# *Memorandum*

The City of Traverse City

To: Martin A. Colburn, City Manager

From: William E. Twietmeyer, City Treasurer/Finance Director W.E.T.

Subject: Protecting Local Government Retirement & Benefits Act

Date: January 18, 2018

Last month the State of Michigan passed and signed into law Public Act 202 of 2017 which is the Protecting Local Government Retirement & Benefits Act. That act requires all local units of government to electronically submit pension and retiree health care reports for retirement systems to the Michigan Department of Treasury no later than six months after the end of a local government's fiscal year.

The Michigan Department of Treasury just recently created Form 5572 for purposes of submitting these reports to the State. Our office has completed the form and I submitted the forms electronically to the State of Michigan on January 15, 2018. In addition, we are required to submit the report electronically to the governing body and this communication is to inform you that the attached forms have been placed on the City's website. Please place this communication under Reports and Communications on the next City Commission's agenda for their information.

Enclosures

Michigan Department of Treasury
5572 (01-18)

## Public Act 202 of 2017 Pension Report

| | |
|---|---|
| Enter Local Unit Name | City of Traverse City |
| Enter Six-Digit Municode | 282010 |
| Fiscal Year (four-digit year only, e.g. 2017) | 2017 |
| Contact Name (Chief Financial Officer) | William Twietmeyer |
| Title if not CFO | Treasurer/Finance Director |
| Contact Email Address | wtwietme@traversecitymi.gov |
| Contact Telephone Number | 231-922-4436 |

Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting. For questions, please email LocalRetirementReporting@michigan.gov. Return this original Excel file. Do not submit a scanned image or PDF.

| Line | Description | Source of Data | Statute Reference | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 |
|---|---|---|---|---|---|---|---|---|
| 1 | Provide the name of your retirement pension system | Most Recent Actuarial Valuation Report | Sec. 5(6) | Act 345 Retirement System | MERS Plan - General Employees | | | |
| 2 | Enter retirement pension system's assets (plan fiduciary net position ending) | Most Recent Audit Report | Sec. 5(4)(b) | 28,784,416 | 23,025,579 | | | |
| 3 | Enter retirement pension system's liabilities (total pension liability ending) | Most Recent Audit Report | Sec. 5(4)(b) | 43,550,395 | 38,064,373 | | | |
| 4 | Date (plan year ending) of valuation of system's assets and liabilities (e.g. 12/31/2016) | Most Recent Audit Report | Sec. 5(6) | 6/30/17 | 12/31/16 | | | |
| 5 | Actuarially Determined Contribution (ADC) | Most Recent Audit Report | Sec. 5(4)(b) | 1,803,930 | 1,153,788 | | | |
| 6 | Governmental Fund Revenues | Most Recent Audit Report | Sec. 5(4)(b) | 22,823,560 | 22,823,560 | | | |
| 7 | Pension Trigger Summary | | | | | | | |
| 8 | Is this unit a primary unit (County, Township, City, Village)? | From Municode | | YES | YES | YES | YES | YES |
| 9 | Funded ratio | Calculated | Sec. 5(4)(b) | 66.1% | 60.5% | | | |
| 10 | All plans combined ADC/Governmental fund revenues | Calculated | Sec. 5(4)(b) | 13.0% | 13.0% | 0.0% | 0.0% | 0.0% |
| 11 | Does this plan trigger "underfunded status" as defined by PA 202 of 2017? | **Primary unit triggers**: Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. **Non-Primary unit triggers**: Less than 60% funded | Sec. 5(4)(b) | NO | NO | NO | NO | NO |

By emailing this report to the Michigan Department of Treasury, the local unit of government acknowledges that these statements are complete and accurate in all known respects. Act 202 of 2017 also requires the local unit of government to electronically submit the report to its governing body.

Michigan Department of Treasury
5572 (01-18)

## Public Act 202 of 2017 Health Care (OPEB) Report

| | |
|---|---|
| Enter Local Unit Name | City of Traverse City |
| Enter Six-Digit Municode | 282010 |
| Fiscal Year (four-digit year only, e.g. 2017) | 2017 |
| Contact Name (Chief Financial Officer) | William Twietmeyer |
| Title if not CFO | Treasurer/Finance Director |
| Contact Email Address | wtwietme@traversecitymi.gov |
| Contact Telephone Number | 231-922-4436 |

Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting. For questions, please email LocalRetirementReporting@michigan.gov. Return this original Excel file. Do not submit a scanned image or PDF.

