MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN

ANNUAL ACTUARIAL VALUATION REPORT DECEMBER 31, 2014

YPSILANTI, CITY OF (8101)

Spring, 2015

Ypsilanti, City of

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

This report presents the results of the Annual Actuarial Valuation, prepared as of December 31, 2014. The report includes the determination of liabilities and contribution rates resulting from the participation of Ypsilanti, City of (8101) in the Municipal Employees' Retirement System of Michigan ("MERS"). MERS is a nonprofit organization, independent from the State, that has provided retirement plans for municipal employees for more than 65 years. Ypsilanti, City of is responsible for the employer contributions needed to provide MERS benefits for its employees and former employees under the Michigan Constitution and the MERS Plan Document.

The purpose of the December 31, 2014 annual actuarial valuation is to:

- Measure funding progress
- Establish contribution requirements for the fiscal year beginning July 1, 2016
- Provide actuarial information in connection with applicable Governmental Accounting Standards Board (GASB) statements

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

The valuation uses financial data, plan provision data, and participant data as of December 31, 2014 furnished by MERS. In accordance with Actuarial Standards of Practice No. 23, the data was checked for internal and year to year consistency as well as general reasonableness, but was not otherwise audited. CBIZ Retirement Plan Services does not assume responsibility for the accuracy or completeness of the data used in this valuation.

The actuarial assumptions and methods are adopted by the MERS Retirement Board, and are reviewed every five years in an Experience Study, which will be completed in 2015. Please refer to the division-specific assumptions described in table(s) in this report, and to the Appendix on the MERS website at:
www.mersofmich.com/Portals/0/Assets/Resources/AAV-Appendix/MERS-2014AnnualActuarialValuation-Appendix.pdf.

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

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

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

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

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

Sincerely,

Alan Sonnanstine, MAAA, ASA
Cathy Nagy, MAAA, FSA
Jim Koss, MAAA, ASA

TABLE OF CONTENTS

Executive Summary

Funded Ratio and Required Employer Contributions

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

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

Your Funded Ratio:

	12/31/2014	12/31/2013
Funded Ratio	140%	144%

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

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

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

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

Your Required Employer Contributions:

Your minimum required employer contributions are shown in the following table. Employee contributions, if any, are in addition to the required employer contributions.

	Percentage of Payroll		Monthly $ Based on Valuation Payroll	
Valuation Date:	**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
Fiscal Year Beginning:	**July 1, 2016**	**July 1, 2015**	**July 1, 2016**	**July 1, 2015**
Division				
01 - Gnrl Non Un	-	-	$ 0	$ 0
10 - Gnrl AFSCME	-	-	0	0
11 - Gnrl Dsptch	-	-	0	0
14 - Cty Mgr	-	-	0	0
15 - City Mgr. aft. 7/1/201	0.85%	0.00%	66	0
16 - AFSCME after 7/1/2010	0.00%	0.00%	0	0
17 - Non-Union after 1/1/20	7.49%	6.13%	1,641	1,439
Municipality Total			**$ 1,707**	**$ 1,439**

Employee contribution rates reflected in the valuations are shown below:

	Employee Contribution Rate	
Valuation Date:	**12/31/2014**	**12/31/2013**
Division		
01 - Gnrl Non Un	5.00%	5.00%
10 - Gnrl AFSCME	5.00%	5.00%
11 - Gnrl Dsptch	0.00%	0.00%
14 - Cty Mgr	0.00%	0.00%
15 - City Mgr. aft. 7/1/201	5.00%	5.00%
16 - AFSCME after 7/1/2010	5.00%	5.00%
17 - Non-Union after 1/1/20	5.00%	5.00%

For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate.

You may contribute more than the minimum required contributions, as these additional contributions will earn investment income, and later you may have to contribute less than otherwise. **MERS strongly encourages employers to contribute more than the minimum contribution shown above.**

Assuming that experience of the plan meets actuarial assumptions:

- To accelerate to a 100% funding ratio in 10 years, estimated monthly employer contributions for the entire employer would be $ 1,773, instead of $ 1,707.

- To accelerate to a 100% funding ratio in 20 years, estimated monthly employer contributions for the entire employer would be $ 1,716, instead of $ 1,707.

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

How and Why Do These Numbers Change?

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

- Changes in benefit provisions (see Table 2)
- Changes in actuarial assumptions and methods (see the Appendix)
- Experience of the plan (investment experience and demographic experience); this is the difference between actual experience of the plan and the actuarial assumptions

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

Comments on the Investment Markets

At this time, MERS maintains the 8% annual return assumption on investments in the belief that over the long-term this is achievable. For example, MERS' 30 year return was 9.17% on December 31, 2014. The MERS portfolio returned 6.49% in 2014; the two year (10.54%), three year (10.73%), four year (8.48%), and five year (9.59%) returns all exceed the 8% annual return assumption. When comparing these actual returns to the 8% net return assumption, deduct roughly .25% from these actual returns to reflect administrative expenses. It has now been seven years since the peak of the financial crisis and the stock market decline still weighs down MERS' medium term returns. This was a one in fifty year event comparable only to the Stock Market Crash of 1929 during the Great Depression. The stock market and economy have stabilized since 2008 and are on the long road to recovery. MERS regularly monitors the investment return assumption to make sure it is reasonable compared to long term expectations.

