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


1. MUNICIPALITY INFORMATION
Local Unit Name: City of Saginaw
Six-Digit Muni Code: 073202
Retirement Health Benefit System Name: City of Saginaw Other Post Employment Benefits
Contact Name (Administrative Officer): Dennis Jordan
Title if not Administrative Officer: Assistant City Manager
Email: Dennis.Jordan@saginaw-mi.com Telephone: (989) 759-1577

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.

The City of Saginaw has implemented many system design changes that are detailed in Attachment 6a.

☒ 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 Saginaw reserved $250,000 during the fiscal year ended June 30, 2018, to pay for future retiree healthcare costs. This will be combined with additional funds during the fiscal year ending June 30, 2019, to be set aside in a qualified trust for retirement healthcare.

☒ 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.

Please refer to Attachment 6a to read other considerations regarding the City of Saginaw's OPEB liability.

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**.

  During contract negotiations for labor contracts expiring on June 30, 2019, the City of Saginaw will continue to seek changes in future healthcare benefits, including increased employee cost sharing and alternative lower cost benefits plans.

- **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.

  The City of Saginaw is creating a qualified trust to invest and accumulate assets for retirement healthcare. The City will open the trust with $973,430 during the fiscal year ending June 30, 2019. To the extent the budget will allow, the City will continue to contribute up to $973,430 annually.

- **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.

  Please refer to Attachment 6a to read other considerations regarding the City of Saginaw’s OPEB liability.
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 Saginaw 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”.

<table>
<thead>
<tr>
<th>Attachment</th>
<th>Type of Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>☒ Attachment - 1</td>
<td>This Corrective Action Plan (Required)</td>
</tr>
<tr>
<td>☒ Attachment - 1a</td>
<td>Documentation from the governing body approving this Corrective Action Plan (Required)</td>
</tr>
<tr>
<td>☒ Attachment - 2a</td>
<td>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)</td>
</tr>
<tr>
<td>☐ Attachment - 3a</td>
<td>Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information).</td>
</tr>
<tr>
<td>☐ Attachment - 4a</td>
<td>Documentation of commitment to additional payments in future years (e.g. resolution, ordinance)</td>
</tr>
<tr>
<td>☐ Attachment - 5a</td>
<td>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</td>
</tr>
<tr>
<td>☒ Attachment - 6a</td>
<td>Other documentation, not categorized above</td>
</tr>
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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

☑ Underfunded Status

Description

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?

☑ Reasonable Timeframe

Description

Do the corrective actions address the underfunded status in a reasonable timeframe (see CAP criteria issued by the Board)?

☑ Legal and Feasible

Description

Does the corrective action plan follow all applicable laws? Are all required administrative certifications and governing body approvals included? Are the actions listed feasible?

☑ Affordability

Description

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, Tim Morales, as the government’s administrative officer (insert title)

City Manager (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 Other Post Employment Benefits (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 ________________________________ Date 10/31/18
Labor Agreement

Between

LOCAL 517M

SEIU

Service Employees International Union,
Local 517M

AND

CITY OF SAGINAW

HOURLY BARGAINING UNIT
EFFECTIVE JULY 1, 2016
THROUGH JUNE 30, 2019
All discipline of Hourly employees shall be issued within sixty- (60)-
days of the date of the incident or Management's knowledge of that
incident. The parties may mutually agree to extend the time up to no
more than, sixty- (60) days of the incident.

38.00 Insurance Benefits

38.10 Life Insurance. The City will provide term life insurance to the next
$1,000 higher annual income with a double indemnity provision. For
example, an employee earning $7,100 will be insured for $8,000 or
$16,000 in case of accidental death. This rate of coverage shall be
adjusted each year on July 1.

38.11 Any employee who retires from the City shall receive $10,000 in
group term life insurance provided for and administered by the City of
Saginaw.

38.20 Health Insurance. The City will provide BC/BS Community Blue 4-PPO (CB4)
or comparable coverage and/or comparable carrier hospitalization and medical
coverage only to all regular full time employees and eligible dependents subject to
deductibles, co pays and contribution limits listed below. The parties also agree,
that the Health Care Committee shall be the ongoing communication vehicle for
the review and monitoring of the overall City health care cost containment efforts.

(A) Employee Contribution. All employees, regardless of hire date shall
have the following bi-weekly contribution based on use:

July 1, 2016- single ($35); two person ($50); family ($65)
July 1, 2017- single ($40); two person ($55); family ($70)
July 1, 2018- single ($45); two person ($60); family ($75)

(Mandates of PA 152 will supersede)

Effective July 1, 2012, all members will have prescription co pays,
$7/$35/$70 (2x mo. For 90 days).

