost	13,914	11,348	18,400
Interest	244,273	287,503	319,964
Change of benefit terms	0	0	0
Changes in assumptions	(26,663)	460,618	151,350
Differences between expected and actual experience	(228,010)	(554,926)	(1,312,300)
Benefit payments	(229,349)	(237,169)	(260,854)
Net change in total OPEB liability	\$ (225,835)	\$ (32,626)	\$ (1,083,440)
Total OPEB Liability - end of year	\$ 4,013,503	\$ 4,239,338	\$ 4,271,964
<b>Plan Fiduciary Net Position</b>			
Plan fiduciary net position - beginning of year	\$ 208,813	\$ 186,097	\$ 172,979
Contributions - employer	244,634	255,752	265,663
Contributions - active employees	0	0	0
Net investment income	10,221	10,266	8,309
Benefit payments	(229,349)	(237,169)	(260,854)
Trust administrative expenses	(4,631)	(6,133)	0
Net change in plan fiduciary net position	\$ 20,875	\$ 22,716	\$ 13,118
Plan fiduciary net position - end of year	\$ 229,688	\$ 208,813	\$ 186,097
<b>Net OPEB Liability - end of year</b>	<b>\$ 3,783,815</b>	<b>\$ 4,030,525</b>	<b>\$ 4,085,867</b>
Plan fiduciary net position as % of total OPEB liability	5.7%	4.9%	4.4%
Covered employee payroll	\$ 226,609	\$ 229,481	\$ 259,705
Net OPEB liability as % of covered payroll	1,669.8%	1,756.4%	1,573.3%

# GASB Disclosures

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Schedule of Employer Contributions

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

	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17	FY 2015/16
Actuarially Determined Contribution (ADC)	\$ 303,118	\$ 331,458	\$ 329,021	\$ 569,428	\$ 547,526
Contributions in relation to the ADC	244,634	255,752	265,663	256,929	233,279
Contribution deficiency/(excess)	\$ 58,484	\$ 75,706	\$ 63,358	\$ 312,499	\$ 314,247
Covered employee payroll	\$ 226,609	\$ 229,481	\$ 259,705	\$ 300,535	\$ 300,535
Contribution as a % of covered payroll	108.0%	111.4%	102.3%	85.5%	77.6%

# GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## OPEB Expense

OPEB Expense	FY 2019/20	FY 2018/19
Discount Rate		
Beginning of year	5.90%	6.90%
End of year	5.96%	5.90%
Service cost	\$ 13,914	\$ 11,348
Interest	244,273	287,503
Change of benefit terms	0	0
Projected earnings on OPEB plan investments	(13,058)	(14,704)
Reduction for contributions from active employees	0	0
OPEB plan administrative expenses	4,631	6,133
Current period recognition of deferred outflows / (inflows) of resources		
Differences between expected and actual experience	\$ (228,010)	\$ (1,211,076)
Changes in assumptions	(26,663)	536,293
Net difference between projected and actual earnings on OPEB plan investments	2,476	1,909
Total current period recognition	\$ (252,197)	\$ (672,874)
Total OPEB expense	\$ (2,437)	\$ (382,594)

# GASB Disclosures

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Deferred Outflows / (Inflows) of Resources

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

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

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

Differences between expected and actual experience for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2020
June 30, 2018	\$ (1,312,300)	2	\$ 0	\$ 0
June 30, 2019	\$ (554,926)	1	\$ 0	\$ 0
June 30, 2020	\$ (228,010)	1	\$ (228,010)	\$ 0

Changes in assumptions for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2020
June 30, 2018	\$ 151,350	2	\$ 0	\$ 0
June 30, 2019	\$ 460,618	1	\$ 0	\$ 0
June 30, 2020	\$ (26,663)	1	\$ (26,663)	\$ 0

Net Difference between projected and actual earnings in OPEB plan investments for FYE	Initial Balance	Initial Amortization Period	Annual Recognition	Unamortized Balance as of June 30, 2020
June 30, 2018	\$ 5,104	5	\$ 1,021	\$ 2,041
June 30, 2019	\$ 4,438	5	\$ 888	\$ 2,662
June 30, 2020	\$ 2,837	5	\$ 567	\$ 2,270

# GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Deferred Outflows / (Inflows) of Resources (Continued)

As of fiscal year ending June 30, 2020	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings in OPEB plan investments	6,973	0
<b>Total</b>	<b>\$ 6,973</b>	<b>\$ 0</b>

## Annual Amortization of Deferred Outflows / (Inflows)

The balances as of June 30, 2020 of the deferred outflows / (inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted below.

FYE	Balance
2021	\$ 2,476
2022	\$ 2,475
2023	\$ 1,453
2024	\$ 569
2025	\$ 0
Thereafter	\$ 0

# GASB Disclosures

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Sensitivity Results

The following presents the Net OPEB Liability as of June 30, 2020, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

- The current discount rate is 5.96%.
- The 1% decrease in discount rate would be 4.96%.
- The 1% increase in discount rate would be 6.96%.

