

October 26, 2020
(sent via email)

Mr. Douglas Drysdale, CPA
City Manager
City of Riverview
14100 Civic Park Drive
Riverview, MI 48193

Dear Mr. Drysdale:

We are enclosing the following:

Financial Review Report
Budget 2020-21 - OPEB Contributions
Attachment 1 - Councilman Towle Memos
Attachment 2 - City Manager Memo (January 2019) Measures
Attachment 3 - Pension and OPEB Comparison
Attachment 4 - DEA Analysis

Please do not hesitate to contact us if you further questions or needs. We appreciate the opportunity to be of service.

Respectfully yours,

REHMANN LLC



Mark Kettner, CPA, CGFM

City of Riverview

Financial Review

Following are the items that Rehmann was requested to review, verify and/or compare (in bold type) along with the results, observations and/or suggestions (in blue type) related thereto:

1. **Verify for accuracy the figures included in the two memos prepared by Councilman Towle related to the "Review of Financial Report 2019" and "City of Riverview Retiree Health Program Projection Required by Public Act 202 of 2017".**

Except as highlighted in Attachment 1, the figures cited in the two memos are accurate. The errors or unverifiable figures do not seem to be of a nature/extent that they would diminish the significant of the area being emphasized by the author.

2. **Evaluate for reasonableness and feasibility and provide feedback on the memo related to the "Landfill Closure Financial Plan" document dated January 1, 2019 prepared by City Manager Drysdale.**

See Attachment 2 (which is a schedule that rolls up the potential replacement revenues and compares that to the amount needed to be replaced). While the replacement revenues may cover about 80% of the general fund portion of the lost post-closure revenues (as well as not covering the annual capital improvements allocation), these replacement measures come with the added challenge of voter-approved property taxes increases (along with a tax levy for rubbish service). Fortunately, the City likely has five to ten years (+/-) to effect the change and possibly identify other sources.

Generally, we would conclude that the City Manager's memo is reasonable and feasible, but certainly challenging (especially in these unprecedented times) and does not seem to fully cover the lost revenues.

3. **Compare the City's pension and OPEB funded status to up to 10 comparable communities in the region based on similar population and geographic location (including Woodhaven, Trenton, Southgate, Wyandotte).**

See Attachment 3, starting with a summary page and then four detailed multiyear schedules: two for pension (one comparing communities in the immediate vicinity of Riverview and the other comparing communities in the state of similar size) and two for OPEB (following the same approach). Overall, this comparison shows the City of Riverview is in relatively good to great condition with its pension plan and not so good condition with its retiree healthcare benefit (although, in a similar position to comparable communities... of little consolation, though, that "misery loves company").

We understand there has been conversation about reopening the defined benefit pension plan to new hires. While an admirable and likely well-intended notion, it would be a measure that adds costs, unpredictability and risk to the plan for decades beyond the current plan horizon. For this reason, we would highly discourage reopening a door that was previously closed for good reason. If the City is having difficulty in attracting new hires, we would suggest consideration of other approaches such as higher current compensation (where the costs are immediate and known) or a new class of compensated absences (in the vain of "use it or lose it" so as not to accumulate to an unmanageable cost).

4. Prepare a schedule of revenues and related expenditures of the DEA fund to evaluate the profitability of participating in this program for the last 10 years.

See Attachment 4. Without including vehicle costs and using a fringe rate of 50% (to cover all payroll taxes, insurance and other benefits, particularly pension contributions) and an indirect cost rate of 5% (to cover payroll preparation and department administration), both of which are likely on the low side, the analysis shows that costs far exceed revenues. Based on this, if profitability is the motive behind participation, then the City should exit the program; if there is another motivation (doing good and fighting evil) and the revenue reasonably offsets the cost, then the financial result is still on the short end for the City. Especially so if the fringe rate is higher.

5. Evaluate for reasonableness and feasibility and provide feedback on the "Form 5597 CAP Retirement Health Care" document dated August 22, 2019 prepared by the City.

The prior actions taken by the City (section 3 of the form) are good and important first steps in getting the OPEB costs to a manageable (and possibly attainable/sustainable) level. These measures are not enough, though, as the City clearly understands. However, limiting the prospective actions (section 4 of the form) to planning to negotiate contract language to move the age at which a retiree can receive medical benefits from 55 to 60, while another good measure, is simply not enough.

When it comes to reducing OPEB costs (short of unilaterally eliminating or slashing the benefit in an Emergency Manager type situation), there is no silver bullet; instead of doing one thing 100% better/different, it is necessary to do 100 things 1% better/different. To this end, the City should go through an exercise to identify a wide range of prospective actions, to consider their impacts and then implement as many of them as practicable. Whether the present value of the liability is \$45 million or something less through a change in the discount rate or other actuarial assumptions (say \$30-35 million), the fact of the matter is that the City and its citizens cannot afford this benefit (for the good of the many) and must do all that it can to rein it in.

To conclude, the actions in the Form 5597 are good first steps (and are indeed reasonable and feasible) but are not enough to solve the problem.

