

## Protecting Local Government Retirement and Benefits Act Application for Waiver: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

### 1. LOCAL GOVERNMENT INFORMATION

Local Government Name: Iron County Road Commission Six-Digit Muni Code: 360100  
Retirement Health Benefit System Name: None  
Contact Name (Administrative Officer): Michelle Johnson  
Title if not Administrative Officer: Finance Director  
Email: michelle@ironcountyroads.com Telephone: (906) 265-6686  
Fiscal Year: 2022

### 2. GENERAL INFORMATION

**Application for Waiver:** This Application for Waiver may be filed by any local government with at least one retirement health benefit system that has triggered a preliminary review of underfunded status. In accordance with Public Act 202 of 2017 (the Act), if the State Treasurer determines that the underfunded status is adequately being addressed by the local government, the State Treasurer shall issue a waiver of the determination of underfunded status. If requesting a waiver, you must submit a separate and unique application for each underfunded retirement system as determined by your most recent *Retirement System Annual Report (Form 5572)*.

**Due Date:** The local government has **45 days from the date of notification** to complete and file the Application for Waiver. Failure to file within 45 days will result in a determination of underfunded status for your local government as defined by the Act, and your local government will be required to submit a corrective action plan to the Municipal Stability Board for approval.

**Filing:** This Application for Waiver must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Application for Waiver and attach the documentation as a separate PDF document.** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a disapproval of the waiver application.

The completed application must be submitted via email to [LocalRetirementReporting@michigan.gov](mailto:LocalRetirementReporting@michigan.gov). **If you have multiple underfunded retirement systems, you are required to complete separate applications and send a separate email for each underfunded system.** Please attach each application as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Waiver-20XX, Local Government Name, Retirement System Name** (e.g. Waiver-2018, City of Lansing, Employees' Retirement System Healthcare Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

**Considerations for Waiver:** A successful Application for Waiver will demonstrate what your local government **has already done** to adequately address its underfunded status. Prospective solutions will not be granted merit in determining the outcome of the waiver application (e.g. future amendments to collective bargaining agreements, upcoming millage proposals, potential budget changes, etc.). However, Treasury may consider additional ongoing funding dedicated to your retirement system if those commitments have been formally enacted by the governing body and can be documented. Section three of this waiver application allows the local government to enter a brief description of prior

actions that have already been implemented to adequately address its underfunded status. For purposes of Sec. 6.(1) of the Act, this application will also be considered the plan.

Underfunded status for a retirement health benefit system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local government is a city, village, township, or county, the actuarially determined contribution (ADC) for all of the retirement health systems of the local government is greater than 12% of the local government's annual governmental fund revenues, based on the most recent fiscal year.

**General guidelines are listed below to help your local government decide whether to apply for a waiver. Ultimately, waiver approval or disapproval is at the discretion of the State Treasurer; however, waiver applications should generally demonstrate at least one of the following seven criteria. Please check all that apply:**

- In general, local governments that were previously granted a waiver should demonstrate improvement in their underfunded status in the subsequent year. Improvement can be measured by an increase in the funded ratio and/or a decrease in the ADC as a percentage of governmental revenue;
- There was a mistake in the filing process and the local government is not actually underfunded;
- Using updated data, such as a more recent actuarial valuation, the local government is not underfunded;
- If a local government fails to calculate an ADC within their audited financial statement and triggers underfunded status, the local government may file a waiver application to Treasury that includes the calculated ADC;
- The local government demonstrates their underfunded status will be addressed within four years;
- The local government is a non-primary government (e.g. road commission, authority, etc.) and demonstrates their ADC for OPEB is less than 12% of governmental revenues;
- When adding enterprise fund revenues used specifically to pay retirement costs with governmental fund revenues, your ADC as a percentage of combined revenues is below 12%.

### 3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

**Note:** Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

#### Category of Prior Actions:

- System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

**Sample Statement:** Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On **January 1, 2018**, the local government entered into new collective bargaining agreements with the **Command Officers Association and Internal Association of Firefighters** that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is 40% funded as of June 30, 2018.

For employees hired after February 1, 1986, retiree benefits are reduced to two years after meeting the retirement qualifiers of ten years of service and the age of 60. No health care coverage is provided after the age of 65. There are only two current non-union/ management employees that qualify for a level available prior to February 1, 1986. See attachment 7-Union agreement.

**Additional Funding** – Additional funding may include the following: voluntary contributions above the ADC, bonding, millage increases, restricted funds, etc.

**Sample Statement:** The local government created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on June 23, 2017. The local government has adopted a policy to change its funding methodology from Pay-Go to full funding of the ADC. Additionally, the local government has committed to contributing \$500,000 annually, in addition to the ADC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to 40% by 2022. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ADC and additional \$500,000 for the next five years.

There is a plan to pre-fund this liability. The schedule of RSI indicated a normal cost of \$9,452 for 2022 (See attachment 3-ICRC Retiree Medical Plan Accounting Report, pg 8, RSI) for our employees hired after 6-30-18 for the year ended 12-31-22. As these are particularly small amounts, the trust will be set up when the accumulated normal cost reaches \$25,000.

**Other Considerations** – Other considerations may include the following: outdated Form 5572 information, enterprise fund revenue considerations, actuarial assumption changes, amortization policy changes, etc.

**Sample Statement:** The information provided on the Form 5572 from the audit used actuarial data from **2016**. Attached is an updated actuarial valuation for **2018** that shows our funded ratio has improved to **42%** as indicated on page 13.

**Sample Statement:** **\$400,000** of expenditures are directly tied to expenses for retirement obligations from our water and sewer fund. The attached analysis shows that our revenue ratio (ADC / Combined Funds) would only be **11%** when including applicable enterprise fund revenue within the calculation. Additionally, attached are two invoices from showing distributions to our health care trust fund from the enterprise fund totaling **\$400,000**. As a result, **\$400,000** of our enterprise fund revenues should be combined with our governmental fund revenues to properly demonstrate total available funding.