As of June 30, 2020	Net OPEB Liability	
1% Decrease	\$	4,285,583
Current Discount Rate	\$	3,783,815
1% Increase	\$	3,366,835

The following presents the Net OPEB Liability as of June 30, 2020, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2020	Net OPEB Liability	
1% Decrease	\$	3,358,531
Current Trend Rates	\$	3,783,815
1% Increase	\$	4,289,629

\* In addition to the medical/Rx trend rates mentioned above, the sensitivity of +/- 1% in health care trend for the Net OPEB Liability includes the sensitivity of dental/vision trend. Dental/vision trend rates start at an initial rate of 5.0% in 2020/21, decreasing by 0.5% annually to an ultimate rate of 2.5%.

# GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Asset Information

Asset Breakdown	FY 2018/19	FY 2019/20
<b>Assets</b>		
Cash and deposits	\$ 34,919	\$ 45,977
Securities lending cash collateral	0	0
<b>Total cash</b>	<b>\$ 34,919</b>	<b>\$ 45,977</b>
<b>Receivables</b>		
Contributions	\$ 0	\$ 0
Accrued interest	0	0
<b>Total receivables</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Investments</b>		
Fixed income	\$ 0	\$ 0
Equities	173,530	183,711
Mutual Funds	0	0
<b>Total investments</b>	<b>\$ 173,530</b>	<b>\$ 183,711</b>
<b>Total Assets</b>	<b>\$ 208,449</b>	<b>\$ 229,688</b>
<b>Liabilities</b>		
<b>Payables</b>		
Accounts Payable	\$ (364)	\$ 0
Securities lending expense	0	0
<b>Total liabilities</b>	<b>\$ (364)</b>	<b>\$ 0</b>
<b>Net Position Restricted to OPEB</b>	<b>\$ 208,813</b>	<b>\$ 229,688</b>

\* Asset Allocation shown as of June 30, 2020 is based on the actual asset class allocations and not target amounts.



# GASB Disclosures

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Asset Information (Continued)

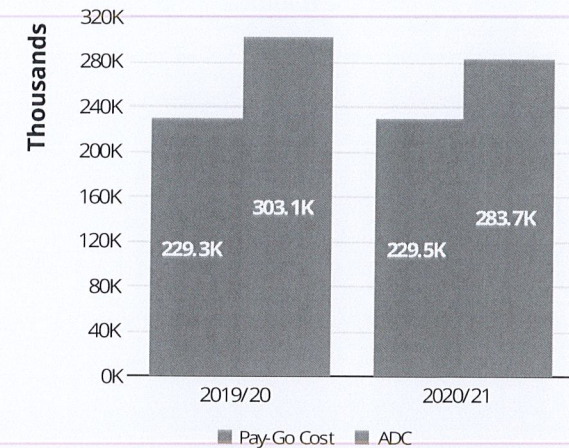
Asset Reconciliation	FY 2018/19	FY 2019/20
<b>Additions</b>		
Contributions Received		
Employer	\$ 255,752	\$ 244,634
Active employees	0	0
<b>Total contributions</b>	<b>\$ 255,752</b>	<b>\$ 244,634</b>
Investment Income		
Net increase in fair value of investments	\$ 5,631	\$ 5,891
Interest and dividends	4,635	4,330
Investment expense, other than from securities lending	0	0
Securities lending income	0	0
Securities lending expense	0	0
<b>Net investment income</b>	<b>\$ 10,266</b>	<b>\$ 10,221</b>
<b>Total additions</b>	<b>\$ 266,018</b>	<b>\$ 254,855</b>
<b>Deductions</b>		
Benefit payments	\$ 237,169	\$ 229,349
Administrative expenses	6,133	4,631
Other	0	0
<b>Total deductions</b>	<b>\$ 243,302</b>	<b>\$ 233,980</b>
<b>Net increase in net position</b>	<b>\$ 22,716</b>	<b>\$ 20,875</b>
Net position restricted to OPEB		
Beginning of year	\$ 186,097	\$ 208,813
End of year	\$ 208,813	\$ 229,688

# Actuarially Determined Contributions

City of Marine City GASB 74/75 Valuation For Fiscal Year Ending June 30, 2020

	FY 2019/20	FY 2020/21
Discount rate (Funding)	6.10%	5.96%
Payroll growth factor used for amortization	N/A	N/A
Actuarial cost method	Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary
Amortization type	Level Dollar	Level Dollar
Amortization period (years)	30	30
Actuarial Accrued Liability (AAL) - beginning of year	\$ 4,140,118	\$ 4,013,503
Actuarial Value of Assets (AVA) - beginning of year	(208,813)	(229,688)
Unfunded AAL - beginning of year	\$ 3,931,305	\$ 3,783,815
Normal Cost	\$ 13,620	\$ 9,441
Amortization of Unfunded AAL	272,071	258,319
Total normal cost plus amortization	\$ 285,691	\$ 267,760
Interest to end of year	17,427	15,958
Actuarially Determined Contribution - Preliminary	\$ 303,118	\$ 283,718
Expected Benefit Payments	229,349	229,519
<b>Actuarially Determined Contribution - Final</b>	<b>\$ 303,118</b>	<b>\$ 283,718</b>

