

City of Davison 2017 Summary Annual Report

City of Davison
Municode 252020
Information based on Actuarial Valuation of Defined Benefit Plan Benefits as of 12-31-2017
Public Act 530 of 2017
Annual Summary Reporting Requirement - Pension

Section 13 (3) (i)	Item	Information
(i)	The name of the system	City of Davison
(ii)	The names of the system's investment fiduciaries	MERS of Michigan
(iii)	System's service providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
(iv)	System assets	\$6,599,605
	System liabilities	\$12,917,158
	Change in Net Pension Liability	\$218,598
(v)	System's funded ratio	50.02%
(vi)	Investment performance	Investment performance net of fees:
		1 year: 13.20%
		3 years: 7.45%
		5 years: 8.67%
		7 years: 8.03%
		10 years: 5.56%
(vii)	System admin & invest expenses	At December 31, 2017, the cost of the Defined Benefit Plan was .32% (.19% for administration and .13% for investments)
(viii)	System's budget	Not applicable to local government
(ix)	A Number of actives	16
	B Number of retirees/beneficiaries	19
	C The average annual retirement allowance	\$38,798
	D Total annual retirement allowance	\$737,164
	E Valuation payroll for active employees	\$948,886
	F Normal cost and/or percentage	\$135,876
	G Total computed employer contribution	\$603,600
	H Weighted average member contributions	5.20%
	I Actuarial investment return	7.75%
	J Actuarial long term inflation rate	3.75%
	K Smoothing method	5 Years
	L Amortization method	Level Percent/Layered Amortization
	M Actuarial cost method	Entry Age Normal Method
	N Open or closed membership	01-DPW Closed to New Hires 02-Police Patrol Open 10-DPW New Hires after 7/1/2012 Open 20-Supervisors Open 21-Disp/Secretary Closed to New Hires
O Health care inflation	Not applicable to pension plans	
(x)	Travel report	Not applicable to local governments within MERS
Sec. 20h (1)	Item	Information and Location
7	If below 60% funded, actions taken to reduce the system's UAL	<p>MERS adheres to the following fiscal best practices:</p> <ul style="list-style-type: none"> .Conducts an Experience Study every five years to ensure assumptions match actual experience and make adjustments where necessary .Use a fixed Amortization Period .MERS implements checks and balances to eliminated unexpected pension spikes. Actuarial loads are applied to groups that have demonstrated a history of Final Average Compensation increases. .UAL amortization schedule is on track to be paid off in 22 years. <p>Other actions municipality has taken:</p> <ul style="list-style-type: none"> .Closed 01-DPW group to new hires 2012 .Closed 21-Disp/Secretary to New Hires 2011 .Lowered benefits offered to new hires 2012 .Additional contributions paid above the Annual Required Contributions 2015, 2016, 2017 .CAP filed with State Treasury in November of 2018 outlining actions taken since December 31, 2017