Rounded OPEB Contribution 2019/2020	General Ledger	Fund	Portion of \$200,000 OPEB Deposit	
44,670.00	101-172-725.950	General Fund	2.4%	4,792.30
13,850.00	101-209-725.950		0.7%	1,485.86
27,960.00	101-215-725.950		1.5%	2,999.61
48,070.00	101-253-725.950		2.6%	5,157.06
20,380.00	101-270-725.950		1.1%	2,186.41
493,870.00	101-301-725.950		26.5%	52,983.52
22,570.00	101-336-725.950		1.2%	2,421.36
64,260.00	101-441-725.950		3.4%	6,893.96
11,730.00	101-442-725.950		0.6%	1,258.42
14,680.00	101-443-725.950		0.8%	1,574.90
32,040.00	101-751-725.950		1.7%	3,437.33
15,260.00	101-800-725.950		0.8%	1,637.13
7,300.00	243-535-725.950	Cable & Telecom	0.4%	783.16
16,380.00	271-790-725.950	Library	0.9%	1,757.28
95,330.00	584-542-725.950	Golf	5.1%	10,227.22
9,300.00	585-542-725.950		0.5%	997.73
104,730.00	592-527-725.950	Water & Sewer	5.6%	11,235.68
114,870.00	592-536-725.950		6.2%	12,323.52
706,990.00	596-526-725.950	Land Preserve	37.9%	75,847.53
			100.0%	\$ 200,000.00
	680-851-725.950			200,000.00
	731-851-725.950			
1,864,240.00				

*Doug - Please Monan check
Provide a copy of budget*

I want to give you a cursory review of two documents both of which are posted on the City Website. The first is a review of the 2019 Year End Statement and the second will be City of Riverview Retiree Health Program Projection Required by State of Michigan Public Act 202 of 2017 if OPEB [Retiree Health Care] is not at least 40% funded.

First, I will give a Review of Financial Report 2019

Land fill Transfers Pg. 19

Landfill transferred \$2,775,855.00 to the General Fund, Trash Fund and Capital Improvements Fund which is a taxable equivalent of 9 mills.

The amount of transfers was reduced from 3.5 million budgeted in 2019/2020 to \$2,775,855.00 primarily because the \$500,000.00 budgeted for Capital Improvements was not expended in addition that the General Fund transfer were \$200,000.00 less than anticipated because of some property tax assessments corrections.

Page 23 / Pension Contributions Employer /Employees

The employees' contribution based on payroll deductions to their pension totaled \$120,874.00 and the City contributed \$1,140,203.00 to keep it adequately funded for year ending 2019. For every 1 dollar the employee contributes to the pension fund the city contributes \$9.50 \$9.44 cents. In fact, based on a previous pension projection from 2020 to 2030 the City will be required to contribute \$9,250,870.00 as compared to the employee's contribution of \$262,701.00 to be fully funded.

Page 39/ Landfill

Employee contribution should be \$1,067,032 (wrong amount was picked up from the actuary projection schedules.
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Remaining airspace will be totally utilized by 2027. In short, the landfill is expected to close 2027.

Page 47/ Defined Benefit Program

We currently have 103 retirees and beneficiaries currently receiving pension benefits.

In summary we have a total of 142 Employees covered by the defined benefit pension program

Pg. 49 / Pension Plan Rate of return

The annual money-weighted rate of return on the pension plan investments, net of pension plan investment expense, was 5.9 percent.

5.69

Pg. 51 & 52 / OPB Health Care Expense for our retirees

pay-as-you-go (PAYG) expense

OPEB expense for 2019 was \$1,521,552.00. In addition to this our current employee health care cost was \$1,237,213.00. These 2 costs total \$2,758,765.00 which does not include costs for prescriptions care for our employees. In short, the income from the landfill currently falls \$17,090.00 short of meeting just the Employees and Retirees. My concern is the landfill closes in 2027.

Although landfill income is not earmarked for health care costs and other funds/operations share in these costs, it would certainly strain remaining GF resources without the landfill subsidy. A City-prepared schedule of the distribution of OPEB costs is included.

a/ 85 current retirees receiving health care benefits

Pg. 53/ OPEB unfunded liability for post-employment Health care
benefits for city employees is \$45,332,137.00 based on a discount rate of 3.13 percent.

Page 54- Unfunded Liability for Local 324 Operators at the landfill is
\$5,893,815.00

This is addition to the unfunded liability of the City Employees' Pension Plan which is \$6,339,937.00

Page 60/ The City Contribution to the Defined Benefit program for our
city employees in 2019 was \$1,140,203.00 as compared to
\$1,477,292.00 in 2014.

Page 63/ The City's contribution to the defined benefit program for
landfill operators in 2019 was \$457,730.00 as compared to \$101,246.00
in 2010.

2nd Document I want to review is

City of Riverview Retiree Health Program Projection

Required by Public Act 202 of 2017.

If you review the projection of the funding required submitted to the State of Michigan for the OPEB funding, you will see that it will not be 40% funded until 2049.

A/ City of Riverview Retiree Health Program {Summary of proposed funding policy} submitted and approved by the State of Michigan. Its posted on the City Website. So, the residents can better understand the underfunded Status of OPEB which is cost for providing health care benefits to our retirees. This plan is required by law if OPEB funding is less than 40%. As of this year our funding is 0 that is why the city was required to submit a plan to show how the city plans on funding these commitments.

b/ If you look at year ending 2028 the projected OPEB Contribution is \$2,750,370.00. That does not include the cost of Health Care for *current employees which was budgeted at \$1,237,213.00 in 2019 budget. If you project the cost of health care for our current employees will increase at an annual rate of 5% our cost in 2027 cost our health care costs for our current employees will be approximately*

\$1,670,237.00. In short that means that our total cost for health care for our retirees and active personnel in 2028 would be approximately

\$4,427,607.00. Off by \$7,000... s/b \$4,420,607.

This reflects a 35% increase (7 yrs x 5%)... doesn't consider compounding... s/b \$1,740,883 w/ compounding.

Some of our city labor units have negotiated contracts that allow its members to retire at age 50 or 55 years with no cost sharing for health care benefits which means that we will be paying the cost of health care for those employees until they qualify for Medicare at age 65.

I believe we must adjust the age that an individual is entitled to receive health care benefits contained in our existing labor agreements to reduce these projected costs or be prepared to substantially increase the millage to fund those commitments.

In short when the landfill closes in 2027 how will we be able to meet these funding requirements.