Cash Vs Accrual Accounting



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

# Projection of GASB Disclosures

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

### Expected Events

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

### Unexpected Events

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

Projection of Total OPEB Liability (TOL)	FY 2019/20	FY 2020/21
TOL as of beginning of year	\$ 4,239,338	\$ 4,013,503
Normal cost as of beginning of year	13,914	9,441
Exp. benefit payments during the year	(229,349)	(229,519)
Interest adjustment to end of year	244,273	233,027
Exp. TOL as of end of year	\$ 4,268,176	\$ 4,026,452
Actuarial Loss / (Gain)	(254,673)	TBD
<b>Actual TOL as of end of year</b>	<b>\$ 4,013,503</b>	<b>\$ TBD</b>

Discount rate as of beginning of year	5.90%	5.96%
Discount rate as of end of year	5.96%	TBD

Projection of Actuarial Value of Assets (AVA)	FY 2019/20	FY 2020/21
AVA as of beginning of year	\$ 208,813	\$ 229,688
Exp. employer contributions during the year	229,349	229,519
Exp. benefit payments during the year	(229,349)	(229,519)
Expected investment income	12,598	13,521
Exp. Trust administrative expenses	(4,631)	(5,742)
Exp. AVA as of end of year	\$ 216,780	\$ 237,467
Differences between expected and actual experience	12,908	TBD

<b>AVA as of end of year</b>	<b>\$ 229,688</b>	<b>\$ TBD</b>
Expected asset return as of beginning of year	6.10%	5.96%
Expected asset return as of end of year	5.96%	TBD

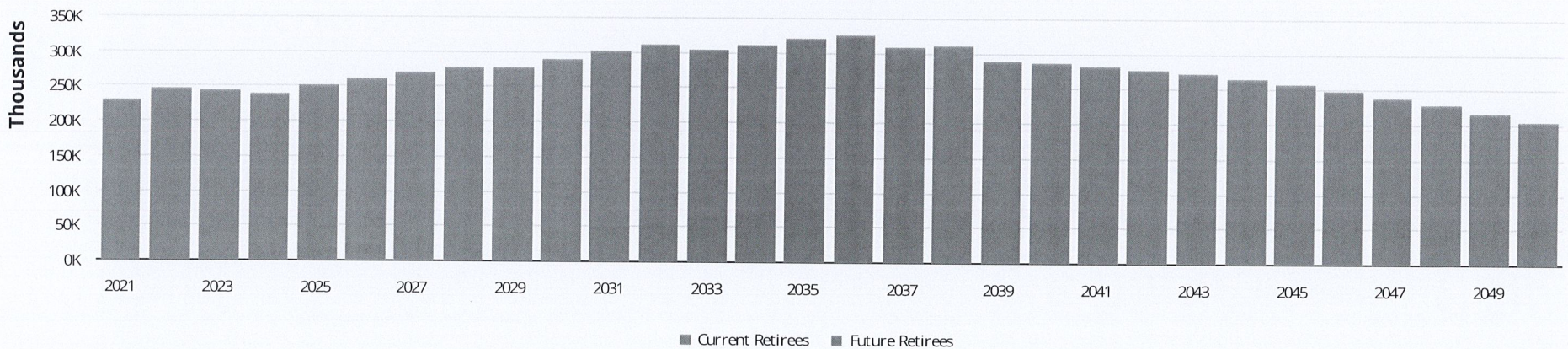
# Cash Flow Projections

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total	FYE	Current Retirees	Future Retirees*	Total
2021	\$ 226,153	\$ 3,366	\$ 229,519	2031	\$ 251,170	\$ 49,872	\$ 301,042	2041	\$ 223,884	\$ 59,630	\$ 283,514
2022	\$ 239,881	\$ 6,091	\$ 245,972	2032	\$ 254,460	\$ 56,351	\$ 310,811	2042	\$ 217,863	\$ 60,814	\$ 278,677
2023	\$ 235,035	\$ 9,448	\$ 244,483	2033	\$ 239,214	\$ 64,046	\$ 303,260	2043	\$ 210,887	\$ 61,897	\$ 272,784
2024	\$ 226,433	\$ 12,932	\$ 239,365	2034	\$ 240,156	\$ 72,182	\$ 312,338	2044	\$ 202,985	\$ 62,857	\$ 265,842
2025	\$ 232,256	\$ 18,261	\$ 250,517	2035	\$ 240,377	\$ 79,580	\$ 319,957	2045	\$ 194,204	\$ 63,673	\$ 257,877
2026	\$ 236,584	\$ 24,134	\$ 260,718	2036	\$ 239,822	\$ 86,528	\$ 326,350	2046	\$ 184,615	\$ 64,316	\$ 248,931
2027	\$ 237,681	\$ 32,759	\$ 270,440	2037	\$ 238,441	\$ 71,732	\$ 310,173	2047	\$ 174,322	\$ 64,762	\$ 239,084
2028	\$ 237,618	\$ 39,065	\$ 276,683	2038	\$ 236,191	\$ 74,624	\$ 310,815	2048	\$ 163,451	\$ 64,985	\$ 228,436
2029	\$ 242,689	\$ 35,352	\$ 278,041	2039	\$ 233,035	\$ 57,014	\$ 290,049	2049	\$ 152,150	\$ 64,962	\$ 217,112
2030	\$ 247,066	\$ 43,089	\$ 290,155	2040	\$ 228,939	\$ 58,362	\$ 287,301	2050	\$ 140,580	\$ 64,671	\$ 205,251

### Projected Employer Pay-go Cost



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

# Discussion of Discount Rates

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

For the current valuation:

1. The long-term expected rate of return on OPEB plan investment is assumed to be 5.96%. This was determined using a building block method in which expected future rates of return (expected returns, including OPEB plan investment expense and inflation) are developed for each major asset class. These expected future rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage. The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2020 are summarized below.
2. The discount rate used when the OPEB plan investments are insufficient to pay for future benefit payments are selected from the range of indices as shown in the table below, where the range is given as the spread between the lowest and highest rate shown.

