

## Protecting Local Government Retirement and Benefits Act Corrective Action Plan: Retirement Health Benefit Systems

Issued under authority of Public Act 202 of 2017.

### I. MUNICIPALITY INFORMATION

Local Unit Name: City Of Riverview Six-Digit Muni Code: 822240

Retirement Health Benefit System Name: City of Riverview Retiree Health Care Benefits

Contact Name (Administrative Officer): Douglas W. Drysdale

Title if not Administrative Officer: City Manager

Email: ddrysdale@cityofriverview.com Telephone Number: (734) 281-7402

### 2. GENERAL INFORMATION

**Corrective Action Plan:** An underfunded local unit of government shall develop and submit for approval a corrective action plan for the local unit of government. The local unit of government shall determine the components of the corrective action plan. This Corrective Action Plan shall be submitted by any local unit of government with at least one retirement health benefit system that has been determined to have an underfunded status. Underfunded status for a retirement health system is defined as being less than 40% funded according to the most recent audited financial statements, and, if the local unit of government is a city, village, township, or county, the annual required contribution for all of the retirement health systems of the local unit of government is greater than 12% of the local unit of government's annual governmental fund revenues, based on the most recent fiscal year.

**Due Date:** The local unit of government has **180 days from the date of notification** to submit a corrective action plan to the Municipal Stability Board. The Board may extend the 180-day deadline by up to an additional 45 days if the local unit of government submits a reasonable draft of a corrective action plan and requests an extension.

**Filing:** Per Sec. 10(1) of PA 202 of 2017 (the Act), this Corrective Action Plan must be approved by the local government's administrative officer and its governing body. ***You must provide proof of your governing body approving this Corrective Action Plan and attach the documentation as a separate PDF document.*** Per Sec. 10(4) of the Act, failure to provide documentation that demonstrates approval from your governing body will result in a determination of noncompliance by the Board.

The completed plan must be submitted via email to Treasury at **LocalRetirementReporting@michigan.gov** for review by the Board. **If you have multiple underfunded retirement systems, you are required to complete separate plans and send a separate email for each underfunded system.** Please attach each plan as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Corrective Action Plan-2017, Local Unit Name, Retirement System Name** (e.g. Corrective Action Plan-2017, City of Lansing, Employees' Retirement System OPEB Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

**Municipal Stability Board:** The Municipal Stability Board (the Board) shall review and vote on the approval of a corrective action plan submitted by a local unit of government. If corrective action is approved, the Board will monitor the corrective action for the following two years, and the Board will report on the local unit of government's compliance with the Act not less than every two years.

**Review Process:** Following receipt of the email by Treasury, the Board will accept the corrective action plan submission at the next scheduled meeting of the Board. The Board shall then approve or reject the corrective action plan within 45 days from the date of the meeting.

**Considerations for Approval:** A successful corrective action plan will demonstrate the actions for correcting underfunded status as set forth in Sec. 10(7) of the Act (listed below), as well as any additional solutions to address the underfunded status. Please also include steps already taken to address your underfunded status, as well as the date prospective actions will be taken. A local unit of government may also include in its corrective action plan a review of the local unit of government's budget and finances to determine any alternative methods available to address its underfunded status. A corrective action plan under this section may include the development and implementation of corrective options for the local unit of government to address its underfunded status. The corrective options as described in Sec. 10(7) may include, but are not limited to, any of the following:

(i) Requiring cost sharing of premiums and sufficient copays.

(ii) Capping employer costs.

**Implementation:** The local unit of government has up to 180 days after the approval of a corrective action plan to begin to implement the corrective action plan to address its underfunded status. The Board shall monitor each underfunded local unit of government's compliance with this act and any corrective action plan. The Board shall adopt a schedule, not less than every 2 years, to certify that the underfunded local unit of government is in substantial compliance with the Act. If the Board determines that an underfunded local unit of government is not in substantial compliance under this subsection, the Board shall within 15 days provide notification and report to the local unit of government detailing the reasons for the determination of noncompliance with the corrective action plan. The local unit of government has 60 days from the date of the notification to address the determination of noncompliance.