The actuarial value of assets, used to determine both your funded ratio and your required employer contribution, is based on a 10-year smoothed value of assets. Only a portion (seven-tenths, for 2008 through 2014) of the 2008 investment market losses was recognized in this actuarial valuation report. This reduces the volatility of the valuation results, which affects your required employer contribution and funded ratio. The smoothed actuarial rate of return for 2014 was 5.90%.

As of December 31, 2014 the actuarial value of assets is 106% of market value. This means that meeting the actuarial assumption in the next few years will require average annual market returns that exceed the 8% investment return assumption.

If the December 31, 2014 valuation results were based on market value on that date instead of 10-year smoothed funding value: i) the funded percent of your entire municipality would be 132% (instead of 140%); and ii) your total employer contribution requirement for the fiscal year starting July 1, 2016 would be $ 21,780 (instead of $ 20,484).

The asset smoothing method is a powerful tool for reducing the volatility of your required employer contributions. **However, if the current 6% difference between the smoothed value and the market value of assets is not made up, the result would be gradual increases in your employer contribution requirement over the next few years (to around the levels described above).**

Risk Characteristics of Defined Benefit Plans

It is important to understand that retirement plans, by their nature, are exposed to certain risks. While risks cannot be eliminated entirely, they can be mitigated through various strategies. Below are a few examples of risk (this is not an all-inclusive list):

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

The MERS Retirement Board adopts certain assumptions and methods to mitigate the economic and demographic risks, and the contribution volatility risks. For example, the investment risk is the largest economic risk and is mitigated by having a balanced portfolio and a clearly defined investment strategy. Demographic risks vary based on the age of the workforce and are mitigated by preparing special studies called experience studies on a regular basis to determine if the assumptions used are reasonable compared to the experience. Risk may be mitigated through a plan design that provides benefits that are sustainable in the long run. An Experience Study is completed every five years to review the assumptions and methods. The next Experience Study will be completed in 2015.

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

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

- Open divisions that have substantial assets compared to their active employee payroll will have more volatile employer contribution rates due to investment return fluctuations.

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

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

Many assumptions are important in determining the required employer contributions.

For example:

- Lower investment returns would result in higher required employer contributions, and vice-versa.
- Smaller than projected pay increases would lower required employer contributions.
- Reductions in the number of active employees would lower required contribution dollars, but would usually increase the contribution rate expressed as a percentage of (the now lower) payroll.
- Retirements at earlier ages than projected would usually increase required employer contributions.
- More non-vested terminations of employment than projected would decrease required contributions.
- More disabilities or survivor (death) benefits than projected would increase required contributions.
- Longer lifetimes after retirement than projected would increase required employer contributions.

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

The relative impact of each investment return scenario below will vary from year to year, as the participant demographics change. The impact of each scenario should be analyzed for a given year, not from year to year. The results in the table are based on the December 31, 2014 valuation, and are for the municipality in total, not by division.

	Assumed Future Annual Smoothed Rate of Investment Return			
	Lower Future Annual Returns		Valuation Assumption	Higher Returns
12/31/2014 Valuation Results	**6%**	**7%**	**8%**	**9%**
Accrued Liability	$ 16,484,574	$ 14,816,121	$ 13,407,385	$ 12,225,548
Valuation Assets	$ 18,793,200	$ 18,793,200	$ 18,793,200	$ 18,793,200
Unfunded Accrued Liability	$ (2,308,626)	$ (3,977,079)	$ (5,385,815)	$ (6,567,652)
Funded Ratio	114%	127%	140%	154%
Monthly Normal Cost	$ 21,780	$ 16,449	$ 12,251	$ 8,950
Monthly Amortization Payment	$ (19,845)	$ (39,258)	$ (58,082)	$ (76,195)
Total Employer Contribution[1]	$ 10,942	$ 2,663	$ 1,707	$ 1,137

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

Five Year Projection Scenarios

The following table illustrates the plan's projected liabilities and required employer contributions for the next five fiscal years, under three actuarial assumptions and future economic scenarios. All three scenarios take into account the 2008 financial losses that will continue to affect the smoothed rate of return for the next three years.