I recommend that any resident concerned about the financial stability of our community review these documents

City of Riverview

Recap of City Manager Memo Measures
(Memo dated January 2019)

BACKGROUND

Land Preserve Tansfers

2018 taxable value	<u>\$ 305,449,984</u>	
Revenue from 1.0 mill	<u>\$ 305,450</u>	(b)
Transfers from Land Preserve fund:		
General fund (25% of operating budget)	\$ 2,600,000	[1]
Rubbish fund	351,000	
Capital improvement fund	500,000	
	<u>\$ 3,451,000</u>	(a)
Equivalent number of mills from transfers (a/b)	<u>11.3</u>	

Debt Payments

4.22 mills could potentially come off tax bills between now and fiscal 2025-26 for maturing debt issues, although certain of those expiring or maturing items could be repurposed (such as for other road projects, fire department and so forth).

Pension Contributions

General fund cost savings from reduced pension contributions is not a reliable financial projection. There is too much uncertainty to expect long-term growth in the investment portfolio to reach 100% funding.

OPEB Liability

The comments are partially correct (i.e., the higher discount rate can be used for the number of years that trust assets are available to fund benefits then revert to the lower federal funds rate). However, the more important driver here is the required contributions that will be current fund expenditures, primarily for the general fund.

OPTIONS

Library Millage & Transfer

Eliminate current GF transfer to Library

GF Impact Amt

\$ 325,000

Roads Millage

Eliminate current GF transfer to Local Streets

230,000

Rubbish Fund

2.4 mill rubbish levy allowed under PA 298 (voter approval not required)

733,080

Additional 2.0 mill voter-approved levy in event that landfill closes would have no financial impact as new expense would absorb tax

-

Renewable Gas Revenues

Revenues to OPEB trust; depending on level of success, this could mitigate additional OPEB contributions (of at least \$200k annually) from other GF resources.

-

Headlee Override

Voter-approved rollback to maximum allowed levy; revert to 20.0 mills from 16.3352 mills (or 3.6648 mills increase)

1,119,413

Residential Development

No specifics to reliably estimate

-

\$ 2,407,493 [1]

City of Riverview

Comparison Summary

	Pension		Pension	OPEB	
	Vicinity	Size	Ave Return on Invest *	Vicinity	Size
Melvindale (Police/Fire)	138.1%		9.46%	246.9%	
Riverview	82.6% **		7.42%	0.0%	
Woodhaven	80.9%		7.63%	0.0%	
Allen Park	73.7%		5.27%	4.7%	
Trenton (Police/Fire)	72.9%		6.45%	18.2%	
Brownstown Twp (MERS)	70.0%			12.4%	
Wyandotte	69.7%		4.93%	2.1%	
Southgate (Police/Fire)	62.8%		7.62%	4.4%	
Southgate (MERS)	61.0%			8.8%	
Grosse Ile Twp (MERS)	57.3%			0.2%	
Trenton (MERS)	56.1%			n/a	
Flat Rock (MERS)	44.0%			0.0%	
Ecorse (MERS)	38.7%			3.2%	
Melvindale (MERS)	36.2%			0.0%	
Lincoln Park (Police/Fire)	31.4%		6.05%	0.0%	
Lincoln Park (MERS)	21.9%			0.0%	
MERS (5-year)			6.73%		
Clawson (MERS)		94.6%			0.0%
Clawson (Fire)		87.6%			0.0%
Escanaba (Police/Fire)		86.9%			n/a
Riverview		82.6%			0.0%
Woodhaven		80.9%			0.0%
New Baltimore (MERS)		76.7%			41.9%
South Lyon (MERS)		63.9%			0.0%
Coldwater (MERS)		63.3%			n/a
Rochester (MERS)		62.4%			111.8%
Sault Ste. Marie (MERS)		62.4%			n/a
Fenton (MERS)		61.6%			0.0%
Escanaba (MERS)		59.9%			n/a
Sault Ste. Marie (Police/Fire)		48.4%			n/a
East Grand Rapids (MERS)		46.3%			37.6%

* Based on number of years presented (per GASB 68 implementation date) in detailed schedule.

** Based on the current closed plan; reopening the plan would have a significant impact on lowering the funding level (with increased contributions).

City of Riverview

Comparison of Pension Data (geographic vicinity)

[1]	Population	2019	2018	2017	2016	2015	2014	Average
	12,456							
Riverview								
Total liability		\$ 38,225,121	\$ 37,919,236	\$ 36,270,078	\$ 35,806,056	\$ 35,572,621	\$34,693,094	
Unfunded liability		6,639,937	6,767,673	6,126,643	7,314,550	6,131,797	6,079,727	
Funded ratio		82.6%	82.2%	83.1%	79.6%	82.8%	82.5%	
Annual contribution		1,140,203	1,018,391	1,092,653	1,227,038	1,377,176	1,477,292	
Unfunded (per resident)		533	543	492	587	492	488	
Contrib (per resident)		92	82	88	99	111	119	
Investment return		5.7%	8.3%	9.9%	-0.4%	5.2%	15.8%	7.42%
Allen Park	28,146							
Total liability		\$ 112,448,284	\$ 109,961,494	\$ 108,031,121	\$ 106,709,566	\$ 103,656,634		
Unfunded liability		29,581,102	17,535,644	24,622,581	24,140,479	17,819,462		
Funded ratio		73.7%	84.1%	77.2%	77.4%	82.8%		
Annual contribution		2,646,084	2,659,008	2,641,242	2,699,151	2,028,314		
Unfunded (per resident)		1,051	623	875	858	633		
Contrib (per resident)		94	94	94	96	72		
Investment return		-5.9%	16.0%	5.7%				5.27%
Ecorse (MERS)	9,526							
Total liability		\$ 40,975,076	\$ 41,430,127	\$ 41,661,704	\$ 41,803,250	\$ 39,863,191		
Unfunded liability		25,101,212	24,597,284	25,927,451	28,463,926	25,057,952		
Funded ratio		38.7%	40.6%	37.8%	31.9%	37.1%		
Annual contribution		3,378,304	2,809,524	4,684,468	2,429,229	1,602,541		
Unfunded (per resident)		2,635	2,582	2,722	2,988	2,630		
Contrib (per resident)		355	295	492	255	168		