| Line | Description | Source of Data | Statute Reference | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 |
|---|---|---|---|---|---|---|---|---|
| 1 | Provide the name of your retirement health care system | Most Recent Actuarial Valuation Report | Sec. 5(6) | Act 345 Retiree Health Insurance Plan | City of Traverse City Retiree Health Insurance Plan | | | |
| 2 | Enter retirement health care system's actuarial value of assets | Most Recent Audit Report | Sec. 5(4)(a) | 3,761,310 | 4,205,338 | | | |
| 3 | Enter retirement health care system's actuarial accrued liabilities | Most Recent Audit Report | Sec. 5(4)(a) | 8,094,695 | 6,669,514 | | | |
| 4 | Date (plan year ending) of valuation of system's assets and liabilities (e.g. 12/31/2016) | Most Recent Audit Report | Sec. 5(6) | 6/30/16 | 12/31/15 | | | |
| 5 | Annual required contribution (ARC) | Most Recent Audit Report | Sec. 5(4)(a) | 384,646 | 287,178 | | | |
| 6 | Governmental Fund Revenues | Most Recent Audit Report | Sec. 5(4)(a) | 22,823,560 | 22,823,560 | | | |
| 7 | Health Care Trigger Summary | | | | | | | |
| 8 | Is this unit a primary unit (County, Township, City, Village)? | From Municode | | YES | YES | YES | YES | YES |
| 9 | Funded ratio | Calculated | Sec. 5(4)(a) | 46.5% | 63.1% | | | |
| 10 | All plans combined ARC/Governmental fund revenues | Calculated | Sec. 5(4)(a) | 2.9% | 2.9% | 0.0% | 0.0% | 0.0% |
| 11 | Does this plan trigger "underfunded status" as defined by PA 202 of 2017? | **Primary unit triggers:** Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. **Non-Primary unit triggers:** Less than 40% funded | Sec. 5(4)(a) | NO | NO | NO | NO | NO |

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5572 (01-18)

# Public Act 202 of 2017 Pension Report

| | |
|---|---|
| Enter Local Unit Name | Travesrse City Light and Power |
| Enter Six-Digit Municode | 287516 |
| Fiscal Year (four-digit year only, e.g. 2017) | 2017 |
| Contact Name (Chief Financial Officer) | William Twietmeyer |
| Title if not CFO | Treasurer/Finance Director |
| Contact Email Address | wtwietme@traversecitymi.gov |
| Contact Telephone Number | 231-922-4436 |

Instructions/Questions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting. For questions, please email LocalRetirementReporting@michigan.gov. Return this original Excel file. Do not submit a scanned image or PDF.

| Line | Description | Source of Data | Statute Reference | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 |
|---|---|---|---|---|---|---|---|---|
| 1 | Provide the name of your retirement pension system | Most Recent Actuarial Valuation Report | Sec. 5(6) | Traverse City Light and Power MERS Defined Benefit Plan | | | | |
| 2 | Enter retirement pension system's assets (plan fiduciary net position ending) | Most Recent Audit Report | Sec. 5(4)(b) | 16,498,456 | | | | |
| 3 | Enter retirement pension system's liabilities (total pension liability ending) | Most Recent Audit Report | Sec. 5(4)(b) | 29,463,200 | | | | |
| 4 | Date (plan year ending) of valuation of system's assets and liabilities (e.g. 12/31/2016) | Most Recent Audit Report | Sec. 5(6) | 12/31/16 | | | | |
| 5 | Actuarially Determined Contribution (ADC) | Most Recent Audit Report | Sec. 5(4)(b) | 891,939 | | | | |
| 6 | Governmental Fund Revenues | Most Recent Audit Report | Sec. 5(4)(b) | 33,579,751 | | | | |
| 7 | Pension Trigger Summary | | | | | | | |
| 8 | Is this unit a primary unit (County, Township, City, Village)? | From Municode | | NO | NO | NO | NO | NO |
| 9 | Funded ratio | Calculated | Sec. 5(4)(b) | 56.0% | | | | |
| 10 | All plans combined ADC/Governmental fund revenues | Calculated | Sec. 5(4)(b) | 2.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| 11 | Does this plan trigger "underfunded status" as defined by PA 202 of 2017? | **Primary unit triggers:** Less than 60% funded AND greater than 10% ADC/Governmental fund revenues. **Non-Primary unit triggers:** Less than 60% funded | Sec. 5(4)(b) | YES | NO | NO | NO | NO |

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