Valuation Year Ending 12/31	Fiscal Year Beginning 7/1	Actuarial Accrued Liability	Valuation Assets	Funded Percentage	Required Annual Employer Contribution[1]
8% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
2014	2016	$ 13,407,385	$ 18,793,200	140%	$ 43,272
2015	2017	13,724,100	19,072,100	139%	52,630
2016	2018	14,138,500	19,320,300	137%	62,500
2017	2019	14,562,700	19,564,100	134%	73,140
2018	2020	14,989,800	20,314,300	136%	85,936
7% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
2014	2016	$ 14,816,121	$ 18,793,200	127%	$ 63,420
2015	2017	15,152,300	18,960,200	125%	75,668
2016	2018	15,611,300	19,305,300	124%	94,940
2017	2019	16,045,600	19,488,800	122%	113,908
2018	2020	16,507,000	20,187,700	122%	130,216
6% Assumed Interest Discount Rate and Future Annual Market Rate of Return					
2014	2016	$ 16,484,574	$ 18,793,200	114%	$ 173,064
2015	2017	16,854,800	18,979,300	113%	199,604
2016	2018	17,342,900	19,276,100	111%	226,736
2017	2019	17,811,700	19,610,600	110%	254,332
2018	2020	18,301,900	20,346,200	111%	260,760

[1] For an employer with any open divisions, this column will include the impact of projected increases in total payroll from 2014 to the applicable fiscal year. This will cause the projected contribution for the fiscal year beginning in 2016 to be higher than the Estimated Annual Contribution shown in Table 1.

The first scenario provides an estimate of required employer contributions based on current actuarial assumptions, and a projected 8% market return. The other scenarios may be useful if the municipality chooses to budget more conservatively, and make contributions in addition to the minimum requirements. The 7% and 6% projections provide an indication of the potential required employer contribution if MERS were to realize investment returns of 7% and 6% over the long-term.

Employer Contribution Details
For the Fiscal Year Beginning July 1, 2016

Table 1

Division	Amort. Period for Unfund. Liab.[4,5]	Employer Contributions[1]			Blended Employer Contribut.[7]	Employee Contribution Rate[6]	Employee Contribut. Conversion Factor[2]
		Normal Cost	Unfunded Accrued Liability	Total Required Employer Contribut.			
Percentage of Payroll							
01 - Gnrl Non Un	24	-	-	-	0.00%	5.00%	
10 - Gnrl AFSCME	24	-	-	-	0.00%	5.00%	
11 - Gnrl Dsptch	18	-	-	-		0.00%	
14 - Cty Mgr	24	-	-	-	0.00%	0.00%	
15 - City Mgr. aft. 7/1	24	13.25%	-12.40%	0.85%	0.00%	5.00%	0.98%
16 - AFSCME after 7/1/2	24	5.72%	-23.33%	0.00%	0.00%	5.00%	0.78%
17 - Non-Union after 1/	24	7.18%	0.31%	7.49%	0.00%	5.00%	0.90%
Estimated Monthly Contribution[3]							
01 - Gnrl Non Un	24	$ 4,542	$ (33,912)	$ 0			
10 - Gnrl AFSCME	24	4,632	(17,462)	0			
11 - Gnrl Dsptch	18	0	(3,478)	0			
14 - Cty Mgr	24	0	(412)	0			
15 - City Mgr. aft. 7/1	24	1,034	(968)	66			
16 - AFSCME after 7/1/2	24	470	(1,918)	0			
17 - Non-Union after 1/	24	1,573	68	1,641			
Total Municipality		**$ 12,251**	**$ (58,082)**	**$ 1,707**			
Estimated Annual Contribution[3]		**$ 147,012**	**$ (696,984)**	**$ 20,484**			

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

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

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

4 If projected assets exceed projected liabilities as of the beginning of the July 1, 2016 fiscal year, the negative unfunded accrued liability is amortized (spread) over 10 years. This amortization is used to reduce the employer contribution rate. Note that if the overfunding credit is larger than the normal cost, the full credit is shown above but the total contribution requirement is zero. This will cause the displayed normal cost and unfunded accrued liability contributions to not add across.

5 If the division is closed to new hires, with new hires not covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the amortization period will decrease as follows: Under Amortization Option A, the period will decrease by 2 years each valuation year, until it reaches 6 or 5 years. Then it decreases by 1 year each valuation year until the UAL is paid off. Under Amortization Option B, the period will decrease by 2 years each valuation year, until it reaches 16 or 15 years. Thereafter, the period will reduce by 1 year each valuation year, until the UAL is paid off. This will result in amortization payments that increase faster than the usual 4.5% each year. If the division is closed to new hires, with new hires (and transfers) covered by MERS Defined Benefit Plan or Hybrid Plan provisions, the standard open division amortization period will apply.

6 For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate.

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

Please see the Comments on the Investment Markets.

Benefit Provisions

Table 2

01 - Gnrl Non Un: Closed to new hires, linked to Division 17

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	50/25 55/15	50/25 55/15
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	5%	5%
Act 88:	Yes (Adopted 2/7/1972)	Yes (Adopted 2/7/1972)

10 - Gnrl AFSCME: Closed to new hires, linked to Division 16

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	50/25 55/15	50/25 55/15
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	5%	5%
Act 88:	Yes (Adopted 2/7/1972)	Yes (Adopted 2/7/1972)

11 - Gnrl Dsptch: Closed to new hires

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/15 20 and Out	55/15 20 and Out
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	10%	10%
Act 88:	Yes (Adopted 2/7/1972)	Yes (Adopted 2/7/1972)

Table 2 (continued)