[1]

Population	2019	2018	2017	2016	2015	2014	Average
Flat Rock (MERS)	9,872						
Total liability	\$ 26,877,960	\$ 25,837,297	\$ 24,956,391	\$ 24,114,104	\$ 22,666,782		
Unfunded liability	15,049,068	13,334,488	13,425,363	13,141,777	11,015,372		
Funded ratio	44.0%	48.4%	46.2%	45.5%	51.4%		
Annual contribution	911,101	1,011,342	794,184	734,717	650,534		
Unfunded (per resident)	1,524	1,351	1,360	1,331	1,116		
Contrib (per resident)	92	102	80	74	66		
Lincoln Park (Police/Fire)	37,996						
Total liability	\$ 79,853,442	\$ 80,403,636	\$ 80,257,718	\$ 79,389,933	\$ 78,727,564	\$ 73,476,403	
Unfunded liability	54,753,303	56,712,844	58,666,135	61,393,278	61,336,463	55,169,402	
Funded ratio	31.4%	29.5%	26.9%	22.7%	22.1%	24.9%	
Annual contribution	6,050,163	6,027,815	6,937,765	5,475,223	3,464,682	3,363,725	
Unfunded (per resident)	1,441	1,493	1,544	1,616	1,614	1,452	
Contrib (per resident)	159	159	183	144	91	89	
Investment return	3.7%	5.2%	10.6%	0.6%	2.8%	13.4%	6.05%
Lincoln Park (MERS)	37,996						
Total liability	\$ 39,295,359	\$ 40,056,718	\$ 41,054,720	\$ 41,452,996	\$ 39,855,575		
Unfunded liability	30,683,315	31,476,114	33,636,562	34,772,959	32,131,226		
Funded ratio	21.9%	21.4%	18.1%	16.1%	19.4%		
Annual contribution	3,835,370	3,621,661	3,744,948	3,082,910	2,043,176		
Unfunded (per resident)	808	828	885	915	846		
Contrib (per resident)	101	95	99	81	54		
Melvindale (Police/Fire)	10,702						
Total liability	\$ 4,720,086	\$ 5,025,540	\$ 5,663,708	\$ 6,521,556	\$ 7,657,867	\$ 7,903,394	
Unfunded liability	(1,797,830)	(498,749)	(228,252)	1,488,488	2,722,680	2,808,650	
Funded ratio	138.1%	109.9%	104.0%	77.2%	64.4%	64.5%	
Annual contribution	899,523	799,821	808,813	771,280	742,179	536,993	
Unfunded (per resident)	(168)	(47)	(21)	139	254	262	
Contrib (per resident)	84	75	76	72	69	50	
Investment return	14.8%	-2.6%	20.9%	11.6%	2.6%		9.46%

[1]

	Population	2019	2018	2017	2016	2015	2014	Average
Melvindale (MERS)	10,702							
Total liability		\$ 41,334,324	\$ 41,671,222	\$ 41,012,348	\$ 41,468,567	\$ 39,047,554		
Unfunded liability		26,360,902	24,967,600	24,914,191	25,693,988	21,977,136		
Funded ratio		36.2%	40.1%	39.3%	38.0%	43.7%		
Annual contribution		2,039,729	1,639,882	1,502,796	1,585,014	1,410,579		
Unfunded (per resident)		2,463	2,333	2,328	2,401	2,054		
Investment return								
Southgate (Police/Fire)	29,977							
Total liability		\$ 74,537,531	\$ 73,582,366	\$ 72,513,577	\$ 68,489,438	\$ 67,664,363	\$ 66,641,598	
Unfunded liability		27,738,271	26,800,318	29,262,682	28,917,390	24,533,874	20,720,242	
Funded ratio		62.8%	63.6%	59.6%	57.8%	63.7%	68.9%	
Annual contribution		4,328,200	4,321,173	3,244,840	2,580,266	2,604,211	2,649,082	
Unfunded (per resident)		925	894	976	965	818	691	
Contrib (per resident)		144	144	108	86	87	88	
Investment return		1.4%	12.0%	12.6%	-3.0%	6.9%	15.8%	7.62%
Southgate (MERS)	29,977							
Total liability		\$ 29,728,949	\$ 29,043,059	\$ 29,164,527	\$ 28,886,716	\$ 31,804,627	\$ 29,661,895	
Unfunded liability		11,601,789	9,027,011	10,445,238	11,232,002	13,122,196	9,800,957	
Funded ratio		61.0%	68.9%	64.2%	61.1%	58.7%	67.0%	
Annual contribution		896,716	843,022	973,239	569,014	969,014	882,147	
Unfunded (per resident)		387	301	348	375	438	327	
Contrib (per resident)		30	28	32	19	32	29	
Trenton (Police/Fire)	18,816							
Total liability		\$ 69,386,899	\$ 68,940,470	\$ 69,879,009	\$ 67,484,939	\$ 67,022,681	\$ 66,133,890	
Unfunded liability		18,805,675	17,248,243	17,621,436	18,675,868	14,060,838	10,397,863	
Funded ratio		72.9%	75.0%	74.8%	72.3%	79.0%	84.3%	
Annual contribution		1,734,037	1,579,481	1,479,258	1,424,943	1,411,401	1,329,445	
Unfunded (per resident)		999	917	937	993	747	553	
Contrib (per resident)		92	84	79	76	75	71	
Investment return		4.7%	6.3%	14.0%	-2.3%	0.6%	15.4%	6.45%

[1]