(D) A citywide annual enrollment period will be established during the last
quarter each year. The City will give all employees a 30-day advance
notice of the open enrollment period. Advance notice will be included
with employee paychecks or another method mutually agreed upon by
both parties. All employees eligible for coverage will be required to turn
in an enrollment form. An employee may only opt in during this open
enrollment period unless there is a qualifying event under the IRS
Regulations.
Effective July 1, 2009, Retiree Health Care shall be eliminated for employees hired after June 30, 2009. These employees shall be enrolled in the MERS Health Care Savings Program. The City will contribute $125 per month with a graduated vesting schedule of 25% after 2 years, 50% after 4 years and 100% after 6 years. In addition, employees will contribute $5.00 per biweekly pay ($2.50 weekly)

Those employees affected by the change in health care coverage benefits will be assured coverage of any pre-existing conditions.

38.30 Employees will receive dental insurance equal to Michigan Delta Dental Plan (100% Class I, 50/50 Class II and 50/50 Class III Orthodontic with lifetime maximum of $1,200 per eligible person).

38.40 Employees choosing to cancel their current City health insurance plan and be covered under their spouse's health insurance must:

Obtain proof of insurance through their spouse's policy with an effective date of coverage.

Set up an appointment with the Benefits Coordinator where proof of coverage under spouse's policy is presented and signing of City insurance cancellation is made.

Should there be any problems with obtaining proof of insurance under the spouse's policy, the Personnel Office will provide a form letter, which can be completed by the spouse's employer.

Employees may cancel their City health insurance at any time during the fiscal year. Effective July 1, 2000, Opt-Out cap shall be $2,500. Opt-out once per year, during the open enrollment, unless it is a qualifying event under IRS regulations.

38.50 The City will provide a vision care plan equal to MECA Plan IV, Full Service Benefit Plan. The City shall pay the premium cost (copy of plan and rates attached), established the first year with budgeted composite rate of $9.25 per person, which includes administrative costs. In subsequent years, the employee will pick up any additional cost. (See Appendix D)
38.60 In the event the City becomes subject to Federal legislation or other health care mandates during the term of this agreement, the City will not deviate from the negotiated health care benefits for all employees and their dependents that remain employed or retire under the terms and conditions of this agreement.

It is understood that the aforementioned statement shall include benefit levels and costs associated with such coverage's whether they are borne by the City or the employee as dictated by the contractual agreement.

38.75 Retiree Health Care

Effective July 1, 1996, retirees health care will be covered as follows:

(A) Retiree Health Care Vesting Schedule:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>20 yrs. and over</td>
</tr>
<tr>
<td>90%</td>
<td>15 yrs. but less than 20</td>
</tr>
<tr>
<td>80%</td>
<td>10 yrs. but less than 15</td>
</tr>
<tr>
<td>70%</td>
<td>8 &amp; 9 yrs. of service</td>
</tr>
</tbody>
</table>

(B) Effective July 1, 2016, after retirement, for eligible retirees, premium sharing will continue to increase at the same level as active employee's until an annual limit is reached as follows: $1,500.00 single; $1,700.00 two-person and $2,100 family.

(C) Any employee who retires may not add a spouse or dependents to their health insurance after they have left the service of the city unless they pay all the additional cost (premium, co pays, deductible) to put the spouse and/or dependent on the plan.

Effective July 1, 2016 the retiree cannot add a new spouse/partner to the plan.

(D) Under no circumstances shall the City be required to pay health insurance premiums for retirees working more than 1,039 hours per year where their employer provides health coverage for such employment.

(E) Statements attesting that the retiree has not worked more than 1,039 hours in a calendar year will be required of employees who retire after July 1, 1988 every three months to assure the Employer that the retiree is eligible for this City paid health care benefit. This benefit is
Labor Agreement

Between

LOCAL 517M

SEIU

Service Employees International Union,
Local 517M

AND

CITY OF SAGINAW

HOURLY BARGAINING UNIT
EFFECTIVE JULY 1, 2016
THROUGH JUNE 30, 2019
All discipline of Hourly employees shall be issued within sixty- (60)-
days of the date of the incident or Management's knowledge of that
incident. The parties may mutually agree to extend the time up to no
more than, sixty- (60) days of the incident.

38.00 Insurance Benefits

38.10 Life Insurance The City will provide term life insurance to the next
$1,000 higher annual income with a double indemnity provision. For
example, an employee earning $7,100 will be insured for $8,000 or
$16,000 in case of accidental death. This rate of coverage shall be
adjusted each year on July 1.

38.11 Any employee who retires from the City shall receive $10,000 in
group term life insurance provided for and administered by the City of
Saginaw.