### 3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

- **Please Note:** If applicable, prior actions listed within your waiver application(s) may also be included in your corrective action plan.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local unit of government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

**Note:** Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

#### Category of Prior Actions:

- ☒ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

**Sample Statement:** *Benefit levels of the retired membership mirrors the current collective bargaining agreement for each class of employee. On **January 1, 2017**, the local unit entered into new collective bargaining agreements with the **Command***

**Officers Association and Internal Association of Firefighters** that increased employee co-payments and deductibles for healthcare. These coverage changes resulted in an improvement to the retirement system's funded ratio. Please see page 12 of the attached actuarial analysis that indicates the system is **40% funded as of June 30, 2017**.

- City of Riverview retirees get taken off City Blue Cross Blue Shield plans, once they turn 65 years old, and are moved to a Medicare plan with a Humana supplement. This saves the City, on average, \$17,658.72 per person per year.
- As of December of 2016 the retiree health care system has been closed to all new City employees.
- Retiree Health Savings Plans have been created and are utilized for all employees not eligible for retiree health benefits, across all government units.

- ☒ **Additional Funding** – Additional funding may include the following: paying the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

**Sample Statement:** The local unit created a qualified trust to receive, invest, and accumulate assets for retirement healthcare on **June 23, 2016**. The local unit of government has adopted a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC). Additionally, the local unit has committed to contributing **\$500,000** annually, in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40% by 2022**. Please see page 10 of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.

- The City of Riverview has established an Other Post-Employment Benefits Trust Agreement to receive, invest, and accumulate assets for retirement healthcare.
- City Administration, along with the two most recently negotiated union contracts, require eligible employees to contribute a portion of wages for other post employment benefit expenses.

- ☒ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

**Sample Statement:** The information provided on the Form 5572 from the audit used actuarial data from **2015**. Attached is an updated actuarial valuation for **2017** that shows our funded ratio has improved to **42%** as indicated on page 13.

- The City of Riverview has kept current on a "pay as you go" method.

#### 4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

##### Category of Prospective Actions:

- ☒ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

**Sample Statement:** The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association** and **Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system would be **40%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

- The City of Riverview plans to continue negotiating language that changes the age at which an employee can start receiving retiree medical benefits, from 55 to 60, into all collectively bargained contracts.

- ☒ **Additional Funding** – Additional funding may include the following: meeting the annual required contribution in addition to retiree premiums, voluntary contributions above the annual required contribution, bonding, millage increases, restricted funds, etc.

**Sample Statement:** The local unit will create a qualified trust to receive, invest, and accumulate assets for retirement healthcare by **December 31, 2018**. The local unit of government will adopt a policy to change its funding methodology from Pay-Go to full funding of the Annual Required Contribution (ARC) by **December 31, 2018**. Additionally, beginning in fiscal year 2019, the local unit will contribute **\$500,000** annually in addition to the ARC for the next five fiscal years. The additional contributions will increase the retirement system's funded ratio to **40%** by **2022**. Please see page **10** of the attached resolution from our governing body demonstrating the commitment to contribute the ARC and additional **\$500,000** for the next five years.

- ☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

**Sample Statement:** Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on page **13**.

## 5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) City of Riverview to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

☒ **Yes**

☐ **No**

If No, Explain:

## 6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

**Naming convention:** when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

### Naming Convention

### Type of Document

☒ Attachment – I

**This Corrective Action Plan (Required)**

☒ Attachment – 1a

**Documentation from the governing body approving this Corrective Action Plan (Required)**

☒ Attachment – 2a

Actuarial Analysis (annual valuation, supplemental valuation, projection)

☐ Attachment – 3a

Internally Developed Projection Study

☐ Attachment – 4a

Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).

☐ Attachment – 5a

Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)

☐ Attachment – 6a

A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio

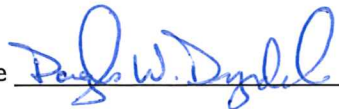
☐ Attachment – 7a

Other documentation, not categorized above

## 7. LOCAL UNIT OF GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF CORRECTIVE ACTION PLAN

I Douglas W. Drysdale, as the government's administrative officer (*enter title*)  
City Manager (City/Township Manager, Executive director, and Chief Executive Officer, etc.) approve this Corrective Action Plan and will implement the prospective actions contained in this Corrective Action Plan.