Population	2019	2018	2017	2016	2015	2014	Average
Trenton (MERS)	18,816						
Total liability	\$ 45,383,263	\$ 45,208,676	\$ 45,670,671	\$ 45,682,435	\$ 43,352,596		
Unfunded liability	19,903,326	18,328,884	20,760,728	21,926,490	17,552,005		
Funded ratio	56.1%	59.5%	54.5%	52.0%	59.5%		
Annual contribution	3,134,240	2,165,454	1,799,934	1,553,688	1,384,206		
Unfunded (per resident)	1,058	974	1,103	1,165	933		
Contrib (per resident)	167	115	96	83	74		
Woodhaven	12,856						
Total liability	\$ 29,218,437	\$ 28,469,996	\$ 27,871,621	\$ 27,273,880	\$ 27,039,661	\$ 25,689,929	
Unfunded liability	5,578,300	5,465,312	5,877,455	6,771,338	5,540,209	4,543,561	
Funded ratio	80.9%	80.8%	78.9%	75.2%	79.5%	82.3%	
Annual contribution	946,206	951,463	897,613	1,026,763	1,020,364	984,496	
Unfunded (per resident)	434	425	457	527	431	353	
Contrib (per resident)	74	74	70	80	79	77	
Investment return	7.0%	8.5%	11.2%	-1.7%	4.5%	16.3%	7.63%
Wyandotte	25,801						
Total liability	\$ 94,000,110	\$ 94,609,967	\$ 94,331,393	\$ 94,435,562	\$ 93,863,755	\$ 83,727,938	
Unfunded liability	28,438,188	28,408,158	29,175,187	31,755,378	32,616,499	17,230,835	
Funded ratio	69.7%	70.0%	69.1%	66.4%	65.3%	79.4%	
Annual contribution	4,136,191	4,269,848	3,774,885	3,699,614	3,565,840	3,458,902	
Unfunded (per resident)	1,102	1,101	1,131	1,231	1,264	668	
Contrib (per resident)	160	165	146	143	138	134	
Investment return	3.8%	6.3%	8.3%	8.4%	-2.5%	5.3%	4.93%
Brownstown Twp (MERS)	31,910						
Total liability	\$ 31,494,635	\$ 29,544,700	\$ 27,336,209	\$ 25,847,178	\$ 21,994,136		
Unfunded liability	9,452,295	6,982,216	7,787,284	8,646,914	5,126,144		
Funded ratio	70.0%	76.4%	71.5%	66.5%	76.7%		
Annual contribution	866,604	825,037	817,797	847,414	793,910		
Unfunded (per resident)	296	219	244	271	161		
Contrib (per resident)	27	26	26	27	25		

	[1] Population	2019	2018	2017	2016	2015	2014	Average
Grosse Ile Twp (MERS)	10,158							
Total liability		\$ 34,782,629	\$ 33,145,551	\$ 32,873,041	\$ 31,055,849			
Unfunded liability		14,867,004	11,937,344	13,774,444	13,579,136			
Funded ratio		57.3%	64.0%	58.1%	56.3%			
Annual contribution		1,185,669	1,092,334	1,037,700	948,535			
Unfunded (per resident)		1,464	1,175	1,356	1,337			
Contrib (per resident)		117	108	102	93			

Valuation dates are generally one year earlier than fiscal year end.

[1] 2010 census

Comparison of Pension Data (population)

[1]	Population	2019	2018	2017	2016	2015	2014
	12,456						
Riverview							
Total liability		\$38,225,121	\$37,919,236	\$36,270,078	\$35,806,056	\$35,572,621	\$34,693,094
Unfunded liability		6,639,937	6,767,673	6,126,643	7,314,550	6,131,797	6,079,727
Funded ratio		82.6%	82.2%	83.1%	79.6%	82.8%	82.5%
Annual contribution		1,140,203	1,018,391	1,092,653	1,227,038	1,377,176	1,477,292
Unfunded (per resident)		533	543	492	587	492	488
Contrib (per resident)		92	82	88	99	111	119
Investment return		5.7%	8.3%	9.9%	-0.4%	5.2%	15.8%
Sault Ste. Marie (MERS)	14,160						
Total liability		\$30,880,505	\$30,290,740	\$29,833,182	\$29,315,514	\$27,186,503	
Unfunded liability		11,617,517	9,057,717	9,977,094	10,501,538	6,926,328	
Funded ratio		62.4%	70.1%	66.6%	64.2%	74.5%	
Annual contribution		701,009	622,125	553,169	527,540	470,377	
Unfunded (per resident)		820	640	705	742	489	
Contrib (per resident)		50	44	39	37	33	
Investment return							
Sault Ste. Marie (Police/Fire)	14,160						
Total liability		\$32,469,315	\$31,723,188	\$28,367,680	\$27,815,598	\$27,066,293	
Unfunded liability		16,758,739	16,466,561	14,024,023	12,753,434	11,449,757	
Funded ratio		48.4%	48.1%	50.6%	54.2%	57.7%	
Annual contribution		1,453,326	1,449,806	1,369,975	1,317,356	1,341,995	
Unfunded (per resident)		1,184	1,163	990	901	809	
Contrib (per resident)		103	102	97	93	95	
Investment return		0.0%	0.0%	0.0%	0.0%	0.0%	