38.20 Health Insurance The City will provide BC/BS Community Blue 4-PPO (CB4)
or comparable coverage and/or comparable carrier hospitalization and medical
coverage only to all regular full time employees and eligible dependents subject to
deductibles, co pays and contribution limits listed below. The parties also agree,
that the Health Care Committee shall be the ongoing communication vehicle for
the review and monitoring of the overall City health care cost containment efforts.

(A) Employee Contribution All employees, regardless of hire date shall
have the following bi-weekly contribution based on use:

July 1, 2016- single ($35); two person ($50); family ($65)
July 1, 2017- single ($40); two person ($55); family ($70)
July 1, 2018- single ($45); two person ($60); family ($75)

(Mandates of PA 152 will supercede)

Effective July 1, 2012, all members will have prescription co pays,
$7/$35/$70 (2x mo. For 90 days).

(B) A citywide annual enrollment period will be established during the last
quarter each year. The City will give all employees a 30-day advance
notice of the open enrollment period. Advance notice will be included
with employee paychecks or another method mutually agreed upon by
both parties. All employees eligible for coverage will be required to turn
in an enrollment form. An employee may only opt in during this open
enrollment period unless there is a qualifying event under the IRS
Regulations.
(C) Effective July 1, 2009, Retiree Health Care shall be eliminated for employees hired after June 30, 2009. These employees shall be enrolled in the MERS Health Care Savings Program. The City will contribute $125 per month with a graduated vesting schedule of 25% after 2 years, 50% after 4 years and 100% after 6 years. In addition, employees will contribute $5.00 per biweekly pay ($2.50 weekly.

Those employees affected by the change in health care coverage benefits will be assured coverage of any pre-existing conditions.

38.30 Employees will receive dental insurance equal to Michigan Delta Dental Plan (100% Class I, 50/50 Class II and 50/50 Class III Orthodontic with lifetime maximum of $1,200 per eligible person).

38.40 Employees choosing to cancel their current City health insurance plan and be covered under their spouse's health insurance must:

Obtain proof of insurance through their spouse's policy with an effective date of coverage.

Set up an appointment with the Benefits Coordinator where proof of coverage under spouse's policy is presented and signing of City insurance cancellation is made.

Should there be any problems with obtaining proof of insurance under the spouse's policy, the Personnel Office will provide a form letter, which can be completed by the spouse's employer.

Employees may cancel their City health insurance at any time during the fiscal year. Effective July 1, 2000, Opt-Out cap shall be $2,500. Opt-out once per year, during the open enrollment, unless it is a qualifying event under IRS regulations.

38.50 The City will provide a vision care plan equal to MECA Plan IV, Full Service Benefit Plan. The City shall pay the premium cost (copy of plan and rates attached), established the first year with budgeted composite rate of $8.25 per person, which includes administrative costs. In subsequent years, the employee will pick up any additional cost. (See Appendix D)
38.60 In the event the City becomes subject to Federal legislation or other health care mandates during the term of this agreement, the City will not deviate from the negotiated health care benefits for all employees and their dependents that remain employed or retire under the terms and conditions of this agreement.

It is understood that the aforementioned statement shall include benefit levels and costs associated with such coverage's whether they are borne by the City or the employee as dictated by the contractual agreement.

38.75 Retiree Health Care

Effective July 1, 1996, retirees health care will be covered as follows:

(A) Retiree Health Care Vesting Schedule:

100% covered - 20 years and over
90% 15 years but less than 20
80% 10 years but less than 15
70% 8 & 9 years of service

(B) Effective July 1, 2016, after retirement, for eligible retirees, premium sharing will continue to increase at the same level as active employee's until an annual limit is reached as follows: $1,500.00 single; $1,700.00 two-person and $2,100 family.

(C) Any employee who retires may not add a spouse or dependents to their health insurance after they have left the service of the city unless they pay all the additional cost (premium, co pays, deductible) to put the spouse and/or dependent on the plan. Effective July 1, 2016 the retiree cannot add a new spouse/partner to the plan.

(D) Under no circumstances shall the City be required to pay health insurance premiums for retirees working more than 1,039 hours per year where their employer provides health coverage for such employment.

(E) Statements attesting that the retiree has not worked more than 1,039 hours in a calendar year will be required of employees who retire after July 1, 1988 every three months to assure the Employer that the retiree is eligible for this City paid health care benefit. This benefit is
AGREEMENT BETWEEN
CITY OF SAGINAW

AND

POLICE OFFICERS ASSOCIATION
OF MICHIGAN

Effective July 1, 2016
Through,
June 30, 2019
19.2: PTO time may be taken in one-hour (1) increments or more if requested and approved at least twenty-four hours, in advance. It is understood that workflow demands and other employer concerns may result in the employee’s inability to combine PTO and compensatory time off. Also, may restrict the occasions or length of time available for employee to take paid time off.