Our average yearly expense for retiree healthcare is \$178,770 over the last 14 years. Attachment 9a indicates both the yearly retiree expense totals per year and an average annual decrease in expenses of \$11,236 over the same time frame. We look for competitive rates annually and have reduced costs from a high of \$264,672 to a low of \$118,604 in 2022. As a non-primary local government, the Road Commission (Attachment 9b- Form 5572) demonstrates a 4.1% ADC, down from 2020's percentage of 5.5%. There was a decrease in the unfunded liability of \$378,896 for 2022 as well, as illustrated on Attachment 3, page 5, of the Medical Retiree Accounting Report. Additionally, 31% of our retirees are over 80 years of age, while 52% are in their 70's. Mortality tables indicate that the liability will substantially decrease over the next ten years

#### **4. DOCUMENTATION ATTACHED TO THIS WAIVER APPLICATION**

Documentation must be attached as a PDF to this waiver application. The documentation must demonstrate the prior actions that have already been implemented to adequately address the local government's underfunded status. Please ensure this documentation directly supports and highlights the systems funded ratio as entered in section three of the waiver application above. Please check all documents that are included as part of this application and attach in successive order as provided below:

Naming convention: When attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

**Naming Convention:**

- Attachment – 1
- Attachment – 2
- Attachment – 3
- Attachment – 4
- Attachment – 5
- Attachment – 6
- Attachment – 7
- Attachment – 8
- Attachment – 9

**Type of Document:**

- This waiver application (required);**
- Documentation from the governing body approving the waiver application (required);**
- Actuarial analysis (annual valuation, supplemental valuation, projection);
- An internally developed study, in accordance with GASB and/or actuarial standards of practice, that projects assets and liabilities into the future;
- Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information);
- Documentation of commitment to additional payments in future years (e.g. resolution, ordinance);
- A plan that the local government has already approved to address its underfunded status, which includes documentation of prior actions and the positive impact on the system's funded ratio;
- Enterprise fund revenues: Analysis of retirement costs paid using enterprise fund revenues, as well as applicable financial documents (e.g. proof of payment, invoices from retirement plan, bank transactions, general ledger reimbursement transactions);
- Other documentation, not categorized above.

**6. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF WAIVER APPLICATION**

I, Michelle Johnson, as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) **(insert title)** Finance Director approve this Application for Waiver. We are requesting a waiver of underfunded status because we have already implemented substantial changes to our retirement system as described above.

I confirm to the best of my knowledge that because of the changes listed above the following statement will occur:

Using the waiver criteria checked in Section 2 of this application, the n/a **(Retirement Healthcare System Name)** will address its underfunded status by fiscal year \_\_\_\_\_.

Signature:  Digitally signed by Michelle Johnson Date: 2023.10.02 10:32:27 -05'00' Date: \_\_\_\_\_

# Board of County Road Commissioners



Ron Frailing, Chairman  
Dan Germic, Vice Chairman  
Chuck Battan, Member  
Ernie Schmidt, Member  
Jim Cihak, Member

Of  
**IRON COUNTY**  
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IRON RIVER, MI 49935-1047  
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Attachment-2

Michelle Johnson  
Finance Director/Clerk

Patti Leonoff, HR-PR/  
Assist. Finance Director

Brad Toivonen, Constr.  
Foreman / Interim Supt-Mgr

## PUBLIC ACT 202 OF 2017 RESOLUTION FOR WAIVER APPLICATION

**WHEREAS**, the Board of County Road Commissioners of Iron County recognizes the requirements of Public Act 202 of 2017;

**WHEREAS**, Board of County Road Commissioners of Iron County is committed to protecting the security of retirement benefits for its retirees and current employees;

**WHEREAS**, the Board of County Road Commissioners of Iron County has completed the Michigan Department of Treasury, Protecting Local Government Retirement and Benefit Act Application for Waiver, Retirement Health Benefit Systems and

**BE IT FURTHER RESOLVED**, that the Board of Iron County Road Commissioners approves and submits the Application for Waiver.

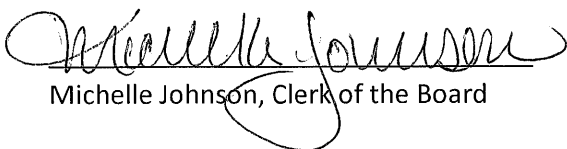
Roll Call Vote: Ayes: Commissioners Cihak, Battan, Germic, Schmidt, Frailing

Nays: None

Motion carried

### CERTIFICATION

I hereby certify that the above is a true copy of part of the minutes of a meeting held on the 17<sup>th</sup> day of October 22, 2023 by the Board of County Road Commissioners, Iron County, Michigan.

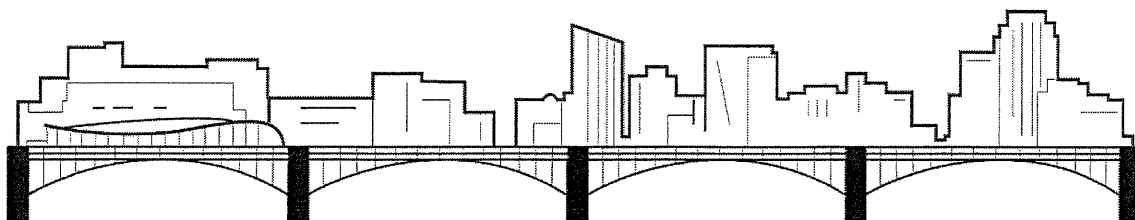


Michelle Johnson, Clerk of the Board

# Iron County Road Commission Retiree Medical Plan

## Accounting Report

for the Period Ending December 31, 2022  
under GASB Statement 74 & 75



Report presented by:



March 2023

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## INTRODUCTION AND CERTIFICATION

The schedules included in this report have been prepared in order to provide the information necessary to comply with Governmental Accounting Standards Board (GASB) Statement Nos. 74 and 75. This information may, at the discretion of management of the plan sponsor and its auditor, be used for the preparation of its financial statements. The calculations herein have been made based on our understanding of GASB 74 and 75 and may be inappropriate for other purposes.

