



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

January 28, 2019

Notice of Approval

Fiscal Year: 2017

Municipality Code: 822330

Sent Via Email

City of Wyandotte

tdrysdale@wyandottemi.gov

Re: Corrective Action Plan

Dear Administrative Officer or Designee:

Thank you for submitting your retirement corrective action plan pursuant to Public Act 202 of 2017 (the Act). **Based upon review, your corrective action plan for the City of Wyandotte Health Care Plan has been approved by the Municipal Stability Board (the Board).**

Next Steps (Pursuant to the Act):

- You must begin to implement your corrective action plan within 180 days of the date of this letter.
- Your approved corrective action plan must be posted publicly on your website or in a public place. While this approved corrective action plan is in effect for your local unit, you are not required to submit an additional corrective action plan for this system.
- You are required to continue to file the Form 5572 Retirement System Annual Report annually, which is due six months after the end of your fiscal year.
- The Board shall monitor your compliance with the Act and your corrective action plan. The Board shall detail any reasons for a determination of noncompliance. Additional guidance will be forthcoming regarding the monitoring process.

Thank you for your commitment to fiscal stability and continued compliance with the Act.

If you have any questions, please email our office at LocalRetirementReporting@michigan.gov or visit Michigan.gov/LocalRetirementReporting.

Sincerely,

Michigan Department of Treasury
Local Retirement Reporting Team

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

Issued under authority of Public Act 202 of 2017.

1. MUNICIPALITY INFORMATION

Local Unit Name: City of Wyandotte Six-Digit Muni Code: 822330

Retirement Health Benefit System Name: City of Wyandotte Retiree Health Care Plan

Contact Name (Administrative Officer): Todd A. Drysdale

Title if not Administrative Officer: City Administrator

Email: tdrysdale@wyandottemi.gov Telephone: (734) 324-4566

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 (ARC) 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 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 submitted plan must demonstrate through distinct supporting documentation how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, the submitted plan may demonstrate how and when the ARC for all of the retirement healthcare systems will be less than 12% of annual governmental fund revenues, as defined by the Act. Supporting documentation for the funding ratio and/or ARC must include an actuarial projection, an actuarial valuation, or an internally developed analysis. The local unit must project governmental fund revenues using a reasonable forecast based on historical trends and projected rates of inflation.

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 a corrective action plan is approved, the Board will monitor the corrective action plan 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**.

Between 2008 and 2013, the City collectively bargained the elimination of retiree healthcare benefits for newly hired employees. No new hires are eligible for retiree health care. Additionally, terms of coverage have been changed resulting in lower premium costs, new programs have been mandated resulting in lower costs, and retiree co-pays have been increased.

- ☒ **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.

Beginning in 2006, the City has been contributing to the Retiree Health Care Trust. To date, over \$28 million has been transferred from the City's General Fund. The resulting balance is \$2.375 million, up from a deficit of \$247k in 2003.

- ☐ **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**.

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 will be negotiating with three (3) labor unions that have their collective bargaining agreements expire on 12/31/18.

- ☒ **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.

Beginning in Fiscal Year 2019, the City of Wyandotte will begin contributing an additional \$38,020 to the Retiree Health Care Trust Fund. This will be in addition to the current pay-as-you-go method of funding.

- ☐ **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 Wyandotte 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 – 1

This Corrective Action Plan (Required)

☒ Attachment – 1a

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

☒ Attachment – 2a

An actuarial projection, an actuarial valuation, or an internally developed analysis, which illustrates how and when the local unit will reach the 40% funded ratio. Or, if the local unit is a city, village, township, or county, ARC will be less than 12% of governmental fund revenues, as defined by the Act. (Required)

☐ Attachment – 3a

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

☒ Attachment – 4a

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

☐ Attachment – 5a

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 – 6a

Other documentation, not categorized above

7. CORRECTIVE ACTION PLAN CRITERIA

Please confirm that each of the four corrective action plan criteria listed below have been satisfied when submitting this document. Specific detail on corrective action plan criteria can be found in the [Corrective Action Plan Development: Best Practices and Strategies](#) document.