Asset Class	Target Allocation	L/T Expected ROR (includes inflation)
U.S. Large Cap Equity	28.42%	8.07%
U.S. Small/Mid Cap Equity	10.59%	8.80%
Non-U.S. Developed Large Cap Equity Unhedged	5.62%	8.34%
Emerging Markets Equity Unhedged	2.58%	10.94%
U.S. Aggregate FI	12.86%	4.13%
U.S. Short G/C FI	2.14%	3.80%
U.S. High Yield FI	4.54%	6.17%
U.S. Cash	25.05%	2.72%
Non-U.S. Broad FI Unhedged	5.06%	4.06%
U.S. Real Estate - REITS	0.74%	8.29%
Diversified Hedge Funds	2.38%	5.96%
Commodities - Long Only	0.02%	4.46%
<b>Total</b>	<b>100.00%</b>	<b>5.96%</b>

Yield as of	July 1, 2019	June 30, 2020
Bond Buyer Go 20-Bond Municipal Bond Index	3.51%	2.21%
S&P Municipal Bond 20-Year High Grade Rate Index	2.79%	2.66%
Fidelity 20-Year Go Municipal Bond Index	3.13%	2.45%
Bond Index Range	2.79% - 3.51%	2.21% - 2.66%
<b>Actual Discount Rate Used</b>	<b>3.51%</b>	<b>2.66%</b>

3. The final equivalent single discount rates used for this year's valuation are 5.90% as of July 1, 2019 and 5.96% as of June 30, 2020. This is based on the assumption that the City will fund the pay-go costs with no additional pre-funding.

# Summary of Plan Participants

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Active Employees

Actives with coverage	Single	Non-Single	Total	Avg. Age	Avg. Svc	Salary
<b>Total actives with coverage</b>		<b>2</b>	<b>2</b>	<b>51.9</b>	<b>28.2</b>	<b>\$ 150,241</b>

Actives without coverage	Total	Avg. Age	Avg. Svc	Salary
<b>Total actives without coverage</b>	<b>1</b>	<b>49.1</b>	<b>25.0</b>	<b>\$ 76,368</b>

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

## Active Age-Service Distribution

Age	Years of Service										Total
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25											0
25 to 29											0
30 to 34											0
35 to 39											0
40 to 44											0
45 to 49					1	1					2
50 to 54											0
55 to 59									1		1
60 to 64											0
65 to 69											0
70 & up											0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>

# Summary of Plan Participants

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Retirees

Retirees with coverage	Single <sup>1</sup>	Non-Single	Total	Avg. Age
BCBS Plan	1	5	6	63.8
BCN Advantage	7	8	15	70.3
<b>Total retirees with coverage</b>	<b>8</b>	<b>13</b>	<b>21</b>	<b>68.4</b>

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

## Retiree Age Distribution

Age	Retirees
< 45	
45 to 49	
50 to 54	
55 to 59	1
60 to 64	6
65 to 69	7
70 to 74	3
75 to 79	3
80 to 84	1
85 to 89	
90 & up	
<b>Total</b>	<b>21</b>

<sup>1</sup> Includes employee and employee and child(ren) coverage levels.

# Substantive Plan Provisions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Eligibility

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

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

## Spouse Benefit

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

## Disability

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

## Medical Benefits

Same benefits are available to retirees as active employees. All health plans are fully-insured and community-rated. Sample age-based monthly premium rates (per person) for the BCBS pre-65 medical/Rx and vision plans effective on April 1, 2020 are as shown below.

Age	Medical/Rx	Vision
25	\$ 262.88	\$ 5.53
30	\$ 297.18	\$ 5.55
35	\$ 319.96	\$ 5.79
40	\$ 334.62	\$ 6.17
45	\$ 378.08	\$ 6.58
50	\$ 467.63	\$ 6.93
55	\$ 583.88	\$ 7.15
60	\$ 710.61	\$ 7.13
64	\$ 785.49	\$ 6.88

Premium rates effective on January 1, 2020 are as shown below.

Plans	EE	EE + Sp
BCN Advantage (post-65 plan) <sup>2</sup>	\$ 376.96	\$ 753.92
Dental	\$ 50.00	\$ 104.00

<sup>2</sup> Includes premium for vision coverage.