19.3: Employees hired into the bargaining unit from the outside, effective January 1, 2002, shall be allowed to accumulate PTO time up to a maximum of twice the annual accrual rate. On December 31st, of each year any PTO time over twice the annual accrual rate will be eliminated. On January 1st of each year employees shall receive PTO days based on the schedule in section 19.1.

19.4: Any employee who has successfully completed their one (1) year probationary period and is separated from the Employers service will be entitled to receive pay for any unused PTO days. Payment shall be made at the rate the employee is earning at the time of separation.

19.5: PTO pay will be paid at the current rate of the employee (exclusive of the shift premium). Current salary shall include any increase in salary by reason, of length of service, or any percentage increase, which an employee is entitled to by reason of any increment plans.

19.6: Seniority shall govern the choice of PTO periods subject to reasonable scheduling requirements of the Saginaw Police Department, provided the senior employee makes his/her choice, by assignment of PTO time on or before the end of the scheduling period.

19.7: Bargaining unit members hired prior to January 1, 2002, upon retirement, will be paid up to a maximum of 1312 PTO hours upon retirement and such payment will become part of the employee’s final average compensation (FAC). Employees hired into the bargaining unit on or after January 1, 2002, shall be paid upon retirement up to twice the annual accrual of PTO days and such payment will become part of the employee’s final average compensation (FAC). PTO payouts will not be included in any final average compensation calculations for employees eligible for the Hybrid pension plan.

19.8: Employees who leave the employment of the City (Voluntary or Involuntary), will have the PTO time that was credited on January 1 of the year of separation, prorated for the year. If the employee has used more than the calculated pro-ration amount, the balance will be paid back to the City by the employee through his/her last paycheck or as a direct payment to the city if last pay is not sufficient. Payment shall be at the employee’s straight time hourly rate of pay at the time of termination.

ARTICLE XX
HEALTH INSURANCE

20.1: The City will provide Healthcare coverage to all full time regular employees who are members of the collective bargaining agreement, and their eligible dependents. The City shall pay the premium cost, except as outlined below.

20.2: POAM Rank and File Healthcare Benefits

A. All employees enrolled in the City’s Health Care Plan shall be provided with Community Blue 4 PPO, or substantially similar coverage.

B. The drug rider will be $7 generic/$35 formulary/$70 non-formulary, with no reimbursement. Step therapy shall apply for all employees and all medications where applicable.
C. **Employee Contribution:** All employees, regardless of hire dated shall have the following bi-weekly contribution deducted from their paycheck:

**Effective July 1, 2016:** single plan ($45); two person plan ($60); and family plan ($75).

**Effective September 22, 2016:** single plan ($40); two person plan ($55); and family plan ($70).

**Effective July 1, 2018:** single plan ($45); two person plan ($60); and family plan ($75).

(Also see Article 20.4 A). Healthcare Contribution obligations continue when an employee is not working due to any absence from work.

The Health Care committee shall be the ongoing communication vehicle for the review and monitoring of the overall City health care cost containment efforts.

Upon execution of the collective bargaining agreement dated July 1, 2014, eligible retirees hired prior to February 9, 2009 and dependents will maintain the same level of Benefits and shall be responsible for both current and future Negotiated or Imposed (Per PA 312) cost sharing contributions are Required to be paid by the active employees with an annual cap on the Contributions as follows:

Single $1500; Two Person $1700; Family $2100. These caps shall not include any mandated deductibles that retirees must pay for provided health insurance.

20.3: **Retiree Healthcare.** For defined benefit employees hired prior to January 1, 2002, the City will continue to provide healthcare and RX coverage based on contribution requirements in Section 20.2(B and C) and 20.4 (B), for retirees and their eligible dependents effective the date of retirement from active employment. The City shall have no obligation to furnish or pay the insurance for a retiree during the period of time in which a retiree is otherwise employed by another employer and; the employer of said retiree provides paid insurance coverage substantially similar to that which is provided for by the City. The City may request periodic proof of other coverage to verify other coverage. At age sixty-five (65) this working restriction does not apply. (Also see Article 20.5)

The retiree must have been under the City's Health Care plan immediately subsequent to the date of his/her retirement to be entitled to the benefits of this section. The only exception to this requirement would be in the case of a qualified deferred, defined benefit pension when an employee has at least 18 years of vested; credited service with the City (includes those members who purchase generic service time as outlined in Article 22.6). In this instance, the employee can enroll in Healthcare coverage on the date they become eligible to receive their pension however, the deferred pension period may not be more than two (2) years. The coverage and contributions will be that which is in effect at the time the employee commenced their deferred pension.