Corrective Action Plan Criteria

Description

- | | |
|--|---|
| <input checked="" type="checkbox"/> Underfunded Status | Is there a description and adequate supporting documentation of how and when the retirement system will reach the 40% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all retirement healthcare systems will be less than 12 percent of governmental fund revenues? |
| <input checked="" type="checkbox"/> Reasonable Timeframe | Do the corrective actions address the underfunded status in a reasonable timeframe (see CAP criteria issued by the Board)? |
| <input checked="" type="checkbox"/> Legal and Feasible | Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible? |
| <input checked="" type="checkbox"/> Affordability | Do the corrective action(s) listed allow the local unit to make the retiree healthcare premium payment, as well as normal cost payment for new hires now and into the future without additional changes to this corrective action plan? |

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

I, Todd A. Drysdale, as the government's administrative officer (insert title)
City Administrator (Ex: 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.

I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

- ☒ The City of Wyandotte Retiree Health Care Plan (**Insert Retirement Healthcare System Name**) will achieve a funded status of at least 40% by Fiscal Year 2048 as demonstrated by required supporting documentation listed in section 6.

OR, if the local unit is a city, village, township, or county:

- ☐ The ARC for all of the retirement healthcare systems of _____ (**Insert local unit name**) will be less than 12% of the local unit of government's annual governmental fund revenues by Fiscal Year _____ as demonstrated by required supporting documentation listed in section 6.

Signature Todd A. Drysdale

Date 12/05/2018

**CITY OF WYANDOTTE, MICHIGAN
CERTIFIED RESOLUTION
2018-494**

REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE CITY OF WYANDOTTE,
WAYNE COUNTY, MICHIGAN, HELD IN THE COUNCIL CHAMBERS, OF THE
MUNICIPAL BUILDING.

UNDER THE DATE OF: December 3, 2018

MOVED BY: Councilperson Sabuda

SUPPORTED BY: Councilperson Alderman

BE IT RESOLVED that the Correction Action Plan (Form 5597) submitted by the City Administrator is received and placed on file; AND

Further, notes that the Application demonstrates actions that have been undertaken to mitigate this underfunded status which include eliminating defined benefit retiree health care coverage for employees hired after 2008, 2009, 2011, and 2013 (depending on employee group) and transferring funds from the City's General Fund to the Retiree Health Care Trust Fund; AND

Further, notes that the City has contributed additional funds to the retiree health care trust in excess of the annual cost of retiree healthcare in each of the past five (5) years and has increased the value of the retiree health care trust fund from a deficit of \$247,000 in 2003 to \$2.357 million in 2017; AND

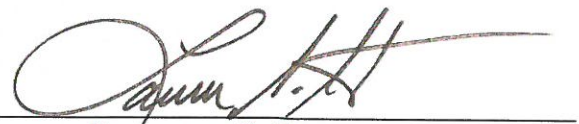
Further, acknowledges the Other Postemployment Benefits (OPEB) Projection for the City of Wyandotte Retiree Health Care Plan (Plan) prepared by GRS Retirement Consulting dated November 9, 2018, which indicates that the Plan will achieve a 40% funded level within thirty (30) years if an additional \$38,020 is contributed to the Trust Fund annually; AND

Further, instructs the City Administrator to make the necessary budget amendments to facilitate this additional annual contribution beginning in the current fiscal year (2019) and for the next thirty (30) years; AND

Thus, the City Council approves the Corrective Action Plan as prepared and recommended by the City Administrator.

Motion unanimously carried.

I, LAWRENCE S. STEC, duly authorized City Clerk of Wyandotte, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City Council on December 3, 2018 said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meeting Act, being Act 267, Public Acts of Michigan, 1976.



Lawrence S. Stec
City Clerk



November 9, 2018

Mr. Todd Drysdale
City Administrator
City of Wyandotte Retiree Health Care Plan
3200 Biddle Avenue, Suite 300
Wyandotte, MI 48192

**Re: Other Postemployment Benefits (OPEB) Projection for the City of Wyandotte
Retiree Health Care Plan**

Dear Mr. Drysdale:

As requested and approved by the City of Wyandotte, enclosed is a supplemental report containing projections which estimate when the OPEB plan will reach a 40% funding level. There are two projections:

1. No additional employer contributions in excess of pay-go cash are assumed.
2. Additional employer contributions of \$38,020 in excess of pay-go cash are assumed.

The results of the projections were developed based on the September 30, 2015 actuarial valuation report, and incorporate September 30, 2018 market value of assets reported by the City of Wyandotte.

Please call if you have any questions regarding the calculations enclosed.

Sincerely,

A handwritten signature in brown ink, appearing to read "Michael D. Kosciuk", is written over a light blue horizontal line.