The calculations summarized in this report involve actuarial calculations that require assumptions about future events. We believe that the assumptions used in the report are within the range of possible assumptions that are reasonable and appropriate for the purposes for which they have been used. However, other assumptions are also reasonable and appropriate, and their use would produce different results.

This report contains additional information and details related to plan provisions and recommended contribution calculations.

This report was prepared based on participant data and asset values as reported to us by the plan sponsor. Watkins Ross relied upon the data as submitted, and has no reason to believe that any information, which would have a material effect on the results of this valuation, was not considered in the preparation of the report.

The actuary certifying this report represents himself as meeting the Qualification Standards of the American Academy of Actuaries to render actuarial opinions contained in the report.

Reviewed by:

Prepared & Certified by:



Glen W. Bradley  
Senior Pension Analyst



Joseph Shackelford, ASA, MAAA  
Actuary

## COMMENTS

### Purpose of Governmental Accounting Standards Board (GASB) Reporting

The objective of GASB is to provide guidelines and requirements for accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources and methods and assumptions that are required to be used to project benefit payments and discount those payments to their actuarial present value.

### State of Michigan Public Act 202

Public Act 202 (PA 202) was drafted to address the underfunded status of pension and retiree healthcare plans of local governments in Michigan. Accordingly, PA 202 included transparency and funding requirements. In addition, in order that the plans' funded status be reported on a consistent basis, Uniform Assumptions were published. While all of the Uniform Assumptions have a sound and reasonable basis, some might not be appropriate for each plan and therefore may be different than what is used for funding. Additionally, some of the assumptions may differ from what is required for reporting under GASB.

PA 202 further requires that plans covering 100 or more Plan Members – active and inactive:

1. At least every 5 years, the local unit of government (city, village, township, county, county road commission or other districts, authorities created by the state or 1 or more these entities) shall have an actuarial experience study conducted by the plan actuary for each retirement system of the local unit of government and
2. At least every 8 years, the local unit of government shall do at least 1 of the following:
  - a. Have a peer actuarial audit conducted by an actuary that is not the plan actuary
  - b. Replace the plan actuary

**Actuarial Experience Study:** N/A – this plan covers fewer than 100 active and retired employees

### Changes in Actuarial Assumptions, Plan Changes and Expected Actuarial Experience

There was an actuarial gain (decrease in liability) of \$31,079, due to demographics and changes in premiums. The combination of actuarial assumption changes, described in the "Assumptions and Methods for Calculation of Actuarially Determined Contribution" section of this report, generated a decrease in liability of \$367,777.

### Peer Review and rotation of Certifying Actuary

Current year Certifying Actuary: Joey Shackelford

Peer reviewed/change in Actuary: 12/31/2018

## PLAN DESCRIPTION

### Summary of Significant Accounting Policies

For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Iron County Road Commission Retiree Medical Plan and additions to/deductions from the Road Commission's fiduciary net position have been determined on the same basis as they are reported by the Iron County Road Commission. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### Plan Description

*Iron County Road Commission Retiree Medical Plan* is a single employer plan established and administered by *Iron County Road Commission* and can be amended at its discretion.

### Benefits Provided

A summary of the benefits provided is available in the Plan Provisions section of the report.

### Summary of Plan Participants

As of December 31, 2022, Retirement Plan membership consisted of the following:

Active members	22
Inactive members	0
Retirees and beneficiaries	23
Total members	45

### Contributions

The Iron County Road Commission Other Post-Employment Benefits Plan was established and is being funded under the authority of the County Road Commission and under agreements with unions representing various classes of employees. The plan's funding policy is to pay expected plan benefits from general operating funds – pay-as-you-go. Active participants do not make contributions to pre-fund the Plan. There are no long-term contracts for contributions to the plan.

## ASSUMPTIONS AND METHODS

The Iron County Road Commission's OPEB liability was measured as of December 31, 2022.

### Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022. The following actuarial assumptions were used in the measurement:

Inflation	None; the plan is not pre-funded
Salary increases	3.00% (for purpose of allocating liability)
Investment rate of return	None; the plan is not pre-funded
20-year Aa Municipal bond rate	4.31% (S&P Municipal Bond 20-Year High Grade Rate Index)
Mortality	2010 Public General Employees and Healthy Retirees, Headcount weighted
Improvement Scale	MP-2021

As this plan is not pre-funded, no long-term expected rate of return on Plan investments was determined.

### Discount Rate

The discount rate used to measure the total OPEB liability was **4.31%**. Because the plan does not have a dedicated OPEB trust, there are not assets projected to be sufficient to make projected future benefit payments of current plan members, therefore, benefit payments are discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. This discount rate is used to determine the Total OPEB Liability. As of December 31, 2021 the discount rate used to value OPEB liabilities was 2.25%.

## RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

### Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at December 31, 2021</b>	\$2,224,423	\$0	\$2,224,423
<b>Changes during the Year</b>			
Service Cost	27,081		27,081
Interest	49,325		49,325
Experience (Gains)/Losses	31,079		31,079
Change in plan terms	0		0
Change in actuarial assumptions	(367,777)		(367,777)
Contributions to OPEB trust		0	0
Contributions/benefit from general operating funds		118,604	(118,604)
Employee Contributions		0	0
Net Investment Income		0	0
Benefit Payments;			
Including Refunds of Employee Contributions	(118,604)	(118,604)	0
Administrative Expenses		0	0
Other Changes		0	0
<b>Total Changes</b>	<b>(378,896)</b>	<b>0</b>	<b>(378,896)</b>
<b>Balance at December 31, 2022</b>	<b>\$1,845,527</b>	<b>\$0</b>	<b>\$1,845,527</b>

### Net OPEB Liability – Discount and Trend Rate Sensitivities

The following presents the net OPEB liability (NOL) of the Road Commission, calculated using trend and discount rates 1% higher and lower than base assumptions:

Discount	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$2,021,266	\$1,845,527	\$1,695,118
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	\$2,021,266	\$1,845,527	\$1,695,118

Trend	1% Decrease	Current Rate	1% Increase
Total OPEB Liability	\$1,697,305	\$1,845,527	\$2,017,855
Plan Fiduciary Net Position	0	0	0
Net OPEB Liability	\$1,697,305	\$1,845,527	\$2,017,855

## RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

### OPEB Expense

Below are the components of the Total OPEB Expense:

	Fiscal Year Ending 12/31/2022
Service Cost	\$27,081
Interest on Total OPEB Liability	49,325
Experience (Gains)/Losses	(203,318)
Changes in Plan Terms	0
Changes in Assumptions	(68,550)
Employee Contributions	0
Projected Earnings on OPEB Plan Investments	0
Investment Earnings (Gains)/Losses	0
Administrative Expenses	0
Other Changes in Fiduciary Net Position	0
<b>Total OPEB Expense</b>	<b>\$(195,462)</b>

### OPEB Plan Fiduciary Net Position

The OPEB Plan Fiduciary Net Position as of December 31, 2022 is \$0.

