

**City of Sylvan Lake**

**Municipal Employees Retirement System of Michigan (MERS)**

CBIZ Retirement Plan Services (Pension actuary)

**Statement of Fiduciary Net Position For the Year Ending 12/31/2016**

Reserve for Employee Contributions							
Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2016	
63140101	\$97,694.97	\$4,529.86	\$0.00	\$0.00	\$830.41	\$103,055.24	
63140102	\$244,725.06	\$12,345.33	\$0.00	\$0.00	\$2,080.16	\$259,150.55	
<b>Total</b>	<b>\$342,420.03</b>	<b>\$16,875.19</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,910.57</b>	<b>\$362,205.79</b>	

Reserve for Employer Contributions and Benefit Payments							
Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
63140101	\$529,641.25	\$43,104.00	\$0.00	(\$71,991.75)	\$69,900.60	(\$1,394.27)	\$569,259.83
63140102	\$816,041.58	\$84,707.93	\$0.00	(\$79,061.88)	\$120,541.38	(\$2,417.53)	\$939,811.48
<b>Total</b>	<b>\$1,345,682.83</b>	<b>\$127,811.93</b>	<b>\$0.00</b>	<b>(\$151,053.63)</b>	<b>\$190,441.98</b>	<b>(\$3,811.80)</b>	<b>\$1,509,071.31</b>

Combined Reserves							
	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
<b>Total</b>	<b>\$1,688,102.86</b>	<b>\$144,687.12</b>	<b>\$0.00</b>	<b>(\$151,053.63)</b>	<b>\$193,352.55</b>	<b>(\$3,811.80)</b>	<b>\$1,871,277.10</b>

Outstanding Accounts Receivable at 12/31/16: \$14,104.01

**City of Sylvan Lake**  
**Municipal Employees Retirement System of Michigan (MERS)**  
**Pension Funded Status**

<b>Division</b>	<b>Accrued Liability</b>	<b>Valuation Assets<sup>1</sup></b>	<b>Percent Funded</b>	<b>Unfunded (Overfunded) Accrued Liabilities</b>
<b>01- NonUnion Active Employees</b>				
Active Employees	\$357,521	\$127,506	35.7%	\$230,015
Vested Former Employees	\$0	\$0	0%	\$0
Retirees and Beneficiaries	\$586,984	\$586,984	100%	\$0
Pending Refunds	\$9,657	\$9,657	100%	\$0
<b>Total</b>	<b>\$954,162</b>	<b>\$724,147</b>	<b>75.9%</b>	<b>\$230,015</b>
<b>02 - Benefit Agrmnts prior 12/1/08</b>				
Active Employees	\$1,273,536	\$547,436	43.0%	\$726,100
Vested Former Employees	\$20,853	\$20,853	100%	\$0
Retirees and Beneficiaries	\$713,846	\$713,846	100%	\$0
Pending Refunds	\$9,261	\$9,261	100%	\$0
<b>Total</b>	<b>\$2,017,496</b>	<b>\$1,291,396</b>	<b>64.0%</b>	<b>\$726,100</b>
<b>Total Municipality</b>				
<b>Active Employees</b>	<b>\$1,631,057</b>	<b>\$674,942</b>	<b>41.4%</b>	<b>\$956,115</b>
<b>Vested Former Employees</b>	<b>\$20,853</b>	<b>\$20,853</b>	<b>100%</b>	<b>\$0</b>
<b>Retirees and Beneficiaries</b>	<b>\$1,300,830</b>	<b>\$1,300,830</b>	<b>100%</b>	<b>\$0</b>
<b>Pending Refunds</b>	<b>\$18,918</b>	<b>\$18,918</b>	<b>100%</b>	<b>\$0</b>
<b>Total Participants</b>	<b>\$2,971,658</b>	<b>\$2,015,543</b>	<b>67.8%</b>	<b>\$956,115</b>

<sup>1</sup> Includes both employer and employee assets

**City of Sylvan Lake  
Municipal Employees Retirement System of Michigan (MERS)  
Pension**

**Investment Performance net of Fees**

1 year	10.85%
3 years	5.32%
5 years	8.30%
7 years	8.18%
10 years	5.11%

**System Administration & Investment Expenses**

Administratioin	0.21%
Investment Expenses	<u>0.18%</u>
Total	<u><u>0.39%</u></u>

**City of Sylvan Lake**  
**Municipal Employees Retirement System of Michigan (MERS)**  
**Pension - Member & Retiree Data**