14 - Cty Mgr: Closed to new hires, linked to Division 15

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.50% Multiplier (80% max)	2.50% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	8 years	8 years
Early Retirement (Unreduced):	55/15	55/15
Early Retirement (Reduced):	50/25	50/25
Final Average Compensation:	3 years	3 years
COLA for Future Retirees:	2.50% (Non-Compound)	2.50% (Non-Compound)
Employee Contributions:	0%	0%
RS50% Percentage:	50%	50%
Act 88:	Yes (Adopted 10/1/2005)	Yes (Adopted 10/1/2005)

15 - City Mgr. aft. 7/1/2012: Open Division, linked to Division 14

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.25% Multiplier (80% max)	2.25% Multiplier (80% max)
Normal Retirement Age:	60	60
Vesting:	8 years	8 years
Early Retirement (Unreduced):	-	-
Early Retirement (Reduced):	50/25 55/15	50/25 55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	5%	5%
RS50% Percentage:	50%	50%
Act 88:	Yes (Adopted 10/1/2005)	Yes (Adopted 10/1/2005)

16 - AFSCME after 7/1/2010: Open Division, linked to Division 10

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	50/25 55/15	50/25 55/15
Early Retirement (Reduced):	-	-
Final Average Compensation:	3 years	3 years
Employee Contributions:	5%	5%
Act 88:	Yes (Adopted 2/7/1972)	Yes (Adopted 2/7/1972)

Table 2 (continued)

17 - Non-Union after 1/1/2013: Open Division, linked to Division 01

	2014 Valuation	2013 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)	2.00% Multiplier (no max)
Normal Retirement Age:	60	60
Vesting:	10 years	10 years
Early Retirement (Unreduced):	55/25	55/25
Early Retirement (Reduced):	50/25 55/15	50/25 55/15
Final Average Compensation:	3 years	3 years
Employee Contributions:	5%	5%
Act 88:	Yes (Adopted 2/7/1972)	Yes (Adopted 2/7/1972)

Participant Summary

Table 3

Division	2014 Valuation Number	2014 Valuation Annual Payroll[1]	2013 Valuation Number	2013 Valuation Annual Payroll[1]	2014 Valuation Average Age	2014 Valuation Average Benefit Service[2]	2014 Valuation Average Eligibility Service[2]
01 - Gnrl Non Un							
Active Employees	14	$ 891,907	15	$ 904,114	53.6	16.4	16.4
Vested Former Employees	10	110,673	11	114,123	46.4	9.2	13.6
Retirees and Beneficiaries	28	365,533	29	368,192	74.1		
10 - Gnrl AFSCME							
Active Employees	17	$ 769,034	17	$ 726,722	47.0	11.4	11.4
Vested Former Employees	1	10,884	1	10,884	38.4	11.1	11.1
Retirees and Beneficiaries	23	382,412	23	382,412	69.1		
11 - Gnrl Dsptch							
Active Employees	0	$ 0	0	$ 0	0.0	0.0	0.0
Vested Former Employees	5	26,082	5	26,082	38.8	5.3	10.7
Retirees and Beneficiaries	2	21,489	2	21,489	71.9		
14 - Cty Mgr							
Active Employees	0	$ 0	0	$ 0	0.0	0.0	0.0
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	1	45,537	1	44,478	62.8		
15 - City Mgr. aft. 7/1/2							
Active Employees	1	$ 93,644	1	$ 93,500	62.4	2.4	7.8
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	0	0	0	0	0.0		
16 - AFSCME after 7/1/201							
Active Employees	3	$ 98,634	3	$ 104,597	35.8	0.7	0.7
Vested Former Employees	3	9,483	1	4,192	42.4	4.3	11.0
Retirees and Beneficiaries	0	0	0	0	0.0		
17 - Non-Union after 1/1/							
Active Employees	5	$ 262,838	6	$ 281,732	42.0	2.3	8.3
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	0	0	0	0	0.0		
Total Municipality							
Active Employees	**40**	**$ 2,116,057**	**42**	**$ 2,110,665**	**48.2**	**11.0**	**11.9**
Vested Former Employees	**19**	**157,122**	**18**	**155,281**	**43.4**	**7.5**	**12.3**
Retirees and Beneficiaries	**54**	**814,971**	**55**	**816,571**	**71.7**		
Total Participants	**113**		**115**				

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

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

Reported Assets (Market Value)

Table 4

Division	2014 Valuation		2013 Valuation	
	Employer and Retiree[1]	Employee[2]	Employer and Retiree[1]	Employee[2]
01 - Gnrl Non Un	$ 8,599,294	$ 871,678	$ 8,407,806	$ 821,962
10 - Gnrl AFSCME	6,292,285	410,369	6,275,787	371,747
11 - Gnrl Dsptch	468,625	92,630	457,107	92,426
14 - Cty Mgr	569,036	0	579,035	0
15 - City Mgr. aft. 7/1/2012	127,669	11,262	119,824	6,565
16 - AFSCME after 7/1/2010	184,746	39,920	172,035	34,564
17 - Non-Union after 1/1/2013	35,262	27,712	32,132	15,358
Municipality Total	**$ 16,276,917**	**$ 1,453,571**	**$ 16,043,726**	**$ 1,342,622**
Combined Reserves	**$ 17,730,488**		**$ 17,386,348**	

1 Reserve for Employer Contributions and Benefit Payments

2 Reserve for Employee Contributions

The December 31, 2014 valuation assets are equal to 1.059937 times the reported market value of assets (compared to 1.061840 as of December 31, 2013). The derivation of valuation assets is described, and detailed calculations of valuation assets are shown, in the Appendix.