[1]		2019	2018	2017	2016	2015	2014
Population							
Rochester (MERS)							
	12,720						
Total liability		\$22,616,302	\$21,830,589	\$21,751,481	\$21,418,144	\$20,038,155	
Unfunded liability		8,494,428	6,659,083	7,902,744	8,401,246	6,097,418	
Funded ratio		62.4%	69.5%	63.7%	60.8%	69.6%	
Annual contribution		849,360	712,556	598,218	533,424	487,578	
Unfunded (per resident)		668	524	621	660	479	
Contrib (per resident)		67	56	47	42	38	
Investment return		0.0%	0.0%	0.0%	0.0%	0.0%	
New Baltimore (MERS)							
	12,084						
Total liability		\$17,807,342	\$16,979,664	\$16,201,705	\$15,495,234	\$14,273,518	
Unfunded liability		4,154,488	2,441,021	3,107,467	3,543,309	1,958,300	
Funded ratio		76.7%	85.6%	80.8%	77.1%	86.3%	
Annual contribution		323,039	315,119	302,807	273,278	269,423	
Unfunded (per resident)		344	202	257	293	162	
Contrib (per resident)		27	26	25	23	22	
Investment return							
Woodhaven							
	12,856						
Total liability		\$29,218,437	\$28,469,996	\$27,871,621	\$27,273,880	\$27,039,661	\$25,689,929
Unfunded liability		5,578,300	5,465,312	5,877,455	6,771,338	5,540,209	4,543,561
Funded ratio		80.9%	80.8%	78.9%	75.2%	79.5%	82.3%
Annual contribution		946,206	951,463	897,613	1,026,763	1,020,364	984,496
Unfunded (per resident)		434	425	457	527	431	353
Contrib (per resident)		74	74	70	80	79	77
Investment return		7.0%	8.5%	11.2%	-1.7%	4.5%	16.3%

[1]		2019	2018	2017	2016	2015	2014
Population							
Coldwater (MERS)		13,593					
Total liability		\$29,076,026	\$28,911,433	\$28,489,971	\$28,523,566	\$27,022,721	
Unfunded liability		10,672,472	8,791,646	9,824,737	10,861,233	8,030,345	
Funded ratio		63.3%	69.6%	65.5%	61.9%	70.3%	
Annual contribution		1,290,000	1,160,202	1,005,222	919,890	827,702	
Unfunded (per resident)		785	647	723	799	591	
Contrib (per resident)		95	85	74	68	61	
Investment return		0.0%	0.0%	0.0%	0.0%	0.0%	
Escanaba (MERS)		12,606					
Total liability		\$36,339,816	\$36,236,354	\$35,812,343	\$34,998,795	\$32,502,856	
Unfunded liability		14,573,389	15,095,343	16,134,587	16,439,289	12,802,474	
Funded ratio		59.9%	58.3%	54.9%	53.0%	60.6%	
Annual contribution		4,049,579	1,399,555	1,328,965	1,293,868	1,194,312	
Unfunded (per resident)		1,156	1,197	1,280	1,304	1,016	
Contrib (per resident)		321	111	105	103	95	
Investment return							
Escanaba (Police/Fire)		12,606					
Total liability		\$36,023,282	\$34,911,764	\$34,276,630	\$32,857,362	\$38,851,293	\$31,851,295
Unfunded liability		4,732,859	4,731,341	5,668,457	6,476,711	12,535,302	6,275,277
Funded ratio		86.9%	86.4%	83.5%	80.3%	67.7%	80.3%
Annual contribution		985,218	1,068,469	1,134,353	969,387	1,033,739	1,058,517
Unfunded (per resident)		375	375	450	514	994	498
Contrib (per resident)		78	85	90	77	82	84
Investment return		8.2%	7.9%	10.7%	2.2%	4.4%	17.0%

	[1] Population	2019	2018	2017	2016	2015	2014
Clawson (Fire)	11,840						
Total liability		\$ 4,237,659	\$ 3,855,662	\$ 3,685,493	\$ 3,546,135	\$ 3,410,529	
Unfunded liability		526,843	181,502	137,289	192,805	(156,853)	
Funded ratio		87.6%	95.3%	96.3%	94.6%	104.6%	
Annual contribution		90,217	77,550	73,000	15,000	12,612	
Unfunded (per resident)		44	15	12	16	(13)	
Contrib (per resident)		8	7	6	1	1	
Investment return							
Fenton (MERS)	11,719						
Total liability		\$17,788,188	\$16,959,624	\$16,755,322	\$16,074,018	\$14,594,945	
Unfunded liability		6,828,444	5,649,680	6,666,621	6,682,300	4,709,309	
Funded ratio		61.6%	66.7%	60.2%	58.4%	67.7%	
Annual contribution		1,082,740	814,116	550,985	510,110	471,992	
Unfunded (per resident)		583	482	569	570	402	
Contrib (per resident)		92	69	47	44	40	
Investment return							

Valuation dates are generally one year earlier than fiscal year end.

[1] 2010 census

City of Riverview

Comparison of OPEB Data (geographic vicinity)

	[1] Population	2019	2018
Riverview	12,456		
Total liability		\$ 45,332,137	\$47,199,141
Unfunded liability		45,332,137	47,199,141
Funded ratio		0.0%	0.0%
Annual PAYG expense		1,521,552	1,601,972
Unfunded (per resident)		3,639	3,789
Contrib (per resident)		122	129
Investment return		n/a	n/a
Allen Park	28,146		
Total liability		\$ 49,818,813	\$51,047,973
Unfunded liability		47,452,483	49,310,045
Funded ratio		4.7%	3.4%
Annual contribution		3,137,395	2,942,993
Unfunded (per resident)		1,686	1,752
Contrib (per resident)		111	105
Investment return		6.3%	7.9%
Ecorse	9,526		
Total liability		\$ 18,637,815	\$18,514,277
Unfunded liability		18,047,157	18,262,108
Funded ratio		3.2%	1.4%
Annual contribution		1,329,230	1,407,088
Unfunded (per resident)		1,895	1,917
Contrib (per resident)		140	148
Investment return		3.1%	7.7%
Flat Rock	9,872		
Total liability		\$ 22,290,728	\$22,252,052
Unfunded liability		22,290,728	22,252,052
Funded ratio		0.0%	0.0%
Annual PAYG expense		633,922	578,941
Unfunded (per resident)		2,258	2,254
Contrib (per resident)		64	59
Investment return		n/a	n/a