20.3 (A) Defined Contribution Retirees: Eligibility for retiree healthcare for a defined contribution employee hired after January 1, 2002 and before February 9, 2009, is an employee who immediately leaves the City from active employment at age 55 or later. All Health Care Vesting schedule requirements would apply along with the required employee contributions at the time of retirement.

20.4 A: Retirees eligible for healthcare will be obligated to pay all premium sharing, deductibles and co-pays in effect on their date of retirement. An employee retiring prior to being fully vested in the Healthcare Plan will also be required to pay the percentage of the premium prescribed in 20.4 (B). Any Employee who retires may not add a spouse or dependents to their health insurance after they have left the service of the City.

20.4 (B): Health Care Vesting Schedule: In addition to contributions, co pays and deductibles as outlined in Article 20.2(B and C), Retirees will also be responsible for a portion of their illustrative rate (premium) according to the Health Care Vesting Schedule outlined below. The illustrative rates are determined annually at the City’s renewal date.
100% coverage - 20 years of Service and over
80% coverage - 18 years of Service but less than 20
50% coverage - 10 years of Service but less than 18
0% coverage - Less than 10 years of service

(Years of service excludes military time for purposes of this section)

20.5: Retirees who are eligible for healthcare and retire after July 1, 1996 and work for an employer that provides health insurance group coverage, shall be required to exercise one of the following options:

A. They may remain under the City's Health Care group coverage provided, however, that they reimburse to the City, on a monthly basis, a sum equal to the premium payment for their Health Care coverage.

B. If their employment is with another employer providing health insurance group coverage, they may transfer their coverage to that group. Retirees may then, transfer back to the City's Health Care group coverage upon their separation from the other employer or upon reaching age sixty-five (65), whichever should occur first if no more than 30 days have elapsed before requesting such transfer.

C. Retirees may completely and totally withdraw from the City's Health Care group coverage. It should be noted that in the event a retiree withdraws from the City's Health Care group coverage and does not receive health insurance benefits through another employer, said retiree may be permitted at a later date, to re-enter the City of Saginaw Health Care group coverage that is in place at the time of re-enter, if no more than 30 days have elapsed before requesting such transfer.

20.6 A. Post 65 Retiree Health Care Coverage: The City shall pay the cost of retiree (post 65) and dependent supplemental Health Care coverage less the applicable vesting schedule requirements (Article 20.4(B)); and contributions, deductibles and co pays (Article 20.2 (B and C), after the retiree reaches the age of sixty-five (65). Retirees must enroll in Medicare when they turn age 65 and provide the City with a copy of their Medicare card. No other benefits (opt cut) will be offered in lieu of these health insurance benefits in the event the retiree elects not to be covered.

20.6 B. New employees hired after February 9, 2009 will not be eligible for Retiree Health Care however, they will be enrolled in the MERS Health Care Savings Program (HCSP). The City will contribute $125 per month with a graduated vesting of 25% after 2 years, 50% after 4 years and 100% after 6 years. In addition, employees will elect to contribute $15 per bi-weekly pay to the program. Employees who retire or otherwise terminate employment with the City will be entitled to apply their contribution and their vested City contributions toward the purchase of health insurance in accordance with IRS regulations and MERS (HCSP) Plan document. Account balances used for reasons other than healthcare expenses will be subject to IRS regulations.

20.7: The City shall provide a dental program and shall pay the full cost per month towards the cost of the individual and family coverage under this program consistent with the arbitration award of Arbitrator Kruger in Case No. D80 D-2424. The Employer agrees to assume increases over and above the stated dollar amount in costs of this program during the term of this Agreement with further increases after the term of this Agreement to be negotiable.

Dental: The Employer shall provide to employees and their families, at no cost to the employees, Delta Dental Plan Orthodontics coverage at 50% co-pay with a $1,200 lifetime maximum.

The Employer will provide 100% Class I benefits to employees and their families, at no cost to the employees.
AGREEMENT BETWEEN
CITY OF SAGINAW
AND THE
SAGINAW FIRE FIGHTERS
ASSOCIATION LOCAL 102

International Association of Fire Fighters
AFL-CIO

Effective July 1, 2016
Through
June 30, 2019
his/her last pay check or as a direct payment to the city if last pay is not sufficient.

Section 4. Scheduling of PTO Days

The City and the Union agree to maintain the present vacation scheduling policy as embodied in the standard operating procedures of the Department provides that all request for unscheduled vacation must be received prior to 0730 or 1930 of the duty day requested.

Section 5. Designated PTO Day(s)

The City Manager, at his/her discretion, may elect to designate time off with pay for employee participation in special City sponsored events or programs. This time off is subject to the rules and/or procedures currently in place.