# Substantive Plan Provisions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Retiree Cost Sharing

Hired on/before 12/31/2007

Retirees contribute the following amounts:

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

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

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

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

Hired after 12/31/2007

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

# Actuarial Methods and Assumptions

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

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

<b>Measurement Date</b>	For fiscal year ending June 30, 2020, June 30, 2020 measurement date was used.
<b>Actuarial Valuation Date</b>	June 30, 2020 with no adjustments to get to the June 30, 2020 measurement date. Liabilities as of July 1, 2019 are based on an actuarial valuation date of July 1, 2018 projected to July 1, 2019 on a "no loss / no gain" basis.
<b>Discount Rate</b>	5.90% as of July 1, 2019 and 5.96% as of June 30, 2020 for accounting disclosure purposes 6.10% as of July 1, 2019 and 5.96% as of June 30, 2020 for funding disclosure purposes (in calculating the Actuarially Determined Contribution) Refer to the Discussion of Discount Rates section for more information on selection of the discount rate.
<b>Payroll Growth</b>	2.00% per year
<b>Inflation Rate</b>	2.50% per year
<b>Employer Funding Policy</b>	The City will fund pay-as-you-go costs into the OPEB Trust. No additional pre-funding is expected.
<b>Cost Method</b>	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none"><li>• Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and</li><li>• Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.</li></ul>
<b>Census Data</b>	Census information was provided by the City as of June 30, 2020. We have reviewed it for reasonableness and no material modifications were made to the census data.

# Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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## Health Care Coverage Election Rate

Active employees with current coverage: 100%

Active employees with no coverage: 100%

Inactive employees with current coverage: 100%

Inactive employees with no coverage: N/A

## Spousal Coverage

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

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

## Retirement Rate

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

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

# Actuarial Methods and Assumptions

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Disability

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

Age	Rates
20	0.05%
25	0.07%
30	0.08%
35	0.10%
40	0.16%
45	0.24%
50	0.39%
55	0.69%
60	1.15%
65	1.15%

### Turnover Rate

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

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

# Actuarial Methods and Assumptions

City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

## Mortality

General Employees & Healthy Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020  
 Police Employees & Healthy Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020  
 Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020  
 Disabled General Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020  
 Disabled Police Retirees: SOA Pub-2010 Public Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020

## Health Care Trend Rates

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

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

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

## Retiree Contributions

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

## Per Capita Costs

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

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

# Actuarial Methods and Assumptions

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Explicit Subsidy

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

	Premium Rate	Retiree Contribution	Explicit Subsidy
	A	B	C = A - B
Retiree	\$ 842.37	\$ 50.00	\$ 792.37
Spouse	\$ 846.37	\$ 25.00	\$ 821.37

### Implicit Subsidy

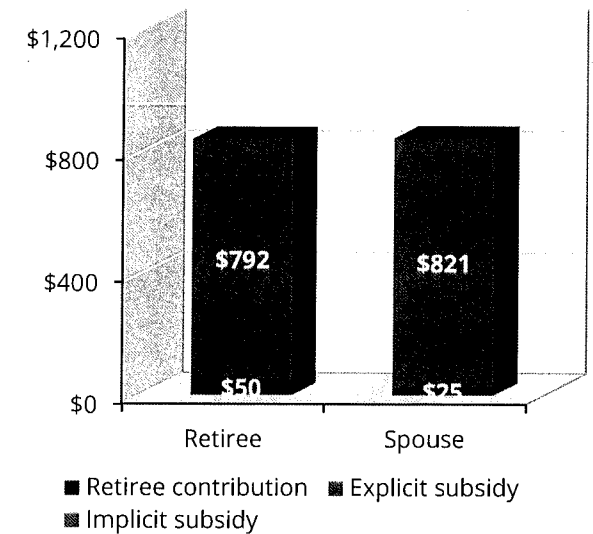
None

### GASB Subsidy Breakdown

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

	Retiree	Spouse
Retiree contribution	\$ 50.00	\$ 25.00
Explicit subsidy	\$ 792.37	\$ 799.98
Implicit subsidy	\$ 0.00	\$ 0.00
Total monthly cost	\$ 842.37	\$ 846.37

**GASB Subsidy Breakdown**



# APPENDIX

The background features a dark grey upper section and a lower section with overlapping, semi-transparent geometric shapes in various shades of grey and white. A faint grid pattern is visible across the entire page.

# Appendix

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

### Comparison of Participant Demographic Information

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

	As of June 30, 2018	As of June 30, 2020
Active Participants	4	3
Retired Participants	20	21
Averages for Active		
Age	51.3	51.0
Service	25.0	27.1
Averages for Inactive		
Age	66.8	68.4



# Appendix

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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### Detailed Actuary's Notes

There have been no substantive plan provision changes since the last full GASB 45 valuation, which was for the fiscal year ending June 30, 2018.

Additionally, the following assumptions have also been updated:

1. Discount rate as of the Measurement Date has been updated based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The current full valuation uses a discount rate of 5.90% as of July 1, 2019 and 5.96% as of June 30, 2020 for accounting purposes and 6.10% as of July 1, 2019 and 5.96% as of June 30, 2020 for funding purposes. The accounting discount rate change caused a slight decrease in liabilities.

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

2. Mortality table has been updated to:
  - General Employees & Healthy Retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Police Employees & Healthy Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Disabled General Retirees: SOA Pub-2010 Non-Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020
  - Disabled Police Retirees: SOA Pub-2010 Public Safety Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020

The prior GASB 74/75 actuarial valuation as of June 30, 2019 used the SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. The impact of this change is a slight decrease in liabilities.

3. Medical/Rx trend rates have been reset to an initial rate of 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. Dental and vision trend rates have been set to an initial rate of 5.0% decreasing by 0.5% annually to an ultimate rate of 2.5%. There is no trend applied to flat retiree contributions. The updates caused a slight increase in liabilities.