Flow of Valuation Assets

Table 5

Year Ended 12/31	Employer Contributions Required	Employer Contributions Additional	Employee Contributions	Investment Income	Benefit Payments	Employee Contribution Refunds	Net Transfers	Valuation Asset Balance
2004	$ 27,439		$ 142,985	$ 998,107	$ (529,123)	$ (68,171)	$ 0	$ 15,678,721
2005	19,024		250,465	976,590	(569,556)	(24,812)	(299,496)	16,030,936
2006	44,478		118,994	1,284,635	(628,348)	(35,205)	1	16,815,491
2007	26,695		123,481	1,363,331	(789,419)	(84,876)	0	17,454,703
2008	0		125,096	722,207	(771,554)	(9,105)	12,177	17,533,524
2009	0		121,435	679,741	(733,569)	(24,365)	0	17,576,766
2010	222		102,227	872,649	(732,612)	(23,580)	0	17,795,672
2011	222	$ 0	99,202	857,598	(739,837)	(2,812)	0	18,010,045
2012	1,963	0	99,414	771,282	(804,123)	(3,964)	0	18,074,617
2013	0	0	108,988	1,049,864	(786,836)	(2,697)	17,585	18,461,521
2014	0	0	109,007	1,037,595	(813,912)	(1,011)	0	18,793,200

Notes:

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

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

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

Actuarial Accrued Liabilities and Valuation Assets
As of December 31, 2014

Table 6

Division	Actuarial Accrued Liability	Valuation Assets[1]	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
01 - Gnrl Non Un				
Active Employees	$ 3,135,722	$ 6,245,931	199.2%	$ (3,110,209)
Vested Former Employees	501,111	501,111	100.0%	0
Retirees And Beneficiaries	3,192,480	3,192,480	100.0%	0
Pending Refunds	99,112	99,112	100.0%	0
Total	**$ 6,928,425**	**$ 10,038,634**	**144.9%**	**$ (3,110,209)**
10 - Gnrl AFSCME				
Active Employees	$ 1,856,092	$ 3,493,243	188.2%	$ (1,637,151)
Vested Former Employees	20,680	20,680	100.0%	0
Retirees And Beneficiaries	3,579,761	3,579,761	100.0%	0
Pending Refunds	10,707	10,707	100.0%	0
Total	**$ 5,467,240**	**$ 7,104,391**	**129.9%**	**$ (1,637,151)**
11 - Gnrl Dsptch				
Active Employees	$ 0	$ 309,713	0.0%	$ (309,713)
Vested Former Employees	89,681	89,681	100.0%	0
Retirees And Beneficiaries	178,168	178,168	100.0%	0
Pending Refunds	17,333	17,333	100.0%	0
Total	**$ 285,182**	**$ 594,895**	**208.6%**	**$ (309,713)**
14 - Cty Mgr				
Active Employees	$ 0	$ 36,735	0.0%	$ (36,735)
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	566,407	566,407	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	**$ 566,407**	**$ 603,142**	**106.5%**	**$ (36,735)**
15 - City Mgr. aft. 7/1/2012				
Active Employees	$ 36,606	$ 147,258	402.3%	$ (110,652)
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	0	0	0.0%	0
Total	**$ 36,606**	**$ 147,258**	**402.3%**	**$ (110,652)**
16 - AFSCME after 7/1/2010				
Active Employees	$ 8,333	$ 200,028	2,400.4%	$ (191,695)
Vested Former Employees	37,750	37,750	100.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	354	354	100.0%	0
Total	**$ 46,437**	**$ 238,132**	**512.8%**	**$ (191,695)**

Table 6 (continued)