ARTICLE XIII
HEALTH AND HOSPITALIZATION INSURANCE

Section 1. Employee Insurance

The City shall provide to all employees Community Blue 4 or comparable coverage and/or comparable carrier with $7/$35/$70 RX co pay (2x for 90 days) to all regular and full time employees and eligible dependents.

Vision benefits will be covered under MECA vision care full service benefit Plan B.

Section 2. Employee Contribution

All employees, regardless of hire date, shall pay the following bi-weekly, pre-tax contribution based, on use:

- July 1, 2016-single ($35), two person ($50) and family ($65);
- July 1, 2017-single ($40), two person ($55) and family ($70);
- July 1, 2018-single ($45), two person ($60) and family ($75);

Section 3. Flexitele Spending Account

Effective January 1, 2010, implement Section 125 Flexible spending account.

Section 4. Open Enrollment

An open enrollment period for the Healthcare plan, vision plan, Dental plan and Healthcare opt-out provision will take place on an annual basis prior to the beginning of each calendar plan year.
Section 5. Retiree Health Insurance

A. Future retirees eligible for Community Blue 4 or comparable coverage and/or comparable carrier with $7/$35/$70 RX co pay (2x for 90 days) and will be obligated to pay all premium sharing, deductibles, and co pays in effect on date of retirement from active employment. However, the City shall have no obligation whatsoever to furnish or pay the aforementioned insurance for a retiree during the period of time in which a retiree is otherwise employed and the employer of said retiree provides paid insurance coverage substantially similar to that which is provided for by the City under the insurance plan. Statements attesting to employment will be submitted to the City when requested however, no more than every three (3) months. At age sixty-five (65) this working restriction does not apply.

The above coverage will apply based on the following schedule:

- 20 years of service - 100% of premium to be paid by the City
- 15 years of service - 90% of premium to be paid by the City
- 10 years of service - 80% of premium to be paid by the City
- Less than 10 years - 70% of premium to be paid by the City

Retirement for Defined Contribution employees is defined as age 50 or later + 20 years of service and meeting the vesting schedule for health care benefits. Any employee who retires may not add a spouse or dependents to their Health insurance after they have left the service of the City.

After retirement, premium sharing will continue to increase at the same level as active until an annual limit is reached as follows: $1500 single, $1,700 two person and $2,100 family.

B. New hires, effective, July 1, 2009 for Retirement Health care, the City will contribute $125.00 per month to a Health Care Savings Plan (HCSP) with a graduated vesting schedule of 25% after 2 years, 50% after 4 years and 100% after 6 years. Employee minimum contribution of $15.00 per pay period will be established, pre-tax, along with a vesting period.

Section 6. Retirement Defined

The retiree must have been covered under, one of the City's health insurance options at the time of retirement. Retired, shall be defined as having withdrawn from the service of the Saginaw Fire Department eligible for and receiving the benefits of the Saginaw Police-Fire Retirement System as prescribed in the Saginaw City Charter and City Ordinance No. D-678.
AGREEMENT BETWEEN
THE CITY OF SAGINAW

AND

AFSCME LOCAL 3604

MICHIGAN, AMERICAN FEDERATION OF STATE,
COUNTY, AND MUNICIPAL EMPLOYEES

SUPERVISORY BARGAINING UNIT

EFFECTIVE JULY 1, 2016
THROUGH JUNE 30, 2019
similar actions shall remain in effect for a period of, thirty (30) months from the date of last issuance. However, letters, demotions, and suspensions shall be subject to review by the Employer upon request of the Union after a period of nine (9) months.

ARTICLE 22
Insurance Benefits

Section 1. Life Insurance. The Employer will provide term life insurance to the next $1,000 of annual salary up to a maximum of $50,000 with a double indemnity provision. For example, an employee earning $7,100 will be insured for $8,000 or $16,000 in case of accidental death. This rate of coverage shall be adjusted each year on July 1.

Section 2. Health Insurance. The Employer will provide the new Community Blue PPO-4 health benefits or comparable/equal coverage and/or comparable carrier for all full time employees and dependents. The drug rider will be $7/$35/$70 (2x mo for 90 days) with no reimbursement.

Employee Contribution. All employees, regardless of hire date, shall have the following bi-weekly contribution based on use:

- July 1, 2016 - Single ($35), two person ($50) and family ($65)
- July 1, 2017 - Single ($40), two person ($55) and family ($70)
- July 1, 2018 - Single ($45), two person ($60) and family ($75)

The parties agree that the Health Care Committee shall be the ongoing communication vehicle for the review and monitoring of the overall City health care cost containment efforts.