# Appendix

## City of Marine City Interim GASB 74/75 Valuation for Fiscal Year Ending June 30, 2019

### PA 202 Uniform Assumption Disclosures

The information presented below is for the purposes of filing Form No. 5572 under PA 202 uniform assumption requirements. Per regulation, Form No. 5572 must be filed no later than six months after the end of the fiscal year. Governmental fund revenues are not shown below and should be determined by the City. Refer to the Michigan Department of Treasury website for additional information.

Form 5572 Line	Description	City of Marine City
Line 28	Actuarial Value of Assets	\$ 229,688
Line 29	Actuarial Accrued Liability	\$ 3,961,890
Line 31	Actuarially Determined Contribution for FY 2019/20	\$ 326,756

Line 31 (Actuarially Determined Contribution) was calculated using level dollar amortization with a 6.10% discount rate. The amortization period is a closed, 30-year period with 29 years remaining for FY 2019/20.

Under PA 202 requirements, uniform assumption setting is mandated in reporting of liabilities, assets, and ADC. The following is a description of the PA 202 uniform assumption guidance and final assumption used for the City for purposes of calculating the figures above.

Assumption	Uniform Assumption Guidance	City Assumption
Investment Rate of Return	Maximum of 7.00%	6.10% as of July 1, 2019 and 5.96% as of June 30, 2020 (for funding/ADC purposes)
Discount Rate	Blended discount rate calculated per GASB 74/75: <ul style="list-style-type: none"> <li>• Maximum of 7.0% where plan assets are sufficient to make projected benefit payments</li> <li>• 3.5% for periods where assets are insufficient to make projected benefit payments</li> </ul>	5.94% (for calculation of the OPEB liability as of June 30, 2020)
Salary Increase	Minimum of 3.50% or based on actuarial experience study within the past 5 years	3.50%
Mortality Table	A version of the Pub-2010 mortality tables with future mortality improvement projected generationally using Scale MP-2018 or based on an actuarial experience study conducted within the last five years	Same base tables as the GASB 74/75 valuation using MP-2018 improvement scale
Amortization Period	Maximum closed period of 30 years for Retiree Health Systems	For FY 2019/20, 29 years on a closed period basis
Asset Valuation	Market Value as reported on Financial Statements	Same as the GASB 74/75 valuation
Healthcare Inflation	Non-Medicare: 8.25% decreasing 0.25% per year to a 4.50% long-term rate Medicare: 6.50% decreasing 0.25% per year to 4.50% long-term rate	Same as PA 202 uniform assumption

# GLOSSARY

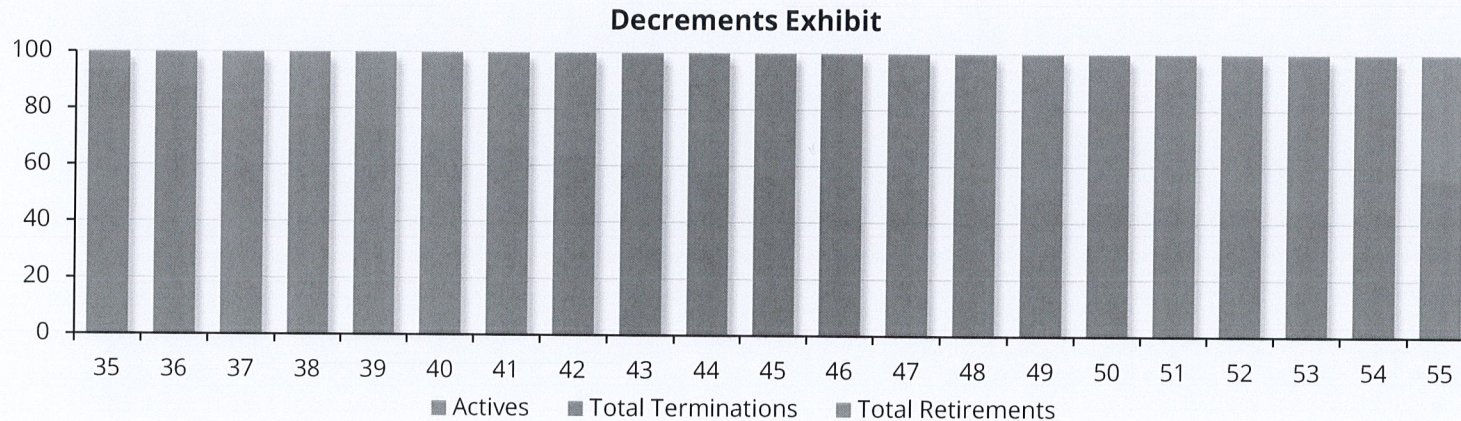
# Glossary – Decrements Exhibit

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

Age	# Remaining Employees	# of Terminations per Year <sup>3</sup>	# of Retirements per Year	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

