

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

|   |                         |  |
|---|-------------------------|--|
| Enter Local Unit Name                         | CITY OF ESSEXVILLE      | 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> .  |
| Enter Six-Digit Municode                      | 092030                  |  |
| Unit Type                                     | City                    |  |
| Fiscal Year End Month                         | June                    |  |
| Fiscal Year (four-digit year only, e.g. 2019) | 2019                    | Questions: For questions, please email <a href="mailto:LocalRetirementReporting@michigan.gov">LocalRetirementReporting@michigan.gov</a> . Return this original Excel file. Do not submit a scanned image or PDF.   |
| Contact Name (Chief Administrative Officer)   | Daniel J. Hansford      |  |
| Title if not CAO                              | City Manager            |  |
| CAO (or designee) Email Address               | cmanager@essexville.org |  |
| Contact Telephone Number                      | 989-893-7192            |  |
| OPEB System Name (not division) 1             | Blue Care Network       | 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. |
| OPEB System Name (not division) 2             |                         |  |
| OPEB System Name (not division) 3             |                         |  |
| OPEB System Name (not division) 4             |                         |  |
| OPEB System Name (not division) 5             |                         |  |

| Line                             | Descriptive Information  | Source of Data  | System 1          | System 2 | System 3 | System 4 | System 5 |
|----------------------------------|--|---|-------------------|----------|----------|----------|----------|
| 1                                | Is this unit a primary unit (County, Township, City, Village)?   | Calculated  | YES               | YES      | YES      | YES      | YES      |
| 2                                | Provide the name of your retirement health care system   | Calculated from above   | Blue Care Network |          |          |          |          |
| <b>3 Financial Information</b>   |  |   |                   |          |          |          |          |
| 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  | 3,475,902         |          |          |          |          |
| 6                                | Funded ratio   | Calculated  | 0.0%              |          |          |          |          |
| 7                                | Actuarially determined contribution (ADC)  | Most Recent Audit Report  | 489,188           |          |          |          |          |
| 7a                               | Do the financial statements include an ADC calculated in compliance with <a href="#">Numbered Letter 2018-3?</a> | Most Recent Audit Report  | Yes               |          |          |          |          |
| 8                                | Governmental Fund Revenues   | Most Recent Audit Report  | 4,154,604         |          |          |          |          |
| 9                                | All systems combined ADC/Governmental fund revenues  | Calculated  | 11.8%             |          |          |          |          |
| <b>10 Membership</b>             |  |   |                   |          |          |          |          |
| 11                               | Indicate number of active members  | Most Recent Actuarial Funding Valuation   | 2                 |          |          |          |          |
| 12                               | Indicate number of inactive members  | Most Recent Actuarial Funding Valuation   | 15                |          |          |          |          |
| 13                               | Indicate number of retirees and beneficiaries  | Most Recent Actuarial Funding Valuation   | 15                |          |          |          |          |
| 14                               | Provide the amount of premiums paid on behalf of the retirees  | Most Recent Audit Report or Accounting Records  | 163,977           |          |          |          |          |
| <b>15 Investment Performance</b> |  |   |                   |          |          |          |          |
| 16                               | Enter actual rate of return - prior 1-year period  | Most Recent Actuarial Funding Valuation or System Investment Provider   | 0.00%             |          |          |          |          |
| 17                               | Enter actual rate of return - prior 5-year period  | Most Recent Actuarial Funding Valuation or System Investment Provider   | 0.00%             |          |          |          |          |
| 18                               | Enter actual rate of return - prior 10-year period   | Most Recent Actuarial Funding Valuation or System Investment Provider   | 0.00%             |          |          |          |          |
| <b>19 Actuarial Assumptions</b>  |  |   |                   |          |          |          |          |
| 20                               | Assumed Rate of Investment Return  | Most Recent Actuarial Funding Valuation   | 0.00%             |          |          |          |          |
| 21                               | Enter discount rate  | Most Recent Actuarial Funding Valuation   | 3.64%             |          |          |          |          |
| 22                               | Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any               | Most Recent Actuarial Funding Valuation   | Level Dollar      |          |          |          |          |
| 23                               | Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any               | Most Recent Actuarial Funding Valuation   | 11                |          |          |          |          |
| 24                               | Is each division within the system closed to new employees?  | Most Recent Actuarial Funding Valuation   | Yes               |          |          |          |          |
| 25                               | Health care inflation assumption for the next year   | Most Recent Actuarial Funding Valuation   | 8.50%             |          |          |          |          |
| 26                               | Health care inflation assumption - Long-Term Trend Rate  | Most Recent Actuarial Funding Valuation   | -0.25%            |          |          |          |          |
| <b>27 Uniform Assumptions</b>    |  |   |                   |          |          |          |          |
| 28                               | Enter retirement health care system's actuarial value of assets using uniform assumptions                        | Most Recent Actuarial Funding Valuation   | -                 |          |          |          |          |
| 29                               | Enter retirement health care system's actuarial accrued liabilities using uniform assumptions                    | Most Recent Actuarial Funding Valuation   | 3,670,613         |          |          |          |          |
| 30                               | Funded ratio using uniform assumptions   | Calculated  | 0.0%              |          |          |          |          |
| 31                               | Actuarially Determined Contribution (ADC) using uniform assumptions  | Most Recent Actuarial Funding Valuation   | 427,707           |          |          |          |          |
| 32                               | All systems combined ADC/Governmental fund revenues  | Calculated  | 10.3%             |          |          |          |          |
| <b>33 Summary Report</b>         |  |   |                   |          |          |          |          |
| 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?                                      | <b>Primary unit triggers:</b> Less than 40% funded <b>AND</b> greater than 12% ARC/Governmental fund revenues. <b>Non-Primary unit triggers:</b> Less than 40% funded | YES               | NO       | NO       | NO       | NO       |

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| <b>Requirements (For your information, the following are requirements of P.A. 202 of 2017)</b>  |
| Local units must post the current year report on their website or in a public place   |
| The local unit of government must electronically submit the form to its governing body.   |
| Local units must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years                   |
| Local units 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 unit of government acknowledges that this report is complete and accurate in all known respects.