Section 3. Health and Life Insurance for Retirees

A. The Employer will provide the same level of health benefits or its equivalent (which mean any plan offered by the City at the time) as provided for above, with the exception of dental insurance and vision insurance, for eligible retirees and their dependent spouses, provided that the employee is an eligible Municipal Employees Retirement System, (hereinafter referred to as MERS retiree.)
Defined contribution employees will be required to meet
the same retirement eligibility requirements as a defined
benefit employee in order to be eligible for retirement
healthcare on the date they leave the service of the City.
Example: (25 years of service and age 50).

Retirees eligible for Health Care will be obligated to pay
all premium sharing, deductibles and co-pays in effect on
the date of retirement. After retirement under this
contract, premium sharing will continue to increase at the
same level as active until an annual maximum limit is
reached as follows: $1500 single, $1,700 two person and
$2,100 family.

Any employee who retires may not add a spouse or
dependents to their health insurance after they have left
the service of the City unless they pay all the additional
cost (contributions, co-pays, deductibles) to put the
spouse and/or dependent on the plan.

B. The Employer will provide the same level of health
benefits or its equivalent as provided for in this
Article, with the exception of dental insurance and vision
insurance, for employees and dependents if an employee is
on disability pension through Municipal Employees
Retirement System (MERS) regardless of the age of the
employee.

Effective July 1, 1996, MERS retirees health care will be
covered as follows:

100% covered - 20 years and over
90% covered - 15 years but less than 20
80% covered - 10 years but less than 15
70% covered - 8 & 9 years of service

100% Health care paid by the City, if an employee
qualifies and receives a MERS disability pension.
Premium sharing, deductibles and co-pays in effect on
the date of disability retirement will still be
applicable.

There is no Retiree Health Care coverage for employees
hired after July 1, 2009.
AGREEMENT BETWEEN
CITY OF SAGINAW

AND THE

SAGINAW POLICE COMMAND ASSOCIATION OF MICHIGAN

July 1, 2016 thru June 30, 2019
Section 3. PTO may be used in hourly increments subject to workload and staffing needs and will not be capriciously denied.

ARTICLE 19
BEREAVEMENT LEAVE

Section 1. In the case of death in an employee's immediate family, a permanent, full-time employee shall be granted a leave of absence for any scheduled workdays as follows:

A. Upon the death of a spouse or child an employee shall receive four (4) working days off, such leaves are for the death of family members of employees and may be taken following the death and prior to and after the funeral of said family member. The leave shall be in addition to regular days off or holidays, up to a maximum of four (4) working days, which includes the day of the funeral or ceremony. Leaves are granted for employees unable to attend the funeral or ceremony, with verification of the death provided to the department with pay.

B. Upon the death of an employee's father, mother, sister, brother, father-in-law, mother-in-law, grandparents, spouse's grandparents, grandchildren or relative residing in the employee's household, he shall be granted a leave of absence to attend the funeral, with pay, for any scheduled workdays falling within the period between the time of death and the day of the funeral, not to exceed 2 days and not to be deducted from accumulated PTO.

C. Upon the death of an employee's brother-in-law or sister-in-law, niece and nephew he shall be granted a leave of absence to attend the funeral, with pay, for any scheduled workdays falling within the period between the time of the death and the day of the funeral, not to exceed 1 day and not to be deducted from accumulated PTO.

Section 2. An employee may take up to three (3) PTO days per year, with pay, for providing emergency care for members of his immediate family. Denial of such days shall not be arbitrary or capricious.

Immediate family is defined as father, mother, sisters, brothers, father-in-law, mother-in-law, husband, wife, children, or grandparents of employee or spouse or relative residing in the employee's household.

ARTICLE 20
HEALTH INSURANCE

Section 1. All members shall be provided with Community Blue 4-PPO (CB4-PPO) comparable coverage and/or comparable carrier with $7 generic/$35 brand name/$70 non-formulary prescription drug co-pays.

(a) Employee Contribution

The employee shall make employee healthcare contributions bi-weekly based on use: effective upon full ratification:

effective September 22, 2016: single ($40), two person ($55) and family ($70);
effective July 1, 2018: single ($45), two person ($60) and family ($75).
(b) Open Enrollment

An open enrollment period for the Healthcare plan, Vision plan, Dental plan and Healthcare opt-out provision will take place on an annual basis prior to the beginning of each calendar plan year.

(c) HCSP-Healthcare Savings Plan

Officers promoted into the command unit, after ratification, shall continue with the same Health Care program (Co-Pays, Deductibles, Contributions) as they have in the Patrol agreement. In addition, employees coming in the COAM bargaining unit with the alternate retirement health care plan (the Health Care Savings Plan), shall continue with that same retirement health care benefit.

The parties also agree that the Health Care Committee shall be the ongoing communication vehicle for the review and monitoring of the overall City health care cost containment efforts.