Division	Actuarial Accrued Liability	Valuation Assets[1]	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
17 - Non-Union after 1/1/2013				
Active Employees	$ 75,293	$ 64,953	86.3%	$ 10,340
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	1,795	1,795	100.0%	0
Total	**$ 77,088**	**$ 66,748**	**86.6%**	**$ 10,340**
Total Municipality				
Active Employees	**$ 5,112,046**	**$ 10,497,861**	**205.4%**	**$ (5,385,815)**
Vested Former Employees	**649,222**	**649,222**	**100.0%**	**0**
Retirees and Beneficiaries	**7,516,816**	**7,516,816**	**100.0%**	**0**
Pending Refunds	**129,301**	**129,301**	**100.0%**	**0**
Total Participants	**$ 13,407,385**	**$ 18,793,200**	**140.2%**	**$ (5,385,815)**
The following results show the combined accrued liabilities and assets for each set of linked divisions. These results are already included in the table above.				
Linked Divisions 17, 01				
Active Employees	$ 3,211,015	$ 6,310,884	196.5%	$ (3,099,869)
Vested Former Employees	501,111	501,111	100.0%	0
Retirees and Beneficiaries	3,192,480	3,192,480	100.0%	0
Pending Refunds	100,907	100,907	100.0%	0
Total	**$ 7,005,513**	**$ 10,105,382**	**144.2%**	**$ (3,099,869)**
Linked Divisions 16, 10				
Active Employees	$ 1,864,425	$ 3,693,271	198.1%	$ (1,828,846)
Vested Former Employees	58,430	58,430	100.0%	0
Retirees and Beneficiaries	3,579,761	3,579,761	100.0%	0
Pending Refunds	11,061	11,061	100.0%	0
Total	**$ 5,513,677**	**$ 7,342,523**	**133.2%**	**$ (1,828,846)**
Linked Divisions 15, 14				
Active Employees	$ 36,606	$ 183,993	502.6%	$ (147,387)
Vested Former Employees	0	0	0.0%	0
Retirees and Beneficiaries	566,407	566,407	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	**$ 603,013**	**$ 750,400**	**124.4%**	**$ (147,387)**

1 Includes both employer and employee assets.

Please see the Comments on the Investment Markets.

See the MERS Fiscal Responsibility Policy on the MERS website at:
http://www.mersofmich.com/Portals/0/Assets/PageResources/MERS/PlanDocument/Pension/sec_43c.pdf.

Actuarial Accrued Liabilities - Comparative Schedule

Table 7

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2000	$ 8,043,197	$ 13,701,381	170%	$ (5,658,183)
2001	8,991,957	14,367,886	160%	(5,375,929)
2002	9,556,377	14,404,059	151%	(4,847,682)
2003	9,888,040	15,107,484	153%	(5,219,444)
2004	10,303,544	15,678,721	152%	(5,375,177)
2005	10,301,827	16,030,936	156%	(5,729,109)
2006	11,271,094	16,815,491	149%	(5,544,397)
2007	11,905,095	17,454,703	147%	(5,549,608)
2008	11,975,264	17,533,524	146%	(5,558,260)
2009	11,686,193	17,576,766	150%	(5,890,573)
2010	11,787,614	17,795,672	151%	(6,008,058)
2011	12,209,422	18,010,045	148%	(5,800,623)
2012	12,460,118	18,074,617	145%	(5,614,499)
2013	12,834,271	18,461,521	144%	(5,627,250)
2014	13,407,385	18,793,200	140%	(5,385,815)

Notes: Actuarial assumptions were revised for the 2000, 2004, 2008, 2009, 2010, 2011, and 2012 actuarial valuations.

Division 01 - Gnrl Non Un

Table 8-01: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	$ 5,109,293	$ 9,041,826	177%	$ (3,932,533)
2005	5,209,602	9,371,675	180%	(4,162,073)
2006	5,801,217	10,029,528	173%	(4,228,311)
2007	6,391,791	9,293,604	145%	(2,901,813)
2008	6,210,247	9,335,311	150%	(3,125,064)
2009	6,268,919	9,359,881	149%	(3,090,962)
2010	6,362,431	9,488,714	149%	(3,126,283)
2011	6,498,651	9,614,038	148%	(3,115,387)
2012	6,401,591	9,588,005	150%	(3,186,414)
2013	6,660,607	9,800,537	147%	(3,139,930)
2014	6,928,425	10,038,634	145%	(3,110,209)

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

Table 9-01: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2004	25	$ 1,248,835	0.00%	4.87%
2005	24	1,173,465	0.00%	4.87%
2006	21	1,079,982	0.00%	5.00%
2007	24	1,357,033	0.00%	5.00%
2008	20	1,132,044	0.00%	5.00%
2009	18	1,075,646	0.00%	5.00%
2010	19	1,093,543	0.00%	5.00%
2011	19	1,028,607	0.00%	5.00%
2012	16	924,909	$ 0	5.00%
2013	15	904,114	$ 0	5.00%
2014	14	891,907	$ 0	5.00%

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

2 For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 10 - Gnrl AFSCME

Table 8-10: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	$ 4,441,499	$ 6,028,056	136%	$ (1,586,557)
2005	4,485,307	6,214,476	139%	(1,729,169)
2006	4,809,149	6,273,360	130%	(1,464,211)
2007	4,844,654	7,136,997	147%	(2,292,343)
2008	4,986,779	7,122,028	143%	(2,135,249)
2009	4,626,027	7,093,079	153%	(2,467,052)
2010	4,729,947	7,138,749	151%	(2,408,802)
2011	4,989,033	7,188,356	144%	(2,199,323)
2012	5,203,440	7,010,389	135%	(1,806,949)
2013	5,213,584	7,058,618	135%	(1,845,034)
2014	5,467,240	7,104,391	130%	(1,637,151)