Michael D. Kosciuk, ASA, MAAA

MDK:sc
Enclosure

cc: James D. Anderson, GRS



City of Wyandotte

Retiree Health Care Plan

Requested By: Mr. Todd Drysdale, City Administrator
City of Wyandotte

Date: November 9, 2018

Submitted By: James D. Anderson, FSA, EA, FCA, MAAA and Michael D. Kosciuk, ASA, MAAA
Gabriel, Roeder, Smith & Company (GRS)

The following projections use the same actuarial methods and assumptions as the September 30, 2015 City of Wyandotte Retiree Health Care Plan valuation dated June 26, 2017, unless otherwise noted. The discount rate and the assumed investment rate of return assumption are 7.00%.

The projections were based upon information furnished by the City of Wyandotte for the September 30, 2015 actuarial valuation (and confirmed for the September 30, 2017 GASB Statement Nos. 74 and 75 report), concerning retiree health benefits and plan provisions. Plan liabilities were projected from September 30, 2015 to September 30, 2018 using standard actuarial techniques, and compared to the September 30, 2018 market value of assets reported by the City of Wyandotte.

The projection schedules provided in this report are closed group projections. This means that the projected liabilities, assets, unfunded liabilities, and funded ratios in this report do not include values for employees hired after September 30, 2015. A provision of Michigan Public Act 202 of 2017 (PA 202) is that a local unit of government providing retiree health benefits must contribute the normal costs for employees first hired after June 30, 2018 – since the plan is closed to new members, this does not apply.

The first projection schedule provided in this report is based on the assumption that the Plan contributes the pay-go cost (estimated premiums paid for retirees plus administrative expenses) beginning with the October 1, 2018 - September 30, 2019 Fiscal Year. There are no additional employer contributions assumed in this projection.

The second projection schedule provided in this report is based on the assumption that the Plan contributes the pay-go cost plus an additional level annual contribution beginning with the October 1, 2018 - September 30, 2019 Fiscal Year. The purpose of this projection is to determine the minimum additional contribution necessary for the Plan to attain a 40% funded status within 30 years. For purposes of this report, the additional employer contributions are assumed to commence in fiscal year 2019 with the 40% target funding ratio achieved by the end of fiscal year 2048.

Both projections assume the City will be able to contribute the pay-go contribution amounts during each year of the projection period.

City of Wyandotte Retiree Health Care Plan

This report was prepared at the request of the City of Wyandotte and is intended for use by the City of Wyandotte and those designated or approved by the City. This report may be provided to parties other than the City of Wyandotte only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

James D. Anderson and Michael D. Kosciuk are independent of the plan sponsor, are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