Division	2016 Valuation		2015 Valuation		2016 Valuation		
	Number	Annual Payroll <sup>1</sup>	Number	Annual Payroll <sup>1</sup>	Average Age	Average Benefit Service <sup>2</sup>	Average Eligibility Service <sup>2</sup>
<b>01 - NonUnion</b>							
Active Employees	2	90,597	2	\$ 89,209	46.1	23.8	23.8
Vested Former Employees	0	0	0	0	0.0	0.0	0.0
Retirees and Beneficiaries	5	72,519	6	78,848	71.3		
<b>02 - Benefit Agrmnts prio</b>							
Active Employees	3	248,587	3	\$ 248,633	50.4	22.6	23.2
Vested Former Employees	1	7,728	1	7,728	42.0	5.3	12.3
Retirees and Beneficiaries	5	79,062	5	79,062	70.3		
<b>Total Municipality</b>							
<b>Active Employees</b>	<b>5</b>	<b>339,184</b>	<b>5</b>	<b>\$ 337,842</b>	<b>48.7</b>	<b>23.1</b>	<b>23.4</b>
<b>Vested Former Employees</b>	<b>1</b>	<b>7,728</b>	<b>1</b>	<b>7,728</b>	<b>42.0</b>	<b>5.3</b>	<b>12.3</b>
<b>Retirees and Beneficiaries</b>	<b>10</b>	<b>151,581</b>	<b>11</b>	<b>157,910</b>	<b>70.8</b>		
<b>Total Participants</b>	<b>16</b>		<b>17</b>				

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

<sup>2</sup> Description can be found under Miscellaneous and Technical Assumptions in the [Appendix](#).

**City of Sylvan Lake**  
**Municipal Employees Retirement System of Michigan (MERS)**  
**Pension - Employer Contribution Details**

**Beginning July 1, 2018**

Division	Employer Contributions <sup>1</sup>			Computed Employer Contribution With Phase-In	Blended ER Rate No Phase-In <sup>5</sup>	Blended ER Rate With Phase-In <sup>5</sup>	Employee Contribution Rate	Employee Contribution Conversion Factor <sup>2</sup>
	Normal Cost	Payment of the Unfunded Accrued Liability <sup>4</sup>	Computed Employer Contribution No Phase-In					
Percentage of Payroll								
01 - NonUnion	-	-	-	-			5.00%	
02 - Benefit Agrmnts pr	5.94%	18.44%	24.38%	22.35%			3% < ; 5% >	0.82%
<b>Estimated Monthly Contribution<sup>3</sup></b>								
01 - NonUnion	\$352	\$1,539	\$1,891	\$1,648				
02 - Benefit Agrmnts pr	1,349	4,188	5,537	5,075				
<b>Total Municipality</b>	<b>\$1,701</b>	<b>\$5,727</b>	<b>\$7,428</b>	<b>\$6,723</b>				
<b>Estimated Annual Contribution<sup>3</sup></b>	<b>\$20,412</b>	<b>\$68,724</b>	<b>\$89,136</b>	<b>\$80,676</b>				

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

<sup>2</sup> 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.

<sup>3</sup> For divisions that are open to new hires, estimated contributions are based on projected fiscal year payroll. Actual contributions will be based on actual reported monthly pays, and will be different from the above amounts. For divisions that will have no new hires (ie closed divisions), 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](#).

<sup>4</sup> If projected assets exceed projected liabilities as of the beginning of the July 1, 2018 fiscal year, the negative unfunded accrued liability is treated as overfunding credit and is used to reduce the contribution. 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 contributions to not added.

<sup>5</sup> For linked divisions, the employer will be invoiced the Computed Employer Contribution with Phase-in 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.



**City of Sylvan Lake  
Municipal Employees Retirement System of Michigan (MERS)  
Pension - Assumptions**

Assumed Rate of Return	7.75%	
Projected Long-Term Wage Inflation	3.75%	
Smoothing Method	5 years	
Amortization Method	<u>NonUnion</u>	<u>Benefit Agrments prior 12/1/08</u>
Initial	17 years	22 years
Gain/Loss	17 years	22 years
Actuarial Cost Method	Entry Age Normal	
Open or Closed Membership	<u>NonUnion</u> open	<u>Benefit Agrments prior 12/1/08</u> closed
Health Care Inflation	3%	
Travel Report	N/A	

**City of Sylvan Lake  
Municipal Employees Retirement System of Michigan (MERS)  
Other Post-Employment Benefits**

**Summary of Valuation Results**

Valuation Date	1/1/2017	6/30/2017
<b>Participant Data</b>		
Active Employees	5	
Retirees and Covered Spouses	<u>7</u>	
Total	12	
<b>Total OPEB Liability</b>		
Active Employees	\$556,946	
Retirees and Covered Spouses	+ <u>\$301,858</u>	
Total OPEB Liability	\$858,804	
<b>Fiduciary Net Position</b>	- <u>\$458,273</u>	\$565,273
<b>Net OPEB Liability</b>	<u>\$400,531</u>	\$293,531
<b>Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	53.36%	65.82%

Since this report \$107,000 has been paid into the RHFV account (6/30/17) making us 65% funded