Signature



Date

8-22-2019

REGULAR MEETING OF THE RIVERVIEW CITY COUNCIL  
CITY OF RIVERVIEW, WAYNE COUNTY, MICHIGAN  
HELD ON MONDAY, AUGUST 19, 2019 A.D.  
IN THE COUNCIL CHAMBERS OF  
THE PETER ROTTEVEEL MUNICIPAL BUILDING  
14100 CIVIC PARK DRIVE, RIVERVIEW, MICHIGAN 48193-7689

The meeting was called to order at 7:30 p.m.

Presiding: Mayor Swift

Present: Councilmembers Blanchette, Coffey, Towle, Elmer Trombley, Workman

Excused: Councilmember James Trombley

At the regular scheduled meeting of the Riverview City Council, the following resolution was offered:

Motion by Councilmember Blanchette, seconded by Councilmember Elmer Trombley, that Resubmittal of Form 5597 Protecting Local Government Retirement and Benefits Act Corrective Action Plan to the State of Michigan in accordance to Public Act 202 of 2017.  
Carried unanimously.

I, Cynthia M. Hutchison, duly authorized City Clerk of the City of Riverview, do hereby certify the foregoing to be a true resolution approved by the Riverview City Council at their regular meeting held on August 19, 2019.

(SEAL)

  
Cynthia M. Hutchison, CMC  
City Clerk

# City of Riverview Retiree Health Program

## CONFIDENTIAL

---

**Requested By:** Mr. Robert McMahon, Finance Director

**Submitted By:** Louise M. Gates, ASA, FCA, MAAA, and James D. Anderson, FSA, EA, FCA, MAAA  
Gabriel, Roeder, Smith & Company

**Subject:** Retiree Health Program Funding Projections

**Date:** July 31, 2019

---

This communication contains an actuarial projection of the City of Riverview Retiree Health Program. The projection contained in this document was based on the most recent actuarial valuation of the Retiree Health Program as of June 30, 2016. Based on the proposed prefunding plan provided by the City and the investment policy of the Retiree Health (RH) Program, the investment return assumption used in this valuation was 6.0% per year net of expenses. All other assumptions and methods are the same as disclosed in our June 30, 2016 actuarial valuation report. The purpose of this study is to provide decision makers with actuarial information needed to establish a RH Program funding policy in connection with Public Act 202 of 2017. The projection shown in this communication was based on the direction provided by the City's finance director.

The projection provided in this communication and the underlying actuarial valuation do **not** predict the results of future actuarial valuations or future Program activity. Rather, projections give an indication of the probable long-term costs of the Program based on a set of actuarial assumptions. This study does not include sensitivity testing on rates of investment return or health care inflation. This additional analysis was beyond the scope of this assignment.

This study was based on information provided by the City and was not audited by GRS. This communication may be distributed to parties other than the City only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this study.

Louise M. Gates and James D. Anderson are independent of the plan sponsor, are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

# City of Riverview Retiree Health Program

## Summary of Proposed Funding Policy

---

### Background

The City provides lifetime retiree health care benefits to eligible individuals who retire from City employment. Currently, the Retiree Health (RH) Program is closed to all new City employees. In 2019, the City established (or is in the process of establishing) a Retiree Health Care Trust. Unlike the City sponsored pension plans, the City has not been prefunding the RH Program. The City has been paying RH Program benefits as they come due. This approach is known as pay-go funding. The projection shown on the next page illustrates the proposed plan for funding the obligations of the RH Program.

The projection provided in this report includes annual City contributions to the RH Program trust of \$200,000 above and beyond contributions for annual benefit payments beginning in fiscal year 2020 (the period July 1, 2019 – June 30, 2020). These additional contributions are expected to continue for as long as needed. For the purpose of the projection on the following page, these contributions are expected to be made through fiscal year 2028. In addition, the City will transfer over \$29,000 in employee contributions for retiree health benefits into the trust in fiscal year 2020. There would be no change to the current RH Program benefits or eligibility for benefits. If all actuarial assumptions are met, this funding plan is expected to be sufficient to pay the projected benefits of the Program and achieve a funded percentage of 40% by fiscal year 2049 and 100% funding by fiscal year 2057.