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



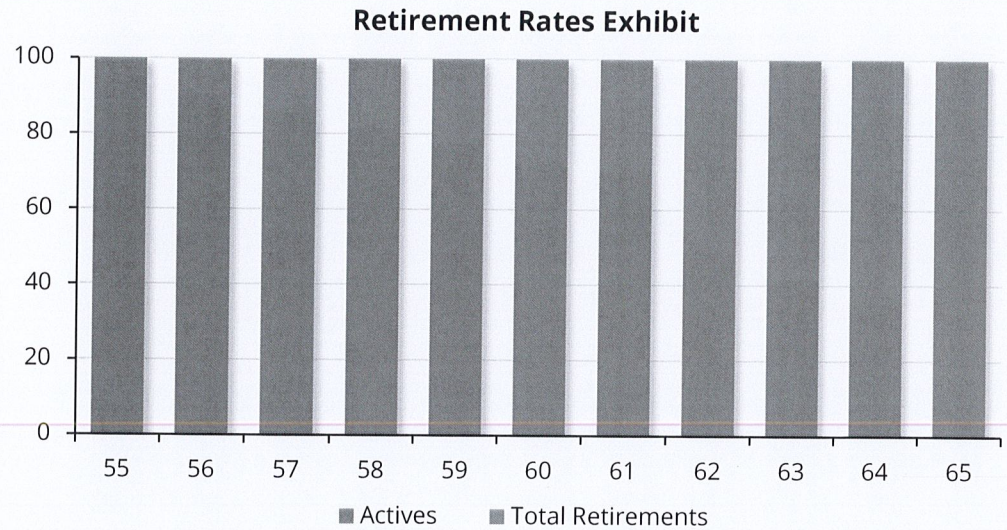
<sup>3</sup> The above rates are illustrative rates and are not used in our GASB calculations.

# Glossary – Retirement Rates Exhibit

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

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



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

# Glossary – Definitions

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

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

# Glossary – Definitions

## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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

# Glossary – Definitions

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## City of Marine City GASB 74/75 Valuation for Fiscal Year Ending June 30, 2020

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





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

RECEIVED  
DEC 21 2020

City of Marine City

November 30, 2020  
Invoice No: 0163802

Project 652490.HCADM.GAI2020  
CITY OF MARINE CITY\_\_GASB

ENTERED  
DEC 22 2020

Fee for Professional Services through November 30, 2020

Services Provided:

GASB 74/75 actuarial valuation FYE 6/30/2020 & PA 202 uniform assumption disclosures

Total this Invoice

\$5,000.00 ✓

736 000 000 801.000  
congratulations

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 Retiree Health Care 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 736 RETIREE HEALTH INS TRUST FUND

GL Number	Description	Balance
*** Assets ***		
736-000.000-001.001	CASH	54,484.85
736-000.000-017.000	INVESTMENT IN SECURITIES	193,288.48
<b>Total Assets</b>		<b>247,773.33</b>
*** Liabilities ***		
<b>Total Liabilities</b>		<b>0.00</b>
*** Fund Balance ***		
736-000.000-390.000	FUND BALANCE	229,688.27
<b>Total Fund Balance</b>		<b>229,688.27</b>
<b>Beginning Fund Balance</b>		<b>229,688.27</b>
<b>Net of Revenues VS Expenditures</b>		<b>18,085.06</b>
<b>Ending Fund Balance</b>		<b>247,773.33</b>
<b>Total Liabilities And Fund Balance</b>		<b>247,773.33</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			
		BUDGET	AMENDED BUDGE	NORM (ABNORM)	INCR (DECR)	YEAR-TO-DATE	BALANCE	USED
Fund 736 - RETIREE HEALTH INS TRUST FUND								
Revenues								
Dept 000.000								
736-000.000-665.000	INTEREST	0.00	0.00	1,000.23	186.87	0.00	(1,000.23)	100.00
736-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	8,851.97	(2,715.50)	0.00	(8,851.97)	100.00
736-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	87,029.79	20,168.97	0.00	(87,029.79)	100.00
Total Dept 000.000		0.00	0.00	96,881.99	17,640.34	0.00	(96,881.99)	100.00
TOTAL REVENUES		0.00	0.00	96,881.99	17,640.34	0.00	(96,881.99)	100.00
Expenditures								
Dept 000.000								
736-000.000-723.000	RETIREE HEALTH CARE-OPEB	0.00	0.00	77,566.21	20,168.97	0.00	(77,566.21)	100.00
736-000.000-805.000	SERVICE CHARGES	0.00	0.00	1,230.72	646.42	0.00	(1,230.72)	100.00
Total Dept 000.000		0.00	0.00	78,796.93	20,815.39	0.00	(78,796.93)	100.00
TOTAL EXPENDITURES		0.00	0.00	78,796.93	20,815.39	0.00	(78,796.93)	100.00
Fund 736 - RETIREE HEALTH INS TRUST FUND:								
TOTAL REVENUES		0.00	0.00	96,881.99	17,640.34	0.00	(96,881.99)	100.00
TOTAL EXPENDITURES		0.00	0.00	78,796.93	20,815.39	0.00	(78,796.93)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	18,085.06	(3,175.05)	0.00	(18,085.06)	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 Retiree Health Care 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 736 RETIREE HEALTH INS TRUST FUND