### Deferred Inflows and Outflows of Resources Related to OPEB Plan

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Experience (Gains)/Losses	23,572	412,880
Changes of Assumptions	74,363	341,053
Investment Earnings (Gains)/Losses	0	0
<b>Total</b>	<b>\$97,935</b>	<b>\$753,933</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	Amount Recognized
2023	\$(275,343)
2024	(270,984)
2025	(98,285)
2026	(11,386)
2027	0
Thereafter	0

## RECONCILIATION AND RECOGNITION OF NET OPEB LIABILITY

### Reconciliation of Net OPEB Liability

	Net OPEB Liability
Net OPEB Liability December 31, 2021	\$2,224,423
Total OPEB expense	(195,462)
Contributions	(118,604)
Change in deferred outflows of resources	(20,151)
Change in deferred inflows of resources	(44,679)
<b>Net OPEB Liability December 31, 2022</b>	<b>\$1,845,527</b>

### Total OPEB Liability by Participant Status

Allocation By Group <sup>1</sup>	Iron CRC Allocation (80%)	MDOT's Allocation (20%)	Total OPEB Liability
Active participants	\$331,871	\$82,968	\$414,839
Inactive participants	0	0	0
Retirees and beneficiaries	1,144,550	286,138	1,430,688
<b>Total OPEB Liability</b>	<b>\$1,476,421</b>	<b>\$369,106</b>	<b>\$1,845,527</b>

<sup>1</sup> The current year MDOT reimbursement amount is 16.59%. Over the years this percentage has modified, but MDOT's liability would remain at roughly 20%. This allocation is based on Iron CRC being responsible for 80% of the liability and MDOT being responsible for 20% of the liability.

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### Description of Actuarially Determined Contributions

Although not required as part of GASB reporting, we have included an Actuarially Determined Contribution in order to provide information for funding. This recommended contribution is designed to eventually fund your plan enough that you can pay retiree benefits directly from the trust instead of general operating funds. The amortization period is based on average future working years for active employees.

Actuarially Determined Contribution (ADC) <sup>1</sup>	Fiscal Year Ending December 31,	
	2023	2022
Discount rate	4.31%	2.25%
Amortization period	7 years	9 years
Amortization method	Level \$	Level \$
Normal cost	16,848	27,081
Amortization of Net OPEB Liability	298,164	269,719
Interest to end of year	13,577	6,678
Total ADC	\$328,589	\$303,478

PA 202 was issued by the State of Michigan and requires the calculation of other “contribution” amounts. These are

1. The Actuarially Determined Contribution (ADC) using Assumptions for financial reporting and
2. The minimum required amount to be deposited into an OPEB trust

The first of these contributions as shown above, \$303,478, is an amount required to be reported to the State of Michigan and may be used to determine whether a Corrective Action Plan (CAP) must be adopted if one hasn’t yet been implemented. *It is not a required contribution.*

The second of these numbers is the actual minimum amount the State of Michigan requires you to deposit into a trust and it is based on the normal cost (actuarially calculated) for those covered by your plan and hired after June 30, 2018. The normal cost for these employees has been the minimum annual requirement since 2019, however, if you deposit \$9,452 the liability plus normal cost for those employees measured as of December 31, 2022, then The Road Commission will be caught up with required contributions to the OPEB Trust.

In addition, you may not draw on the trust until employees hired after June 30, 2018 begin to retire if the only amount deposited is the minimal amount noted above. Accordingly, you must continue to pay retiree OPEB benefits from general operating funds. That amount was \$118,604 for 2022.

<sup>1</sup> ADC for 2022 and 2023 is based on actuarial assumptions consistent with reporting as of December 31, 2021, and December 31, 2022, respectively.



## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### State of Michigan Public Acts 530 and 202 Information

<b>Financial information</b>	<b>2022</b>
Assets (Fiduciary net position)	0
Liabilities (Total OPEB Liability)	1,845,527
Funded ratio for the Plan Year	0.00%
Actuarially Determined Contribution	\$303,478
Is ADC calculated in compliance with No. Letter 2018-3?	Yes

<b>Membership</b>	<b>2022</b>
Number of active members	22
Number of inactive members	0
Number of retirees and beneficiaries	23
Premiums paid on behalf of the retirants	\$118,604

<b>Investment Performance</b>
This information is available from the Investment Manager

<b>Actuarial Assumptions</b>	<b>2022</b>
Actuarially assumed rate of investment return	0.00%
Discount rate	4.31%
Amortization method used for funding unfunded liability	Level \$
Amortization period used for funding unfunded liability	9 years
Is each division closed to new employees	No
Healthcare inflation assumption next year	7.25%
Healthcare inflation assumption - long term	4.50%

<b>Uniform Assumptions</b>	<b>2022</b>
Actuarial value of assets using uniform assumptions	0
Actuarial accrued liability using uniform assumptions	2,253,209
Funded ratio using uniform assumptions	0.00%
Actuarially Determined Contribution (ADC) using uniform assumptions	\$334,592

# SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

## Changes in Net OPEB Liability and Related Ratios

Fiscal Year Ending	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
<b>Total OPEB Liability</b>					
Service Cost	\$27,081	\$30,570	\$26,355	\$26,809	\$26,028
Interest	49,325	45,551	104,588	93,720	97,531
Changes of Benefit Terms	0	0	0	0	0
Difference between Expected and Actual Experience	31,079	(12,310)	(1,030,186)	(272)	0
Change of Assumptions	(367,777)	(108,987)	177,903	35,412	0
Benefit Payments (Including Refunds of Employee Contributions)	(118,604)	(119,946)	(141,967)	(164,480)	(173,802)
Net Change in Total OPEB Liability	(378,896)	(165,122)	(863,307)	(8,811)	(50,243)
Total OPEB Liability – Beginning	2,224,423	2,389,545	3,252,852	3,261,663	3,311,906
Total OPEB Liability – Ending (a)	\$1,845,527	\$2,224,423	\$2,389,545	\$3,252,852	\$3,261,663
<b>Plan Fiduciary Net Position</b>					
Contributions to OPEB trust	\$0	\$0	\$0	\$0	\$0
Contributions/benefit payments made from general operating funds	118,604	119,946	141,967	164,480	173,802
Net Investment Income	0	0	0	0	0
Benefit Payments (Including Refunds of Employee Contributions)	(118,604)	(119,946)	(141,967)	(164,480)	(173,802)
Administrative Expenses	0	0	0	0	0
Other	0	0	0	0	0
Net Change in Fiduciary Net Position	0	0	0	0	0
Plan Fiduciary Net Position – Beginning	0	0	0	0	0
Plan Fiduciary Net Position – Ending (b)	0	0	0	0	0
<b>Net OPEB Liability – Ending (a)-(b)</b>	\$1,845,527	\$2,224,423	\$2,389,545	\$3,252,852	\$3,261,663
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	\$1,663,458	\$1,431,395	\$1,239,215	\$1,173,242	\$1,116,801
Net OPEB Liability as Percentage of Payroll	111.0%	155.4%	192.8%	277.3%	292.1%
<b>Actuarially Determined Contribution</b>					
Employer Contribution/benefit payments	\$303,478	\$296,207	\$383,855	\$409,980	\$384,752
Contribution Deficiency/(Excess)	(118,604)	(119,946)	(141,967)	(164,480)	(173,802)
ADC as a Percentage of Covered Payroll	18.2%	20.7%	31.0%	34.9%	34.5%
Employer Contribution as a Percentage of Covered Payroll	7.1%	8.4%	11.5%	14.0%	15.6%

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### Assumptions and Methods for Calculation of Actuarially Determined Contribution

Valuation date	December 31, 2022
Measurement date	December 31, 2022
Reporting date	December 31, 2022
<b>Actuarial Methods</b>	
Cost method	Entry Age Normal (level percentage of compensation)
Asset valuation method	Market value

### Actuarial Assumptions

**Discount Rate** – 2.25% for 2022 contribution, 4.31% for 2022 liability and 2023 contribution  
Rationale – Rate based on 20-year Aa Municipal Bond rate

**20-year Aa Municipal Bond Rate** – 4.31%

Rationale – Bond rate (based on information published by S&P Municipal Bond index as of December 31, 2021)

**Salary Scale** – 3.00%

Rationale – Per employer experience and expectations

**Return on Plan Assets** – None; the plan is not pre-funded

Rationale – Consistent with plan investment experience

**Mortality Rates** – 2010 Public General Employees and Healthy Retirees, Headcount weighted, MP-2021

Rationale – Most current mortality rates available for municipalities

**Utilization** – 100% of covered employees at the valuation date will elect the same coverage at retirement; actual coverage used for non-active

Rationale – historical

**Turnover rates** - Sample rates below

Rationale – Based on past employer experience

Age	Rate (%)
20	5.00
25	5.00
30	4.50
35	3.55
40	1.45
45	0.75
50	0.75

**Retirement rates** - Rates below

Rationale – Based on past employer experience

Age	Rate (%)
55-59	5
60-61	10
62	50
63-64	25
65+	100

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### Marital Assumption – None

Rationale – Spouses of retirees are not eligible to receive medical or life insurance benefits

### Pre-65 Annual Medical and Prescription per-capita costs valued

Rationale – Based on actual Blue Cross/ Blue Shield premiums in effect as of the valuation date

Age	Male Cost	Female Cost
20	\$2,186	\$3,468
25	2,275	5,117
30	2,855	6,466
35	3,585	6,660
40	4,467	6,817
45	5,640	7,488
50	7,428	8,808
55	9,657	10,183
60	12,392	12,117

**Pre-Medicare eligible Premium** – \$702.27 per month

**Post-Medicare eligible Premium** – \$513.33 per month

**Post-Medicare Admin Fees** – \$10.00 per month

Rationale – Based on actual post-65 premiums as of the valuation date

**Implicit Subsidy** – Not applicable; premiums are age-graded

**Medical Trend** – Medical premiums: Pre-Medicare 7.25% graded down to 4.5% by 0.25% per year; Post-Medicare, 5.50% graded down to 4.5% by 0.25% per year; 2.00% for Admin Fees

Rationale – Based on State of Michigan trend survey

### Data Collection

Date and form of data - All personnel and asset data was prepared by the plan sponsor or a representative and was generally relied upon as being correct and complete without audit by Watkins Ross

### Assumption changes since prior valuation

- Mortality Improvement Scale changed from MP-2020 to MP-2021
- Trend rates of 2.00% assigned to Admin Fees
- Discount rate changed from 2.25% to 4.31%

### Assumptions used for PA 202 Reporting

**Discount rate** - 2.16%

**Mortality Improvement Scale** – MP-2020

All other assumptions are the same as used for GASB

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Difference between Actual and Expected Experience

Year	Difference between expected and actual Experience	Recognition period (years)	Amount Recognized in Year Ended December 31,					Deferred Outflow of Resources	Deferred Inflow of Resources	
			2022	2023	2024	2025	2026			2027
2019	(272)	4.55	(60)	(32)	-	-	-	-	(32)	
2020	(1,030,186)	4.95	(208,118)	(208,118)	(497,714)	-	-	-	(405,832)	
2021	(12,310)	4.65	(2,647)	(2,647)	(2,647)	(1,722)	-	-	(7,016)	
2022	31,079	4.14	7,507	7,507	7,507	7,507	1,051	-	23,572	
Net recognized in OPEB expense			\$ (203,318)	\$ (203,290)	\$ (192,854)	\$ 5,785	\$ 1,051	\$ -	\$ 23,572	\$ (412,880)