# City of Riverview Retiree Health Program Projection

| Fiscal Year          | Projected Retiree Health Trust Revenue and Expense |          |              |              |              |             |          |             | AAL EOY       | Funded Percent |
|----------------------|--|----------|--------------|--------------|--------------|-------------|----------|-------------|---------------|----------------|
|                      | Asset Value  | Transfer | City         | Extra City   | Employee     | Benefit     | Interest | Asset Value |               |                |
|                      | BOY  |          | Contribution | Contribution | Contribution | Payments    |          | EOY         |               |                |
|                      | (a)  |          | (b)          | (c)          | (d)          | (e)         | (f)      | (g)         | (h)           | (g)/(h)        |
| 7/1/2019 - 6/30/2020 | \$ -   | \$29,793 | \$1,859,601  | \$ 200,000   | \$ 25,407    | \$1,859,601 | \$ 8,401 | \$ 263,601  | \$ 36,004,908 | 0.7%           |
| 7/1/2020 - 6/30/2021 | 263,601  |          | 1,994,208    | 200,000      | 24,281       | 1,994,208   | 22,544   | 510,426     | 36,854,943    | 1.4%           |
| 7/1/2021 - 6/30/2022 | 510,426  |          | 2,116,874    | 200,000      | 22,501       | 2,116,874   | 37,301   | 770,228     | 37,582,262    | 2.0%           |
| 7/1/2022 - 6/30/2023 | 770,228  |          | 2,280,200    | 200,000      | 20,764       | 2,280,200   | 52,837   | 1,043,828   | 38,174,191    | 2.7%           |
| 7/1/2023 - 6/30/2024 | 1,043,828  |          | 2,363,018    | 200,000      | 19,499       | 2,363,018   | 69,215   | 1,332,542   | 38,583,966    | 3.5%           |
| 7/1/2024 - 6/30/2025 | 1,332,542  |          | 2,361,955    | 200,000      | 18,149       | 2,361,955   | 86,497   | 1,637,187   | 38,896,900    | 4.2%           |
| 7/1/2025 - 6/30/2026 | 1,637,187  |          | 2,413,622    | 200,000      | 16,804       | 2,413,622   | 104,735  | 1,958,727   | 39,195,778    | 5.0%           |
| 7/1/2026 - 6/30/2027 | 1,958,727  |          | 2,481,955    | 200,000      | 15,674       | 2,481,955   | 123,994  | 2,298,395   | 39,425,957    | 5.8%           |
| 7/1/2027 - 6/30/2028 | 2,298,395  |          | 2,550,370    | 200,000      | 14,328       | 2,550,370   | 144,334  | 2,657,056   | 39,571,559    | 6.7%           |
| 7/1/2028 - 6/30/2029 | 2,657,056  |          | 2,611,973    |              | 12,728       | 2,611,973   | 159,805  | 2,829,589   | 39,624,073    | 7.1%           |
| 7/1/2029 - 6/30/2030 | 2,829,589  |          | 2,746,281    |              | 11,202       | 2,746,281   | 170,111  | 3,010,903   | 39,580,474    | 7.6%           |
| 7/1/2030 - 6/30/2031 | 3,010,903  |          | 2,916,414    |              | 9,672        | 2,916,414   | 180,944  | 3,201,520   | 39,362,017    | 8.1%           |
| 7/1/2031 - 6/30/2032 | 3,201,520  |          | 3,048,152    |              | 8,307        | 3,048,152   | 192,340  | 3,402,167   | 38,920,142    | 8.7%           |
| 7/1/2032 - 6/30/2033 | 3,402,167  |          | 3,157,120    |              | 7,248        | 3,157,120   | 204,347  | 3,613,763   | 38,285,067    | 9.4%           |
| 7/1/2033 - 6/30/2034 | 3,613,763  |          | 3,195,675    |              | 6,440        | 3,195,675   | 217,019  | 3,837,222   | 37,475,762    | 10.2%          |
| 7/1/2034 - 6/30/2035 | 3,837,222  |          | 3,197,930    |              | 5,217        | 3,197,930   | 230,390  | 4,072,828   | 36,558,495    | 11.1%          |
| 7/1/2035 - 6/30/2036 | 4,072,828  |          | 3,193,762    |              | 3,883        | 3,193,762   | 244,486  | 4,321,198   | 35,559,705    | 12.2%          |
| 7/1/2036 - 6/30/2037 | 4,321,198  |          | 3,126,852    |              | 3,012        | 3,126,852   | 259,362  | 4,583,572   | 34,481,026    | 13.3%          |
| 7/1/2037 - 6/30/2038 | 4,583,572  |          | 3,017,505    |              | 2,388        | 3,017,505   | 275,086  | 4,861,046   | 33,389,409    | 14.6%          |