GL Number	Description	Balance
*** Assets ***		
736-000.000-001.001	CASH	54,535.57
736-000.000-017.000	INVESTMENT IN SECURITIES	211,653.19
<b>Total Assets</b>		<b>266,188.76</b>
*** Liabilities ***		
736-000.000-200.000	ACCOUNTS PAYABLE	4,623.04
<b>Total Liabilities</b>		<b>4,623.04</b>
*** Fund Balance ***		
736-000.000-390.000	FUND BALANCE	229,688.27
<b>Total Fund Balance</b>		<b>229,688.27</b>
<b>Beginning Fund Balance</b>		<b>229,688.27</b>
<b>Net of Revenues VS Expenditures</b>		<b>31,877.45</b>
<b>Ending Fund Balance</b>		<b>261,565.72</b>
<b>Total Liabilities And Fund Balance</b>		<b>266,188.76</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 736 - RETIREE HEALTH INS TRUST FUND									
Revenues									
Dept 000.000									
736-000.000-665.000	INTEREST	0.00	0.00	1,198.64	198.41	0.00	(1,198.64)	100.00	
736-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	27,018.61	18,166.64	0.00	(27,018.61)	100.00	
736-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	107,198.76	20,168.97	0.00	(107,198.76)	100.00	
Total Dept 000.000		0.00	0.00	135,416.01	38,534.02	0.00	(135,416.01)	100.00	
TOTAL REVENUES		0.00	0.00	135,416.01	38,534.02	0.00	(135,416.01)	100.00	
Expenditures									
Dept 000.000									
736-000.000-723.000	RETIREE HEALTH CARE-OPEB	0.00	0.00	97,308.22	19,742.01	0.00	(97,308.22)	100.00	
736-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	5,000.00	5,000.00	0.00	(5,000.00)	100.00	
736-000.000-805.000	SERVICE CHARGES	0.00	0.00	1,230.34	(0.38)	0.00	(1,230.34)	100.00	
Total Dept 000.000		0.00	0.00	103,538.56	24,741.63	0.00	(103,538.56)	100.00	
TOTAL EXPENDITURES		0.00	0.00	103,538.56	24,741.63	0.00	(103,538.56)	100.00	
Fund 736 - RETIREE HEALTH INS TRUST FUND:									
TOTAL REVENUES		0.00	0.00	135,416.01	38,534.02	0.00	(135,416.01)	100.00	
TOTAL EXPENDITURES		0.00	0.00	103,538.56	24,741.63	0.00	(103,538.56)	100.00	
NET OF REVENUES & EXPENDITURES		0.00	0.00	31,877.45	13,792.39	0.00	(31,877.45)	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 Retiree Health Care 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 736 RETIREE HEALTH INS TRUST FUND

GL Number	Description	Balance
*** Assets ***		
736-000.000-001.001	CASH	54,913.28
736-000.000-017.000	INVESTMENT IN SECURITIES	219,516.44
<b>Total Assets</b>		<b>274,429.72</b>
*** Liabilities ***		
736-000.000-200.000	ACCOUNTS PAYABLE	5,000.00
<b>Total Liabilities</b>		<b>5,000.00</b>
*** Fund Balance ***		
736-000.000-390.000	FUND BALANCE	229,688.27
<b>Total Fund Balance</b>		<b>229,688.27</b>
<b>Beginning Fund Balance</b>		<b>229,688.27</b>
<b>Net of Revenues VS Expenditures</b>		<b>39,741.45</b>
<b>Ending Fund Balance</b>		<b>269,429.72</b>
<b>Total Liabilities And Fund Balance</b>		<b>274,429.72</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)			
		BUDGET	AMENDED BUDGE	NORM (ABNORM)			YEAR-TO-DATE	BALANCE	USED
Fund 736 - RETIREE HEALTH INS TRUST FUND									
Revenues									
Dept 000.000									
736-000.000-665.000	INTEREST	0.00	0.00	2,229.16	1,030.52		0.00	(2,229.16)	100.00
736-000.000-669.000	INVESTMENT GAINS/LOSSES-REALI	0.00	0.00	4,936.97	4,936.97		0.00	(4,936.97)	100.00
736-000.000-669.001	INVESTMENT GAINS/LOSSES-UNREA	0.00	0.00	28,914.75	1,896.14		0.00	(28,914.75)	100.00
736-000.000-684.000	EMPLOYER CONTRIBUTIONS	0.00	0.00	126,940.77	19,742.01		0.00	(126,940.77)	100.00
Total Dept 000.000		0.00	0.00	163,021.65	27,605.64		0.00	(163,021.65)	100.00
TOTAL REVENUES		0.00	0.00	163,021.65	27,605.64		0.00	(163,021.65)	100.00
Expenditures									
Dept 000.000									
736-000.000-723.000	RETIREE HEALTH CARE-OPEB	0.00	0.00	117,050.23	19,742.01		0.00	(117,050.23)	100.00
736-000.000-801.000	PROFESSIONAL SERVICES	0.00	0.00	5,000.00	0.00		0.00	(5,000.00)	100.00
736-000.000-805.000	SERVICE CHARGES	0.00	0.00	1,229.97	(0.37)		0.00	(1,229.97)	100.00
Total Dept 000.000		0.00	0.00	123,280.20	19,741.64		0.00	(123,280.20)	100.00
TOTAL EXPENDITURES		0.00	0.00	123,280.20	19,741.64		0.00	(123,280.20)	100.00
Fund 736 - RETIREE HEALTH INS TRUST FUND:									
TOTAL REVENUES		0.00	0.00	163,021.65	27,605.64		0.00	(163,021.65)	100.00
TOTAL EXPENDITURES		0.00	0.00	123,280.20	19,741.64		0.00	(123,280.20)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	39,741.45	7,864.00		0.00	(39,741.45)	100.00