

City of Davison 2017 Summary Annual Report

City of Davison
Municode 252020
Information based on Calculations of Retiree Medical Benefits as of 06-30-2018
Public Act 530 of 2017
Annual Summary Reporting Requirement - OPEB (Retiree Health Care)

Section 13 (3) (i)	Item	Information
(i)	The name of the system	City of Davison
(ii)	The names of the system's investment fiduciaries	MERS of Michigan
(iii)	System's service providers	MERS of Michigan(administered by MERS who act as investment fiduciary) MERS Retiree Health Funding Vehicle (RHFV) Program
(iv)	System assets	\$640,299
	System liabilities	\$7,797,615
	Change in Net Pension Liability	\$341,297
(v)	System's funded ratio	8.21%
(vi)	Investment performance	Investment performance net of fees: 1 year: 7.78% 3 years: 7.11% 5 years: 7.72% 7 years: N/A 10 years: 5.72%
(vii)	System admin & invest expenses	.48% (.20% for Administrative and .28% for investments)
(viii)	System's budget	Not applicable to local government
(ix)		
	A Number of actives	20
	B Number of retirees/beneficiaries	20
	C The average annual retirement allowance	N/A
	D Total annual retirement allowance	N/A
	E Valuation payroll for active employees	N/A
	F Normal cost and/or percentage	\$147,365
	G Total computed employer contribution	\$787,220
	H Weighted average member contributions	0.00%
	I Actuarial Investment return	7.75%
	J Actuarial long term inflation rate	2.50%
	K Smoothing method	10 Years
	L Amortization method	Level Percent
	M Actuarial cost method	Entry Age Normal Method
	N Open or closed membership	Open
	O Health care inflation	7.25%
(x)	Travel report	Not applicable to local governments within this plan
Sec. 20h (1)	Item	Information and Location
7	If below 60% funded, actions taken to reduce the system's UAL	<ul style="list-style-type: none"> . Once employee turns 65 health benefits are integrated with Medicare for lower employer costs . Any union employee hired after July 1, 2012 will only receive retiree health benefits for themselves, no family coverage . Any union employee hired after July 1, 2012 will pay 20% of their retiree health benefits . In 2014 moved to an HMO plan with higher deductibles and high copays for employees, lowering employers costs . Each fiscal year before enrollment the City investigates options for cost savings . City Contributes an amount equal to 5% of all active full time employee's wages to RHFV Trust with MERS . Active employees contribute toward their health insurance premiums .CAP filed with State Treasury in November of 2018 outlining actions taken since December 31, 2017