### Schedule of Changes in Assumptions

Year	Changes in Assumptions	Recognition period (years)	Amount Recognized in Year Ended December 31,					Deferred Outflow of Resources	Deferred Inflow of Resources	
			2022	2023	2024	2025	2026			2027
2019	35,412	4.55	7,783	4,280	-	-	-	-	-	
2020	177,903	4.95	35,940	35,940	34,143	-	-	-	4,280	
2021	(108,987)	4.65	(23,438)	(23,438)	(23,438)	(15,235)	-	-	70,083	
2022	(567,777)	4.14	(88,835)	(88,835)	(88,835)	(88,835)	(12,437)	-	-	
Net recognized in OPEB expense			\$ (68,550)	\$ (72,053)	\$ (78,130)	\$ (104,070)	\$ (12,437)	\$ -	\$ 74,363	\$ (341,053)

### Schedule of Differences between Projected and Actual Earnings on OPEB Plan Investments

None; the plan is not pre-funded

### Total Deferred Outflow/(Inflow) of Resources

Amount Recognized in Year Ended December 31,					
2023	2024	2025	2026	2027	2028+
(275,343)	(270,984)	(98,285)	(11,386)	-	-

## TRUSTEE AND FORM 5720 INFORMATION

### Projected benefit payments and contributions

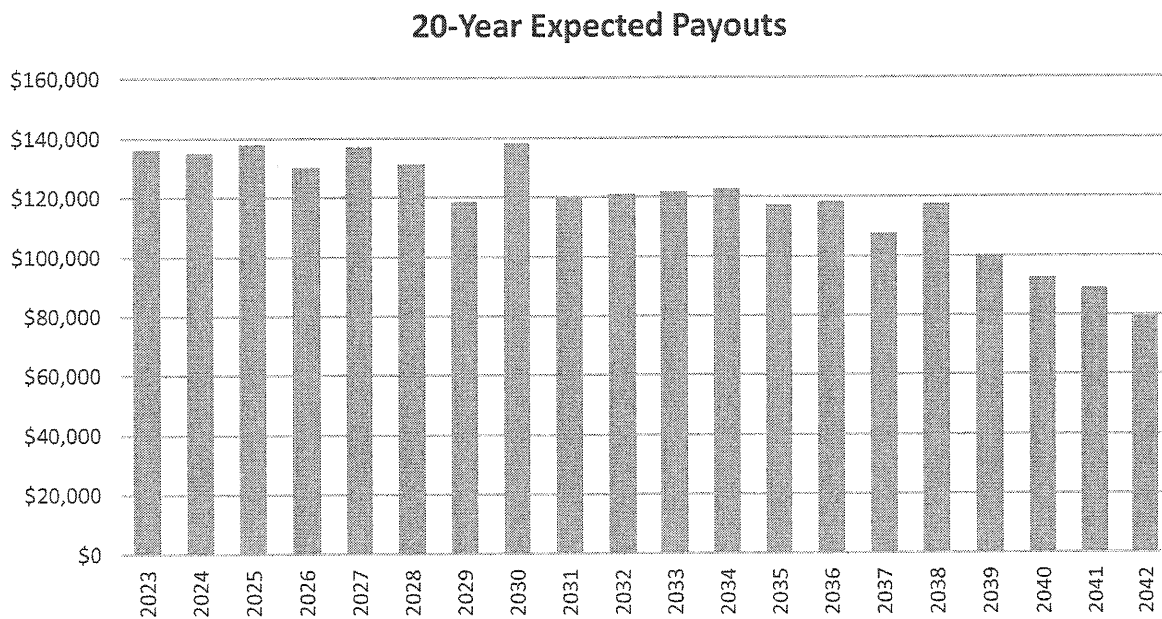
Form 5720 (the Form) – Corrective Action Plan Monitoring: Application for Certification of Compliance, Section 4 asks for supporting documentation that shows projected benefit payments and contributions as a percentage of projected governmental fund revenues over the next five years. A link to a spreadsheet is provided with the Form, and within the spreadsheet, there is a link to instructions on how to complete the spreadsheet.

To assist in completing that section of the Form, below is a table of benefit payments as shown for the current fiscal year and projected for the next four. In addition, if a Corrective Action Plan (CAP) has been adopted that includes scheduled contributions to an OPEB trust, those are shown for the same period as either reported to us or developed with assistance from Watkins Ross:

Fiscal Year	Total OPEB Benefit Payment Amount (All Systems)	Additional OPEB Contributions (All Systems)
2022	\$118,604	
2023	136,124	
2024	135,083	
2025	137,969	
2026	130,152	

In addition to the benefit payments shown above, a graphic illustration of 20 years of projected benefit payments for the current group of covered lives is shown below. Plans open to new participants could see higher than expected payments if new members are hired and are eligible to retire during the projection period.

The chart below reflects expected cash flows to pay benefits for current plan participants.



## SUMMARY OF PLAN PROVISIONS

<b>Eligibility Requirements</b>	Retirement with the Road Commission
<b>Medical</b>	Age 60 with 10 years of service or age 55 with 15 years of service
Hired prior to February 1, 1986	Benefits provided for retiree's lifetime
Hired after February 1, 1986	Fully paid pre-65 benefits provided for one year
<b>Life Insurance</b>	Age 60 and 10 years of service and hired prior to September 13, 2011
<b>Summary of benefits</b>	
Retiree	The employer will provide: Blue Cross/Blue Shield pre 65 insurance coverage, plan coverage complementary to Medicare and life insurance coverage of \$8,000
Spouse	No spouse benefits
<b>Retiree contributions</b>	If retiring at or after age 60, no retiree contribution; if hired prior to February 1, 1986 and retiring prior to age 60, contribution shall be ½ of 1% for every month of retirement prior to age 60; for those who retire prior to age 60, coverage and contributions commence at age 60 and end when the retiree reaches age 70
<b>Changes Since Prior Valuation</b>	None

## GLOSSARY

A number of special terms and concepts are used in connection with OPEB plans and the OPEB accounting report. The following list reviews a number of these terms and provides a brief discussion of their meaning.