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

Table 9-10: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2004	29	$ 1,010,513	0.00%	4.82%
2005	30	1,281,833	0.00%	4.85%
2006	27	949,517	0.00%	5.00%
2007	26	893,285	0.00%	5.00%
2008	26	986,554	0.00%	5.00%
2009	24	926,113	0.00%	5.00%
2010	23	895,843	0.00%	5.00%
2011	22	876,718	0.00%	5.00%
2012	22	906,353	$ 0	5.00%
2013	17	726,722	$ 0	5.00%
2014	17	769,034	$ 0	5.00%

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

2 For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 11 - Gnrl Dsptch

Table 8-11: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2004	$ 336,196	$ 299,390	89%	$ 36,806
2005	329,337	313,261	95%	16,076
2006	342,305	339,156	99%	3,149
2007	346,651	519,539	150%	(172,888)
2008	384,305	534,957	139%	(150,652)
2009	392,310	553,574	141%	(161,264)
2010	286,648	563,404	197%	(276,756)
2011	285,891	568,828	199%	(282,937)
2012	285,326	571,870	200%	(286,544)
2013	285,030	583,516	205%	(298,486)
2014	285,182	594,895	209%	(309,713)

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

Table 9-11: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2004	6	$ 184,097	8.13%	4.82%
2005	6	202,979	7.37%	4.84%
2006	3	113,324	7.34%	4.85%
2007	4	153,018	0.00%	10.00%
2008	4	164,647	0.00%	10.00%
2009	4	175,197	0.00%	10.00%
2010	0	0	$ 0	0.00%
2011	0	0	$ 0	0.00%
2012	0	0	$ 0	0.00%
2013	0	0	$ 0	0.00%
2014	0	0	$ 0	0.00%

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

[2] For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 14 - Cty Mgr

Table 8-14: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2005	$ 277,581	$ 131,524	47%	$ 146,057
2006	318,423	173,447	54%	144,976
2007	321,999	504,563	157%	(182,564)
2008	393,933	541,228	137%	(147,295)
2009	398,937	570,232	143%	(171,295)
2010	408,588	604,805	148%	(196,217)
2011	435,847	638,823	147%	(202,976)
2012	561,182	624,994	111%	(63,812)
2013	564,852	614,843	109%	(49,991)
2014	566,407	603,142	107%	(36,735)

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

Table 9-14: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2005	1	$ 103,064	22.88%	0.00%
2006	1	107,261	22.71%	0.00%
2007	1	98,574	0.00%	0.00%
2008	1	110,579	0.45%	0.00%
2009	1	112,198	0.00%	0.00%
2010	1	99,653	0.00%	0.00%
2011	1	106,212	0.00%	0.00%
2012	0	0	$ 0	0.00%
2013	0	0	$ 0	0.00%
2014	0	0	$ 0	0.00%

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

[2] For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 15 - City Mgr. aft. 7/1/2012

Table 8-15: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2012	$ (967)	$ 121,181	0%	$ (122,148)
2013	16,596	134,205	809%	(117,609)
2014	36,606	147,258	402%	(110,652)

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

Table 9-15: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2012	1	$ 90,619	0.00%	5.00%
2013	1	93,500	0.00%	5.00%
2014	1	93,644	0.85%	5.00%

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

[2] For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 16 - AFSCME after 7/1/2010

Table 8-16: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2012	$ 0	$ 153,232	0%	$ (153,232)
2013	53,995	219,375	406%	(165,380)
2014	46,437	238,132	513%	(191,695)

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

Table 9-16: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2012	0	$ 0	0.00%	0.00%
2013	3	104,597	0.00%	5.00%
2014	3	98,634	0.00%	5.00%

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

2 For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

Division 17 - Non-Union after 1/1/2013

Table 8-17: Actuarial Accrued Liabilities - Comparative Schedule

Valuation Date December 31	Actuarial Accrued Liability	Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
2012	$ 9,546	$ 4,946	52%	$ 4,600
2013	39,607	50,427	127%	(10,820)
2014	77,088	66,748	87%	10,340

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

Table 9-17: Required Employer Contributions - Comparative Schedule

Valuation Date December 31	Active Employees		Required Employer Contribution[1]	Employee Contribution Rate[2]
	Number	Annual Payroll		
2012	1	$ 24,723	7.37%	5.00%
2013	6	281,732	6.13%	5.00%
2014	5	262,838	7.49%	5.00%

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

2 For employee contribution rates that are not flat percentages, the rate shown is a weighted average flat employee contribution rate. For each valuation year, the required employer contribution is based on the employee rate. If the employee rate changes during the applicable fiscal year, the required employer contribution will be adjusted.