	[1] Population	2019	2018
Lincoln Park	37,996		
Total liability		\$ 10,554,262	\$ 4,074,570
Unfunded liability		10,554,262	4,074,570
Funded ratio		0.0%	0.0%
Annual PAYG expense		730,638	528,100
Unfunded (per resident)		278	107
Contrib (per resident)		19	14
Investment return		0.0%	0.0%
Melvindale (Police/Fire)	10,702		
Total liability		\$ 1,120,481	\$ 1,946,376
Unfunded liability		(1,646,067)	(601,229)
Funded ratio		246.9%	130.9%
Annual contribution		-	-
Unfunded (per resident)		(154)	(56)
Contrib (per resident)		-	-
Investment return		14.8%	-2.6%
Melvindale (MERS)	10,702		
Total liability		\$ 35,501,432	\$48,315,401
Unfunded liability		35,501,432	48,315,401
Funded ratio		0.0%	0.0%
Annual PAYG expense		807,303	1,131,977
Unfunded (per resident)		3,317	4,515
Contrib (per resident)		75	106
Investment return			
Southgate (Police/Fire)	29,977		
Total liability		\$ 58,691,273	\$53,036,528
Unfunded liability		56,094,240	50,819,336
Funded ratio		4.4%	4.2%
Annual contribution		2,334,678	2,389,916
Unfunded (per resident)		1,871	1,695
Contrib (per resident)		78	80
Investment return		0.4%	0.0%
Southgate (MERS)	29,977		
Total liability		\$ 34,897,272	\$31,783,860
Unfunded liability		31,820,713	28,971,736
Funded ratio		8.8%	8.8%
Annual contribution		1,098,233	936,674
Unfunded (per resident)		1,062	966
Contrib (per resident)		37	31
Investment return		3.1%	0.6%

	[1] Population	2019	2018
Trenton	18,816		
Total liability		\$ 63,756,989	\$63,355,548
Unfunded liability		52,146,018	53,018,649
Funded ratio		18.2%	16.3%
Annual contribution		3,478,826	2,797,561
Unfunded (per resident)		2,771	2,818
Contrib (per resident)		185	149
Investment return		5.4%	7.0%
Woodhaven	12,856		
Total liability		\$ 37,768,854	\$34,227,572
Unfunded liability		37,768,854	34,227,572
Funded ratio		0.0%	0.0%
Annual PAYG expense		866,199	911,279
Unfunded (per resident)		2,938	2,662
Contrib (per resident)		67	71
Investment return		n/a	n/a
Wyandotte	25,801		
Total liability		\$ 102,931,937	\$88,457,885
Unfunded liability		100,802,646	86,234,161
Funded ratio		2.1%	2.5%
Annual contribution		3,689,633	3,679,182
Unfunded (per resident)		3,907	3,342
Contrib (per resident)		143	143
Investment return		3.7%	5.5%
Brownstown Township	31,910		
Total liability		\$ 26,865,270	\$24,531,543
Unfunded liability		23,534,891	21,784,087
Funded ratio		12.4%	11.2%
Annual contribution		684,221	638,878
Unfunded (per resident)		738	683
Contrib (per resident)		21	20
Investment return		22.7%	-5.5%
Grosse Ile Township	10,158		
Total liability		\$ 14,518,669	
Unfunded liability		14,484,995	
Funded ratio		0.2%	
Annual contribution		614,409	
Unfunded (per resident)		1,426	
Contrib (per resident)		60	
Investment return		0.0%	

Valuation dates are generally one year earlier than fiscal year end.

[1] 2010 census

City of Riverview

Comparison of OPEB Data (population)

	[1] Population	2019	2018
Riverview	12,456		
Total liability		\$45,332,137	\$47,199,141
Unfunded liability		45,332,137	47,199,141
Funded ratio		0.0%	0.0%
Annual contribution		1,521,552	1,601,972
Unfunded (per resident)		3,639	3,789
Contrib (per resident)		122	129
Investment return		n/a	n/a
Sault Ste. Marie	14,160	HSA defined contribution plan	
Total liability			
Unfunded liability			
Funded ratio			
Annual contribution			
Unfunded (per resident)			
Contrib (per resident)			
Investment return			
Rochester	12,720		
Total liability		\$10,640,890	\$11,886,286
Unfunded liability		(1,260,399)	630
Funded ratio		111.8%	100.0%
Annual contribution		395,480	448,038
Unfunded (per resident)		(99)	0
Contrib (per resident)		31	35
Investment return		5.7%	10.6%
New Baltimore	12,084		
Total liability		\$ 7,016,979	\$14,144,735
Unfunded liability		4,077,468	11,218,050
Funded ratio		41.9%	20.7%
Annual contribution		271,136	239,485
Unfunded (per resident)		337	928
Contrib (per resident)		22	20
Investment return		0.0%	0.0%

	[1] Population	2019	2018
Woodhaven	12,856		
Total liability		\$37,768,854	\$34,227,572
Unfunded liability		37,768,854	34,227,572
Funded ratio		0.0%	0.0%
Annual contribution		866,199	911,279
Unfunded (per resident)		2,938	2,662
Contrib (per resident)		67	71
Investment return		n/a	n/a
Coldwater	13,593	No OPEB	
Total liability			
Unfunded liability			
Funded ratio			
Annual contribution			
Unfunded (per resident)			
Contrib (per resident)			
Investment return			
Escanaba	12,606	No OPEB	
Total liability			
Unfunded liability			
Funded ratio			
Annual contribution			
Unfunded (per resident)			
Contrib (per resident)			
Investment return			
East Grand Rapids	10,704		
Total liability		\$ 3,797,950	\$ 3,491,484
Unfunded liability		2,370,946	2,147,143
Funded ratio		37.6%	38.5%
Annual contribution		112,437	226,255
Unfunded (per resident)		222	201
Contrib (per resident)		11	21
Investment return			
South Lyon	11,327		
Total liability		\$ 545,542	\$ 464,775
Unfunded liability		545,542	464,775
Funded ratio		0.0%	0.0%
Annual PAYG expense		13,622	9,000
Unfunded (per resident)		48	41
Contrib (per resident)		1	1
Investment return			