**Actuarially Determined Contribution (ADC)** – A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**Actuarial Cost Method** – This is a mathematical formula which is used to allocate the present value of projected benefits to past and future plan years.

**Amortization** – The difference between actual and expected investment returns, the difference between actual and expected experience, and the impact of any plan or assumption changes will be amortized and paid over future years.

**Depletion Date (Cross-over Point)** – The projected date (if any) where plan assets, including future contributions, are no longer sufficient to pay Projected Benefit Payments to current members.

**Long-term expected rate of return** – The rate of return based on the nature and mix of current and expected plan investments and over the time period from when an employee is hired to when all benefits to the employee have been paid.

**Market Value of Assets** – The market value of all assets in the fund including any accrued contribution for the previous plan year, which was not paid by the end of the year.

**Measurement Date** – The date the Total OPEB Liability, Fiduciary Net Position, and Net OPEB Liability are determined.

**Net OPEB Liability (NOL)** – The Total OPEB Liability less the Plan Fiduciary Net Position.

**Normal Cost** – For GASB 74/75 purposes, normal cost is the equivalent of service cost (see definition of service cost).

**Other Post-Employment Benefits (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.

**OPEB Expense (OE)** – The change in the Net OPEB Liability (NOL) recognized in the current measurement period. Changes to the NOL not fully recognized in a given year's OPEB expense will be maintained as deferred inflows and deferred outflows. These will be recognized incrementally in the OPEB expense over time.



## GLOSSARY

**Plan assets** – Stocks, bonds and other investments that have been segregated and restricted (usually in a trust) to provide for post-retirement benefits. Assets not segregated in a trust, or otherwise effectively restricted so that they cannot be used by the employer for other purposes, are not plan assets, even though it may be intended that those assets be used to provide post-retirement benefits.

**Plan Fiduciary Net Position** – The market value of plan assets as of the measurement date.

**Present Value** – The present value of a future payment or a series of payments is the amount of each payment, discounted to recognize the time value of money, and further reduced for the probability that the payment might not be made because of death, disability or termination of employment.

**Projected Benefit Payments** – All benefits projected to be payable to current active and inactive participants as a result of their past service and their expected future service.

**Real Rate of Return** – The rate of return on an investment after the adjustment to eliminate inflation.

**Reporting Date** – The date that represents the fiscal year end for the plan or employer.

**Service Cost** – The value of portion of Total OPEB Liability earned during the current year computed in accordance with GAAP accounting rules.

**Single Equivalent Discount Rate** – The single rate that gives the same total present value as discounting the Projected Benefit Payments with the long-term expected rate of return until the Depletion Date and discounting any remaining Projected Benefit Payments with the yield on a 20-year AA/Aa tax-exempt municipal bond index.

**Total OPEB Liability (TOL)** – The actuarial present value of the accrued benefit determined under the Entry Age actuarial cost method calculated using the blended Single Equivalent Discount Rate.

**Valuation Date** – The date as of which an actuarial valuation is performed.

# AGREEMENT

BETWEEN

**IRON COUNTY ROAD COMMISSION**

AND



**GENERAL TEAMSTERS  
LOCAL UNION NO. 406**

EFFECTIVE

**JANUARY 11, 2022**

THROUGH

**DECEMBER 31, 2024**

**SECTION 10.** Employees hired after February 1, 1986 who officially retire under the Michigan Municipal Employees' Retirement System Plan provided by the Employer, which requires ten (10) years of service to the Employer and a minimum age of sixty (60), will be eligible for the current active benefit levels for medical and prescription drug insurance coverage for two (2) years paid in full by the Employer. No health care coverage will be provided to retirees after the age of 65 for employees hired after February 1, 1986.

**SECTION 11.** Subject to the approval of the Employer's group health insurance provider, an employee hired prior to February 1, 1986 who chooses to take an early/penalty/reduced retirement through the Municipal Employees' Retirement System (MERS) shall be eligible to receive retiree health insurance under the Employer's group retiree suffix when they have reached the age of 60. An employee who wishes to receive health insurance coverage must apply to the Employer between October 1 and October 15; coverage will become effective on the January 1 renewal date and upon approval of the Employer's group health insurance provider. An employee who misses the January 1 deadline must wait until the following October 1 to apply for coverage. Coverage shall be for the retiree only.

The retiree shall be required to pay a contribution (co-share) for health insurance. The co-share shall be calculated by multiplying the applicable monthly insurance premium by the penalty formula imposed by MERS on the retiree's pension benefit (as of the date of this Agreement, the penalty formula is one-half (½) of one percent (1%) for every month under the age of 60.

Coverage provided under this Section 11 ends when the employee reaches age 70. Employees retiring under this Section 11 are not entitled to any other benefits afforded other retirees.

#### **ARTICLE 51** **LIFE INSURANCE AND INDEMNITY PLAN**

**SECTION 1.** The Employer will provide all active, full-time employees with a term life insurance policy of \$10,000.00 which will include double indemnity for accidental death.

**SECTION 2.** When an employee officially retires under the Michigan Municipal Employees' Retirement System (MERS) plan provided by the Employer, which requires ten (10) years of service to the Employer and a minimum age of 60, the Employer will provide a life insurance policy reduced to \$8,000.00, without the double indemnity provision. Employees hired on or after September 13, 2011 will not be eligible for this benefit.

#### **ARTICLE 52** **HOLIDAYS AND HOLIDAY PAY**

**SECTION 1.** All full-time employees shall be paid their regular hourly rate for the following holidays (holiday pay) and shall not normally be required to work: New Years Day, Good Friday, Memorial Day, one day immediately before or after the Fourth of July holiday, Fourth of July, Labor Day, Thanksgiving Day, one half (1/2) day before Christmas Eve (4 hours), one (1) day for Christmas Eve (8 hours), Christmas Day, and one half (1/2) day for New Years Eve (4 hours). Bargaining unit employees will decide by majority vote the two days off in connection with the Fourth of July. The decision will be given to the Road Commission by the Union Steward, in writing by March 1<sup>st</sup> of each year.