GASB 68 Information

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

Actuarial Valuation Date:	12/31/2014
Measurement Date of Total Pension Liability (TPL):	12/31/2014

At 12/31/2014, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits:	54
Inactive employees entitled to but not yet receiving benefits:	19
Active employees:	40
	113

Covered employee payroll: (Needed for Required Supplementary Information)	$	2,116,057
Total Pension Liability as of 12/31/2013 measurement date:	$	12,627,483
Total Pension Liability as of 12/31/2014 measurement date:	$	13,093,173
Service Cost for the year ending on the 12/31/2014 measurement date:	$	261,667

Change in the Total Pension Liability due to:

- Benefit changes[1]:	$	0
- Differences between expected and actual experience[2]:	$	0
- Changes in assumptions[2]:	$	0

Average expected remaining service lives of all employees (active and inactive): 3

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

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

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

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Change in Net Pension Liability as of 12/31/2014:	$ 1,348,309	-	$ (1,134,096)

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

Benefit Provision History

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

01 - Gnrl Non Un

1/1/2013	Day of work defined as 8 Hours a Day for All employees.
4/1/2006	Benefit B-4 (80% max)
4/1/2006	Member Contribution Rate 5.00%
9/1/2000	Temporary Benefit B-4 (80% max) (09/01/2000 - 12/03/2000)
1/1/1999	Benefit F50 (With 25 Years of Service)
1/1/1994	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1990	Benefit B-3 (80% max)
3/1/1985	Benefit F55 (With 15 Years of Service)
2/7/1972	Covered by Act 88
6/1/1967	Benefit C-1 (Old)
5/1/1946	Benefit FAC-5 (5 Year Final Average Compensation)
5/1/1946	10 Year Vesting
5/1/1946	Benefit C (Old)
5/1/1946	Member Contribution Rate 3.00% Under $4,200.00 - Then 5.00%
5/1/1946	Fiscal Month - July

10 - Gnrl AFSCME

1/1/2006	Benefit B-4 (80% max)
1/1/2006	Member Contribution Rate 5.00%
9/1/2000	Temporary Benefit B-4 (80% max) (09/01/2000 - 12/03/2000)
1/1/1999	Benefit F50 (With 25 Years of Service)
7/1/1991	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1990	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/1990	10 Year Vesting
1/1/1990	Benefit B-3 (80% max)
1/1/1990	Member Contribution Rate 3.00% Under $4,200.00 - Then 5.00%
1/1/1985	Benefit F55 (With 15 Years of Service)
2/7/1972	Covered by Act 88
5/1/1946	Fiscal Month - July

11 - Gnrl Dsptch

5/1/2007	Member Contribution Rate 10.00%
1/1/2000	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1999	20 Years & Out
7/1/1991	Member Contribution Rate 3.00% Under $4,200.00 - Then 5.00%
7/1/1991	Benefit B-3 (80% max)
7/1/1990	Benefit FAC-5 (5 Year Final Average Compensation)
7/1/1990	10 Year Vesting
7/1/1990	2.25% Multiplier (no max)
10/1/1985	Benefit F55 (With 15 Years of Service)

11 - Gnrl Dsptch

2/7/1972	Covered by Act 88
5/1/1946	Fiscal Month - July

14 - Cty Mgr

1/1/2006	E2 2.5% COLA for future retirees (10/01/2005)
10/1/2005	Benefit RS 50 (50% Post-Ret. Spouse Benefits)
10/1/2005	Benefit FAC-3 (3 Year Final Average Compensation)
10/1/2005	Covered by Act 88
10/1/2005	8 Year Vesting
10/1/2005	Day of work defined as 8 Hours a Day for All employees.
10/1/2005	Benefit B-4 (80% max)
10/1/2005	Benefit F55 (With 15 Years of Service)
10/1/2005	Member Contribution Rate 0.00%
5/1/1946	Fiscal Month - July

15 - City Mgr. aft. 7/1/2012

7/1/2012	Benefit RS 50 (50% Post-Ret. Spouse Benefits)
7/1/2012	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/2012	8 Year Vesting
7/1/2012	Day of work defined as 8 Hours a Day for All employees.
7/1/2012	Benefit B-3 (80% max)
7/1/2012	Member Contribution Rate 5.00%
10/1/2005	Covered by Act 88
5/1/1946	Fiscal Month - July

16 - AFSCME after 7/1/2010

7/1/2010	Benefit FAC-3 (3 Year Final Average Compensation)
7/1/2010	Day of work defined as 8 Hours a Day for All employees.
7/1/2010	Benefit B-2
7/1/2010	Benefit F50 (With 25 Years of Service)
7/1/2010	Benefit F55 (With 15 Years of Service)
1/1/2010	10 Year Vesting
1/1/2010	Member Contribution Rate 5.00%
2/7/1972	Covered by Act 88
5/1/1946	Fiscal Month - July

17 - Non-Union after 1/1/2013

1/1/2013	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/2013	10 Year Vesting
1/1/2013	Benefit B-2
1/1/2013	Benefit F55 (With 25 Years of Service)
1/1/2013	Member Contribution Rate 5.00%
2/7/1972	Covered by Act 88
5/1/1946	Fiscal Month - July

Plan Provisions, Actuarial Assumptions, and Actuarial Funding Method

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

Increase in Final Average Compensation

Division	FAC Increase Assumption
All Divisions	1.00%

Withdrawal Rate Scaling Factor

Division	Withdrawal Rate Scaling Factor
All Divisions	100%

Miscellaneous and Technical Assumptions

Loads – None.

Amortization Policy for Closed Divisions

Closed Division	Amortization Option
All Closed Divisions	Option A