

# **PUBLIC MEETING NOTICE & AGENDA**

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**IRON COUNTY BOARD OF COMMISSIONERS**

## **Special Meeting Notice**

**Thursday September 26, 2019 8:00 a.m.**

**Iron County Courthouse Annex, Commissioners Room, Crystal Falls, Michigan**

1. **Call to Order**
2. **Pledge of Allegiance to the Flag**
3. **Roll Call**
4. **Approval of the Agenda**
5. **Public Comment, 3 minutes per person ( 20 minutes maximum)**
6. **New Business :**
  - a. **Phone Conference with MERS representative on Defined Benefit funding**
  - b. **Layoff Notices and Union Bumping Rights**
  - c. **2020 Budget**
7. **Motion to Adjourn**

NB: a.

# Municipal Employees' Retirement System of Michigan

Iron Co (3606) – 01, 02, 10, 11, 20  
Restated Projections of the Plan's Funded Ratio  
and Computed Employer Contributions





September 19, 2019

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

We have published the Annual Actuarial Valuation Report as of December 31, 2018 for Iron Co (3606). As requested we have restated the Projections of the Plan's Funded Ratio and Computed Employer Contributions – Projection Scenarios table (the table on page 7 of the valuation report), as of December 31, 2018, for divisions 01, 02, 10, 11, and 20 only. Additional information can be found in the December 31, 2018 annual actuarial valuation report.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. **The report may be provided to parties other than the municipality only in its entirety.** GRS is not responsible for unauthorized use of this report.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the prior actuary. A description of these assumptions and methods can be found as follows:

- Plan Document, v03152018,
- Actuarial Policy, DOC 8062 (2019-04-25), and
- 2018 Appendix.

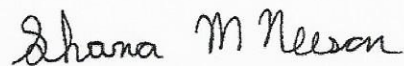
On February 28, 2019, the Board adopted new economic assumptions for use beginning with the December 31, 2019 annual valuation report. These assumptions are a 7.35% investment rate of return and a 3.00% wage inflation assumption. The Board has a review of the demographic assumptions scheduled during 2019-2020. Changes resulting from these studies will have an impact on the level of calculated employer contributions.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Shana M. Neeson and Mark Buis are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,



Shana M. Neeson, ASA, FCA, MAAA



Mark Buis, FSA, EA, FCA, MAAA



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## **Restated Projections of the Plan's Funded Ratio and Computed Employer Contributions**

**Iron Co (3606) – 2018**  
**Divisions 01, 02, 10, 11, 20**  
**Restated Projections of the Plan's Funded Ratio and**  
**Computed Employer Contributions**  
**as of December 31, 2018**

Valuation Year Ending 12/31	Fiscal Year Beginning 1/1	Actuarial Accrued Liability	Valuation Assets <sup>2</sup>	Funded Percentage	Computed Annual Employer Contribution
<b>7.75%<sup>1</sup>/3.75%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 8,744,751	\$ 6,085,750	70%	\$ 589,440
2019	2021	\$ 8,780,000	\$ 6,140,000	70%	\$ 641,000
2020	2022	\$ 8,790,000	\$ 6,430,000	73%	\$ 669,000
2021	2023	\$ 8,780,000	\$ 6,750,000	77%	\$ 703,000
2022	2024	\$ 8,760,000	\$ 7,060,000	81%	\$ 351,000
2023	2025	\$ 8,700,000	\$ 7,520,000	86%	\$ 199,000
<b>7.35%<sup>1</sup>/3.00%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 9,015,118	\$ 6,085,750	68%	\$ 625,932
2019	2021	\$ 9,030,000	\$ 6,120,000	68%	\$ 674,000
2020	2022	\$ 9,030,000	\$ 6,420,000	71%	\$ 699,000
2021	2023	\$ 9,010,000	\$ 6,750,000	75%	\$ 729,000
2022	2024	\$ 8,970,000	\$ 7,060,000	79%	\$ 383,000
2023	2025	\$ 8,890,000	\$ 7,530,000	85%	\$ 235,000
<b>5.75%<sup>1</sup>/3.75%</b>					
<b>NO 5-YEAR PHASE-IN</b>					
2018	2020	\$ 10,571,014	\$ 6,085,750	58%	\$ 806,208
2019	2021	\$ 10,600,000	\$ 6,030,000	57%	\$ 862,000
2020	2022	\$ 10,600,000	\$ 6,420,000	61%	\$ 893,000
2021	2023	\$ 10,500,000	\$ 6,840,000	65%	\$ 928,000
2022	2024	\$ 10,500,000	\$ 7,220,000	69%	\$ 599,000
2023	2025	\$ 10,400,000	\$ 7,820,000	76%	\$ 454,000

<sup>1</sup> Represents both the interest rate for discounting liabilities and the future investment return assumption on the Market Value of assets.

<sup>2</sup> Valuation Assets do not include assets from Surplus divisions, if any.

**Note:**

The above required annual employer contribution does not reflect future changes in the employee contribution rates due to the impact of a cap, if any, on employer contributions.

**NO DOCUMENTATION  
FOR AGENDA ITEM(s):**

**NB: B** Layoff Notices and Union Bumping Rights

**NB: C** 2020 Budget