City of Wyandotte Retiree Health Care Plan Projection Schedule

Fiscal Year	Actuarial Accrued Liability (AAL) Projection				Market Value of Asset Projection							Unfunded Liability (EOY)	Percentage (d) = (b) / (a)
	Normal Cost	Benefit Payments	7.00% Interest	AALEOY	Employee Contribution	Pay-Go Employer Contribution	Additional Employer Contribution	Benefit Payments	Administrative Expenses	7.00% Interest	Asset Value EOY ⁽¹⁾		
10/1/2017 - 9/30/2018	\$928,751	\$5,671,990	\$6,490,726	\$95,056,167	\$0	\$5,671,990	\$0	\$5,671,990	\$0	\$182,499	\$2,607,130	\$92,449,037	2.74%
10/1/2018 - 9/30/2019	912,416	5,911,703	6,604,240	96,803,654	0	5,911,703	0	5,911,703	0	195,274	2,789,629	94,014,025	2.88%
10/1/2019 - 9/30/2020	861,226	6,176,803	6,705,704	99,798,734	0	6,176,803	0	6,176,803	0	208,943	3,193,846	95,423,704	3.03%
10/1/2020 - 9/30/2021	822,802	6,506,258	6,790,355	100,905,633	0	6,506,258	0	6,506,258	0	223,569	3,193,846	96,604,888	3.20%
10/1/2021 - 9/30/2022	790,612	6,781,706	6,857,252	101,717,791	0	6,781,706	0	6,781,706	0	239,219	3,656,634	97,488,218	3.39%
10/1/2022 - 9/30/2023	741,317	7,025,748	6,907,790	102,395,150	0	7,025,748	0	7,025,748	0	255,964	3,912,598	98,115,157	3.59%
10/1/2023 - 9/30/2024	705,560	7,212,729	6,943,796	102,832,777	0	7,212,729	0	7,212,729	0	273,882	4,186,480	98,482,552	3.82%
10/1/2024 - 9/30/2025	663,224	7,303,369	6,969,820	103,162,452	0	7,303,369	0	7,303,369	0	293,054	4,479,534	98,682,918	4.07%
10/1/2025 - 9/30/2026	615,640	7,457,370	6,985,961	103,306,683	0	7,457,370	0	7,457,370	0	313,567	4,793,101	98,513,582	4.34%
10/1/2026 - 9/30/2027	564,622	7,644,787	6,987,853	103,214,371	0	7,644,787	0	7,644,787	0	335,517	5,128,618	98,085,753	4.97%
10/1/2027 - 9/30/2028	507,919	7,776,827	6,974,897	102,920,360	0	7,776,827	0	7,776,827	0	359,003	5,487,621	97,432,739	5.33%
10/1/2028 - 9/30/2029	464,307	7,952,211	6,946,781	102,379,237	0	7,952,211	0	7,952,211	0	384,133	5,871,754	96,507,483	5.74%
10/1/2029 - 9/30/2030	416,201	8,121,211	6,901,432	101,575,659	0	8,121,211	0	8,121,211	0	411,023	6,282,777	95,292,882	6.19%
10/1/2030 - 9/30/2031	364,906	8,278,518	6,838,004	100,500,051	0	8,278,518	0	8,278,518	0	439,794	6,722,571	93,777,480	6.69%
10/1/2031 - 9/30/2032	311,998	8,494,417	6,753,463	99,071,095	0	8,494,417	0	8,494,417	0	470,580	7,193,151	91,877,944	7.26%
10/1/2032 - 9/30/2033	263,461	8,586,748	6,648,589	97,396,397	0	8,586,748	0	8,586,748	0	503,521	7,696,672	89,699,725	7.90%
10/1/2033 - 9/30/2034	225,359	8,633,838	6,528,438	95,516,346	0	8,633,838	0	8,633,838	0	538,767	8,235,439	87,280,907	8.62%
10/1/2034 - 9/30/2035	184,366	8,664,393	6,394,363	93,430,682	0	8,664,393	0	8,664,393	0	576,481	8,811,920	84,618,762	9.43%
10/1/2035 - 9/30/2036	145,234	8,654,957	6,247,345	91,168,304	0	8,654,957	0	8,654,957	0	616,834	9,428,754	81,739,550	10.34%
10/1/2036 - 9/30/2037	119,337	8,656,971	6,088,018	88,718,688	0	8,656,971	0	8,656,971	0	660,013	10,088,767	78,629,921	11.37%
10/1/2037 - 9/30/2038	94,107	8,601,314	5,917,592	86,129,073	0	8,601,314	0	8,601,314	0	705,649	10,739,981	75,394,092	12.53%
10/1/2038 - 9/30/2039	78,043	8,548,971	5,737,567	83,395,712	0	8,548,971	0	8,548,971	0	755,649	11,550,630	71,845,082	13.85%
10/1/2039 - 9/30/2040	59,657	8,480,892	5,547,942	80,522,419	0	8,480,892	0	8,480,892	0	808,544	12,359,174	68,163,245	15.35%
10/1/2040 - 9/30/2041	39,935	8,350,822	5,350,608	77,562,140	0	8,350,822	0	8,350,822	0	865,142	13,224,316	64,337,824	17.05%
10/1/2041 - 9/30/2042	26,287	8,223,842	5,147,288	74,511,873	0	8,223,842	0	8,223,842	0	925,702	14,150,018	60,361,855	18.99%
10/1/2042 - 9/30/2043	17,593	8,058,818	4,939,148	71,409,796	0	8,058,818	0	8,058,818	0	990,501	15,140,519	56,269,277	21.20%
10/1/2043 - 9/30/2044	12,156	7,889,603	4,727,638	68,259,987	0	7,889,603	0	7,889,603	0	1,059,836	16,200,355	52,059,632	23.73%
10/1/2044 - 9/30/2045	8,760	7,658,300	4,514,993	65,125,440	0	7,658,300	0	7,658,300	0	1,134,025	17,334,380	47,791,060	26.62%
10/1/2045 - 9/30/2046	6,701	7,416,881	4,303,811	62,019,071	0	7,416,881	0	7,416,881	0	1,213,407	18,547,787	43,471,284	29.91%
10/1/2046 - 9/30/2047	4,879	7,214,580	4,093,263	58,902,633	0	7,214,580	0	7,214,580	0	1,298,345	19,846,132	39,056,501	33.69%
10/1/2047 - 9/30/2048	3,795	6,980,594	3,883,126	55,808,960	0	6,980,594	0	6,980,594	0	1,389,229	21,235,361	34,573,599	38.05%
10/1/2048 - 9/30/2049	2,179	6,721,795	3,675,418	52,764,762	0	6,721,795	0	6,721,795	0	1,486,475	22,212,836	30,042,926	43.06%