Iron County Road Commission  
Retiree Insurance Totals by Year

3/1/2022

Attachment-9a

Year	Retiree Expense	Increase/(Decr) in Expense
2009	264,672	
2010	186,824	(77,848)
2011	203,405	16,581
2012	201,488	(1,917)
2013	184,124	(17,364)
2014	184,425	301
2015	195,071	10,646
2016	196,093	1,022
2017	167,882	(28,211)
2018	173,802	5,920
2019	164,480	(9,322)
2020	141,967	(22,513)
2021	119,946	(22,021)
2022	118,604	(1,342)
	<hr/>	
	2,502,783	(146,068)
	14	13
	178,770.21	(11,236)
	AVG over 14 years	AVG over 13 years

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

Attachmet-9b

Enter Local Government Name Enter State/Local Jurisdiction: 360100 Unit Type: Road Commission Fiscal Year End Month: December Fiscal Year (four-digit year only, e.g., 2019): 2022 Contact Name (Chief Administrative Officer): MICHELLE JOHNSON Title (if not CAO): FINANCE DIRECTOR CAO (or designee) Email Address: MICHELLE@IRONCOUNTYROADS.COM Contact Telephone Number: _____	IRON COUNTY ROAD COMMISSION	Instructions: For a list of detailed instructions on how to complete and submit this form, visit: <a href="http://michigan.gov/LocalRetirementReporting">michigan.gov/LocalRetirementReporting</a> . Questions: For questions, please email: <a href="mailto:localretirement@michigan.gov">localretirement@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.
OPEB System Name (not division) 1: OPEB OPEB System Name (not division) 2: OPEB System Name (not division) 3: OPEB System Name (not division) 4: OPEB System Name (not division) 5:		If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.

Line	Description/Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this plan a primary government (county, township, city, village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement health care system	Calculated from above	OPEB				
3	Financial Information						
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report	1,845,527				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report	0.0%				
6	Funded ratio	Calculated	303,478				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	YES				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-37	Most Recent Audit Report	8,065,723				
8	Governmental fund revenues	Most Recent Audit Report	3.8%				
9	All systems combined ADC/governmental fund revenues	Calculated					
10	Membership						
11	Indicate number of active members	Report	22				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report					
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	23				
14	Provide the amount of premium paid on behalf of the retirees	Most Recent Audit Report or Accounting Records	118,604				
15	Investment Performance						
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	0.00%				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	0.00%				
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	0.00%				
19	Actuarial Assumptions						
20	Assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	0.00%				
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report	4.31%				
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Dollar				
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	9				
24	Is each advisor within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	NO				
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report	7.25%				
26	Health care inflation assumption - Long Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report	4.50%				
27	Uniform Assumptions						
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report					
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	2,253,209				
30	Funded ratio using uniform assumptions	Calculated	0.0%				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	334,592				
32	All systems combined ADC/governmental fund revenues	Calculated	4.3%				
33	Summary Items						
34	Did the local government pay the retiree's health care premiums for the year?	Accounting Records	YES				
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	NO				
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: less than 40% funded AND greater than 1% AB/Governmental fund revenues. Non-Primary government triggers: less than 40% funded	NO	NO	NO	NO	NO

Requirements for your information, the following are requirements of PA 202 of 2017

- Local governments must post the current year report on their website or in a public place.
- The local government must electronically submit the form to its governing body.
- Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
- Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary. It replaces the plan actuary at least every 9 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.



E-MAILED  
1-10-23

Enter Local Government Name Enter: Saginaw, Michigan 4860100	From County Road Commission	Instructions: For a list of detailed instructions on how to complete and submit this form, visit <a href="http://michigan.gov/scalebenefitsreporting">michigan.gov/scalebenefitsreporting</a> .  Questions: For questions, please email <a href="mailto:localbenefitsreporting@michigan.gov">localbenefitsreporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.
Unit Type Fiscal Year End Month Fiscal Year (four digit year only, e.g. 2019) Contact Name (Chief Administrative Officer) Contact Email Address Contact Telephone Number	Local Road Commission December 2020 Lisa M. Powell lisa@countysroads.com 581-235-1100	
OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division)	None 2 3 4 5	
OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division)	None None None None	
OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division) OPEB System Name (not division)	None None None None	

Line	Description	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	NO	NO	NO	NO	NO
2	Provide the name of your retirement health care system	Calculated from above				
3	Financial Information					
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report				
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report				
6	Funded ratio	Calculated				
7	Actuarially determined contribution (ADC)	Most Recent Audit Report				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	YES				
8	Governmental Fund Revenues	Most Recent Audit Report				
9	All systems combined ADC/Governmental Fund Revenues	Calculated				
10	Membership					
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report				
14	Provide the amount of premiums paid on behalf of the retirees	Most Recent Audit Report or Accounting Records				
15	Investment Performance					
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider				
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider				
18	Enter actual rate of return - prior 30-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider				
19	Actuarial Assumptions					
20	Assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report				
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report				
22	Amortization method utilized for funding the system's unfunded actuarial liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report				
23	Amortization period utilized for funding the system's unfunded actuarial liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report				
24	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report				
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report				
26	Health care inflation assumption - Long-Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report				
27	Uniform Assumptions					
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report				
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report				
30	Funded ratio using uniform assumptions	Calculated				
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report				
32	All systems combined ADC/Governmental Fund Revenues	Calculated				
33	Summary Report					
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records	YES			
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records	NO			
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary Government Triggers: Less than 40% funded AND greater than 120% ADC/Governmental fund revenues; Non-Primary Government Triggers: Less than 40% funded	5.5%	NO	NO	NO

**Requirements for your information, the following are requirements of PA 202 of 2017**  
 Local governments must post the current year report on their website or in a public place.  
 The local government must electronically submit the form to its governing body.  
 Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.  
 Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.