	[1] Population	2019	2018
Clawson	11,840		
Total liability		\$ 14,531,259	\$ 14,295,221
Unfunded liability		14,531,259	14,295,221
Funded ratio		0.0%	0.0%
Annual PAYG expense		749,254	769,341
Unfunded (per resident)		1,227	1,207
Contrib (per resident)		63	65
Investment return		n/a	n/a
Fenton	11,719		
Total liability		\$ 6,709,643	\$ 6,297,090
Unfunded liability		6,709,643	6,297,090
Funded ratio		0.0%	0.0%
Annual PAYG expense		347,273	312,286
Unfunded (per resident)		573	537
Contrib (per resident)		30	27
Investment return		n/a	n/a

Valuation dates are generally one year earlier than fiscal year end.

[1] 2010 census

City of Riverview

DEA Assistance - Revenue and Expense Analysis

Year	Fiscal	Expenses							Net
		Revenue	Assigned Wages	50% Fringes	5% Indirect	Average Patrol Wage 2088 Hours	Patrol Wage with Fringes/ Indirect	Wage Differential	
1	2007-08	\$ 52,078	\$ 83,748	\$ 41,874	\$ 4,187	\$ 47,068	\$ 72,955	\$ (56,854)	\$ (20,877)
2	2008-09	34,736	84,400	42,200	4,220	48,030	74,447	(56,373)	(39,711)
3	2009-10	61,652	82,701	41,351	4,135	48,030	74,447	(53,740)	(12,795)
4	2010-11	108,857	79,367	39,684	3,968	47,076	72,967	(50,052)	35,890
5	2011-12	113,151	77,760	38,880	3,888	47,076	72,967	(47,561)	40,184
6	2012-13	107,087	82,111	41,056	4,106	47,076	72,967	(54,306)	34,120
7	2013-14	48,080	84,753	42,377	4,238	48,030	74,447	(56,921)	(26,367)
8	2014-15	64,993	82,446	41,223	4,122	48,511	75,192	(52,599)	(10,199)
9	2015-16	16,249	84,426	42,213	4,221	49,484	76,701	(54,159)	(60,452)
10	2016-17	34,600	84,277	42,139	4,214	49,981	77,471	(53,159)	(42,871)
11	2017-18	99,346	89,283	44,642	4,464	51,026	79,090	(59,299)	20,256
12	2018-19	37,415	-	-	-	-	-	-	37,415
13	2019-20	42,660	-	-	-	-	-	-	42,660
		<u>\$ 820,904</u>	<u>\$ 915,272</u>	<u>\$ 457,639</u>	<u>\$ 45,763</u>	<u>\$ 531,388</u>	<u>\$ 823,651</u>	<u>\$ (595,023)</u>	<u>\$ (2,747)</u>

a - no officer assigned.

b - used average of three officers.

c - used average of two officers.

Payroll taxes

Workers compensation

Health insurance

Other insurance (life, dental, optical)

Uniform allowance

Pension

OPEB?

Compensated absences

City of Riverview

DEA Assistance - Revenue and Expense Analysis

Year	Fiscal	Revenue	Expenses					Total	Net
			Wages	50% Fringes	Vehicle	Other	5% Indirect		
1	2007-08	\$ 52,078	\$ 83,748	\$ 41,874	\$ -	\$ -	\$ 4,187	\$ 129,809	\$ (77,731)
2	2008-09	34,736	84,400	42,200	-	-	4,220	130,820	(96,084)
3	2009-10	61,652	82,701	41,351	-	-	4,135	128,187	(66,535)
4	2010-11	108,857	79,367	39,684	-	-	3,968	123,019	(14,162)
5	2011-12	113,151	77,760	38,880	-	-	3,888	120,528	(7,377)
6	2012-13	107,087	82,111	41,056	-	-	4,106	127,273	(20,186)
7	2013-14	48,080	84,753	42,377	-	-	4,238	131,368	(83,288)
8	2014-15	64,993	82,446	41,223	-	-	4,122	127,791	(62,798)
9	2015-16	16,249	84,426	42,213	-	-	4,221	130,860	(114,611)
10	2016-17	34,600	84,277	42,139	-	-	4,214	130,630	(96,030)
11	2017-18	99,346	89,283	44,642	-	-	4,464	138,389	(39,043)
12	2018-19	37,415	-	-	-	-	-	-	37,415
13	2019-20	42,660	-	-	-	-	-	-	42,660
		<u>\$ 820,904</u>	<u>\$ 915,272</u>	<u>\$ 457,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,763</u>	<u>\$ 1,418,674</u>	<u>\$ (597,770)</u>

a - no officer was assigned.

b - used average of three officers.

c - used average of two officers.

Payroll taxes
Workers compensation
Health insurance
Other insurance (life, dental, optical)
Uniform allowance
Pension
OPEB?
Compensated absences

Calendar year	Calendar or Fiscal Year?					Total
	2006-09 Gentry	2010-13 Troup	2013-13 Sowards	2013-16 McClendon	2016-18 O'Neil	
2008	83,748					83,748
2009	84,400					84,400
2010		82,701				82,701
2011		79,367				79,367
2012		77,760				77,760
2013		86,200	83,066	77,066		246,332
2014				84,753		84,753
2015				82,446		82,446
2016				87,462	81,389	168,851
2017					84,277	84,277
2018					89,283	89,283
2019					-	-
2020					-	-