(1) *Projected values with the exception of the September 30, 2018 value.*

Assuming all assumptions are met (including but not limited to the following), the Plan is projected to obtain a 40% funded level on a market value basis by the fiscal year ending September 30, 2050.

- The discount rate and the assumed rate of investment return on assets are 7.00%;
- Contributions, normal cost accruals, benefit payments, and administrative expenses occur halfway through the year; and
- The postemployment medical liability associated with the Health Savings Account (HSA) for future hires has not been reflected in this report.

City of Wyandotte Retiree Health Care Plan Projection Schedule

Scenario 2 – Additional Employer Contributions Sufficient to Attain 40% Funded Status by September 30, 2048

Fiscal Year	Actuarial Accrued Liability (AAL) Projection				Market Value of Asset Projection							Funded Percentage
	Normal Cost	Benefit Payments	7.00% Interest	AAL EOY	Employee Contribution	Pay-Go Employer Contribution	Additional Employer Contribution	Benefit Payments	Administrative Expenses	7.00% Interest	Asset Value EOY ⁽¹⁾	
10/1/2017 - 9/30/2018				(a)								(c) = (a) - (b) (d) = (b) / (a)
10/1/2018 - 9/30/2019	\$928,751	\$5,671,990	\$6,490,726	\$95,056,167	\$0	\$5,671,990	\$38,020	\$5,671,990	\$0	\$183,807	\$2,607,130	2.74%
10/1/2019 - 9/30/2020	912,416	5,911,703	6,604,240	96,803,654	0	5,911,703	38,020	5,911,703	0	199,335	2,828,957	2.92%
10/1/2020 - 9/30/2021	861,226	6,176,803	6,705,704	99,798,734	0	6,176,803	38,020	6,176,803	0	215,950	3,066,311	3.12%
10/1/2021 - 9/30/2022	822,802	6,506,258	6,799,355	100,905,633	0	6,506,258	38,020	6,506,258	0	233,728	3,320,281	3.33%
10/1/2022 - 9/30/2023	790,612	6,781,706	6,857,252	101,771,791	0	6,781,706	38,020	6,781,706	0	252,750	3,592,028	3.56%
10/1/2023 - 9/30/2024	741,317	7,025,748	6,907,790	102,395,150	0	7,025,748	38,020	7,025,748	0	273,104	3,882,798	3.82%
10/1/2024 - 9/30/2025	706,560	7,212,729	6,943,795	102,832,777	0	7,212,729	38,020	7,212,729	0	294,883	4,193,922	4.10%
10/1/2025 - 9/30/2026	663,224	7,303,369	6,969,820	103,162,452	0	7,303,369	38,020	7,303,369	0	318,186	4,883,030	4.73%
10/1/2026 - 9/30/2027	615,640	7,457,370	6,985,961	103,306,683	0	7,457,370	38,020	7,457,370	0	343,120	5,264,169	5.10%
10/1/2027 - 9/30/2028	564,622	7,644,787	6,987,853	103,214,371	0	7,644,787	38,020	7,644,787	0	369,800	5,671,989	5.50%
10/1/2028 - 9/30/2029	507,919	7,776,827	6,974,897	102,920,360	0	7,776,827	38,020	7,776,827	0	398,347	6,108,356	5.94%
10/1/2029 - 9/30/2030	464,307	7,952,211	6,946,781	102,379,237	0	7,952,211	38,020	7,952,211	0	428,893	6,575,268	6.42%
10/1/2030 - 9/30/2031	416,201	8,121,211	6,901,432	101,575,659	0	8,121,211	38,020	8,121,211	0	461,577	7,074,865	6.97%
10/1/2031 - 9/30/2032	364,906	8,278,518	6,838,004	100,500,051	0	8,278,518	38,020	8,278,518	0	496,549	7,609,433	7.57%
10/1/2032 - 9/30/2033	311,998	8,494,417	6,753,463	99,071,095	0	8,494,417	38,020	8,494,417	0	533,969	8,181,422	8.26%
10/1/2033 - 9/30/2034	263,461	8,596,748	6,648,589	97,396,397	0	8,596,748	38,020	8,596,748	0	574,008	8,793,450	9.03%
10/1/2034 - 9/30/2035	225,359	8,633,838	6,528,428	95,516,346	0	8,633,838	38,020	8,633,838	0	616,850	9,448,319	9.89%
10/1/2035 - 9/30/2036	184,366	8,664,393	6,394,363	93,430,682	0	8,664,393	38,020	8,664,393	0	662,691	10,149,030	10.86%