| 7/1/2038 - 6/30/2039 | 4,861,046  |          | 2,926,023    |              | 1,926        | 2,926,023   | 291,721  | 5,154,693   | 32,332,883    | 15.9%          |
| 7/1/2039 - 6/30/2040 | 5,154,693  |          | 2,861,378    |              | 1,490        | 2,861,378   | 309,326  | 5,465,509   | 31,298,288    | 17.5%          |
| 7/1/2040 - 6/30/2041 | 5,465,509  |          | 2,744,435    |              | 1,136        | 2,744,435   | 327,965  | 5,794,610   | 30,259,293    | 19.1%          |
| 7/1/2041 - 6/30/2042 | 5,794,610  |          | 2,731,206    |              | 893          | 2,731,206   | 347,703  | 6,143,206   | 29,270,970    | 21.0%          |
| 7/1/2042 - 6/30/2043 | 6,143,206  |          | 2,693,776    |              | 676          | 2,693,776   | 368,613  | 6,512,494   | 28,231,621    | 23.1%          |
| 7/1/2043 - 6/30/2044 | 6,512,494  |          | 2,653,807    |              | 494          | 2,653,807   | 390,764  | 6,903,753   | 27,163,524    | 25.4%          |
| 7/1/2044 - 6/30/2045 | 6,903,753  |          | 2,635,415    |              | 344          | 2,635,415   | 414,236  | 7,318,333   | 26,068,401    | 28.1%          |
| 7/1/2045 - 6/30/2046 | 7,318,333  |          | 2,583,559    |              | 158          | 2,583,559   | 439,105  | 7,757,596   | 24,923,434    | 31.1%          |
| 7/1/2046 - 6/30/2047 | 7,757,596  |          | 2,526,135    |              | 45           | 2,526,135   | 465,457  | 8,223,098   | 23,758,819    | 34.6%          |
| 7/1/2047 - 6/30/2048 | 8,223,098  |          | 2,474,039    |              | 30           | 2,474,039   | 493,387  | 8,716,514   | 22,580,459    | 38.6%          |
| 7/1/2048 - 6/30/2049 | 8,716,514  |          | 2,401,278    |              | 17           | 2,401,278   | 522,991  | 9,239,523   | 21,384,724    | 43.2%          |
| 7/1/2050 - 6/30/2051 | 9,793,901  |          | 2,195,642    |              | 0            | 2,195,642   | 587,634  | 10,381,535  | 19,035,547    | 54.5%          |
| 7/1/2052 - 6/30/2053 | 11,004,427   |          | 2,029,589    |              | 0            | 2,029,589   | 660,266  | 11,664,693  | 16,791,601    | 69.5%          |
| 7/1/2054 - 6/30/2055 | 12,364,574   |          | 1,844,628    |              | 0            | 1,844,628   | 741,874  | 13,106,449  | 14,665,891    | 89.4%          |
| 7/1/2056 - 6/30/2057 | 13,892,835   |          | 1,682,343    |              | 0            | 1,682,343   | 833,570  | 14,726,406  | 12,642,412    | 116.5%         |

There may be cases where the schedule does not add due to rounding.

Please refer to the next page for important comments.

# City of Riverview Retiree Health Program

## Comments

---

**Comment 1** — The calculations are based upon assumptions regarding future events, which may or may not materialize including the 6% annual investment return assumption. They are also based upon present Program provisions, data, methods and assumptions that are outlined in our June 30, 2016 actuarial valuation report. If you have reason to believe that the assumptions that were used are unreasonable, the Program provisions are incorrectly described, the information provided in this report is inaccurate, or is in any way incomplete, or that important Program provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in the report.

**Comment 2** — Future actuarial measurements may differ significantly from those presented in this report due to such factors as Program experience differing from that anticipated by actuarial assumptions, changes in plan provisions, federal programs or applicable law. Due to the limited scope of this assignment, we did not perform an analysis of the potential range of future measurements.

**Comment 3** — The projection shown in this report does not include the cash payments paid to eligible benefit recipients who elect to receive cash payments in lieu of RH Program benefits. For the purpose of this study we assumed that these payments would continue to be paid from the City's general account.