10/1/2036 - 9/30/2037	145,234	8,654,957	6,247,345	91,168,304	0	8,654,957	38,020	8,654,957	0	711,740	10,898,789	11.95%
10/1/2037 - 9/30/2038	119,337	8,656,971	6,088,018	88,718,688	0	8,656,971	38,020	8,656,971	0	764,223	11,701,032	13.19%
10/1/2038 - 9/30/2039	94,107	8,601,314	5,917,592	86,128,073	0	8,601,314	38,020	8,601,314	0	820,380	12,559,432	14.58%
10/1/2039 - 9/30/2040	78,043	8,548,971	5,737,567	83,395,712	0	8,548,971	38,020	8,548,971	0	880,468	13,477,919	16.16%
10/1/2040 - 9/30/2041	59,657	8,480,892	5,547,942	80,522,419	0	8,480,892	38,020	8,480,892	0	944,763	14,460,702	17.96%
10/1/2041 - 9/30/2042	39,935	8,350,822	5,350,608	77,562,140	0	8,350,822	38,020	8,350,822	0	1,013,557	15,512,278	20.00%
10/1/2042 - 9/30/2043	26,287	8,223,842	5,147,288	74,511,873	0	8,223,842	38,020	8,223,842	0	1,087,168	16,637,466	22.33%
10/1/2043 - 9/30/2044	17,593	8,058,818	4,939,148	71,409,796	0	8,058,818	38,020	8,058,818	0	1,165,931	17,841,417	24.98%
10/1/2044 - 9/30/2045	12,156	7,889,603	4,727,638	68,259,987	0	7,889,603	38,020	7,889,603	0	1,250,207	19,129,643	28.02%
10/1/2045 - 9/30/2046	8,760	7,658,300	4,514,993	65,125,440	0	7,658,300	38,020	7,658,300	0	1,340,383	20,508,046	31.49%
10/1/2046 - 9/30/2047	6,701	7,416,881	4,303,811	62,019,071	0	7,416,881	38,020	7,416,881	0	1,436,871	21,982,936	35.45%
10/1/2047 - 9/30/2048	4,879	7,214,580	4,093,263	58,902,633	0	7,214,580	38,020	7,214,580	0	1,540,114	23,561,070	40.00%
10/1/2048 - 9/30/2049	3,795	6,980,594	3,883,126	55,808,960	0	6,980,594	0	6,980,594	0	1,649,275	25,210,345	45.17%
10/1/2049 - 9/30/2050	2,179	6,721,795	3,675,418	52,764,762	0	6,721,795	0	6,721,795	0	1,764,724	26,975,069	51.12%

⁽²⁾ Projected values with the exception of the September 30, 2018 value.

Assuming all assumptions are met (including but not limited to the following), the Plan is projected to obtain a 40% funded level on a market value basis by the fiscal year ending September 30, 2048.

- The discount rate and the assumed rate of investment return on assets are 7.00%;
- Contributions, normal cost accruals, benefit payments, and administrative expenses occur halfway through the year;
- Additional contributions of \$38,020 are made each year; and
- The postemployment medical liability associated with the Health Savings Account (HSA) for future hires has not been reflected in this report.

City of Wyandotte Retiree Health Care Plan

Comments

Comment 1: Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Comment 2: Except where otherwise indicated, the actuarial assumptions, methods, and plan provisions were consistent with those used in the September 30, 2015 valuation report for the City of Wyandotte Retiree Health Care Plan, dated June 26, 2017. September 30, 2018 market value asset information was reported by the City of Wyandotte for purposes of this study.

Comment 3: This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board, and with applicable statutes.

Comment 4: If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of the report prior to making such decision.

Comment 5: No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described in the primary communication.

Comment 6: Please note that we are not attorneys or investment experts and no statement in this report should be construed to provide tax advice, legal advice or investment advice.