In an effort to contain health care costs, all members of the bargaining unit will submit information to Blue Cross-Blue Shield of Michigan as required by Blue Cross-Blue Shield, regarding health insurance coverage provided to a spouse or other family member, which is separate coverage from City of Saginaw health insurance.

Section 2. The Employer will absorb any increase in existing health insurance premiums during the term of said coverage, subject to employee contributions, co-pays and deductibles as outlined above.

Section 3. Retirement health insurance coverage, in terms of how much the City will pay for premiums, will be based on length of service with the City at time of retirement. Thus the longer an employee stays with the City, the more the City will pay for health insurance premiums at retirement. Twenty (20) years of service will be used as the base with 100% of health insurance premiums being paid for by the City. This 100% moves up or down by 10% depending upon years of service as illustrated below.

- 100% coverage - 20 years and over
- 90% coverage - 15 years but less than 20
- 80% coverage - 10 years but less than 15
- 70% coverage - 9 years and under

Employee’s who retire after September 15, 2011, shall be obligated to pay all deductibles, co-pays and premium sharing in effect on date of retirement from active service. Any employee who retires may not add a spouse or dependents to their health insurance after they have left the service of the City.

Effective upon the full execution of the July 1, 2014 Collective Bargaining Agreement, at retirement, eligible retirees hired prior to February 9, 2009 and dependents will maintain the same level of benefits and shall be responsible for both current and future negotiated or imposed (Per PA 312) cost sharing contributions as are required to be paid by the active employees with an annual cap on the contributions as follows:

- Single $1500; Two Person $1700; Family $2100. These caps shall not include any mandated deductibles that retirees must pay for provided health insurance.

The City will continue to provide healthcare for retirees and their families subject to co-pays, deductibles and premium sharing at the time of retirement from active service; except, however, that the City shall have no obligation whatsoever to furnish or pay the aforementioned insurance for a retiree during the period of time in which a retiree is otherwise employed and the employer of said retiree provides paid insurance coverage substantially similar to that which is provided for by the City under the
### System Design Changes

<table>
<thead>
<tr>
<th>Change</th>
<th>Impact</th>
<th>Location of Supporting Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/1/2009 – Closed Retiree Healthcare for all New Hires</td>
<td>The City Closed the Retiree Health Care Plan for all New Hires. Replaced with Health Care Savings Plan (DC Plan) with a $1,500.00 annual contribution.</td>
<td>Labor and Employment Contracts</td>
</tr>
<tr>
<td>7/1/2009- Implemented cost sharing mechanisms for Healthcare</td>
<td>Changed Healthcare Plans for all active employees that included Deductibles, Co-Pays on medical and RX and employee contributions.</td>
<td>Labor and Employment Contracts</td>
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<tr>
<td>7/1/12-Increased cost sharing mechanisms for Healthcare</td>
<td>Changed Healthcare plans for all Active employees that included increasing deductibles, Co-Pays on Medical and RX and employee contributions.</td>
<td>Labor and Employment Contracts</td>
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<tr>
<td>1/1/17 – Changed Retiree Healthcare Plans</td>
<td>After a three year legal dispute with the Saginaw retirees regarding changes to the 20 different retirement programs, the City negotiated a settlement that resulted in two plans. Estimated reduction in costs was $3,000,000 per year.</td>
<td>Settlement Agreement and projected cost savings analysis.</td>
</tr>
<tr>
<td>1/1/17 – Changed Actuarial Service for OPEB valuation</td>
<td>The City changed Actuaries in 2017 as a due diligence and had all assumptions re-evaluated and amended at that time.</td>
<td>Annual Actuarial Valuation - OPEB</td>
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</tbody>
</table>
City of Saginaw
Revenue Ratio - OPEB

Excluding Enterprise Funds
Actuarially Determined Contribution (ADC) 21,883,599
Governmental Fund Revenues 50,807,603
All plans combined ADC/Governmental fund revenues 43.1%

A significant portion of the pension liabilities are attributable to employees within the Enterprise fund

Including Enterprise Funds
Actuarially Determined Contribution (ADC) 21,883,599
Governmental Fund Revenues 50,807,603
Enterprise Funds Revenues 39,163,242
Total Revenues 89,970,845
All plans combined ADC/Total fund revenues 24.3%

OPEB Departmental Allocation
<table>
<thead>
<tr>
<th>Department</th>
<th>Budget</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Fire</td>
<td>2,036,460.16</td>
<td>21.4%</td>
</tr>
<tr>
<td>Police</td>
<td>2,531,914.87</td>
<td>26.6%</td>
</tr>
<tr>
<td>Highways/Streets</td>
<td>783,895.35</td>
<td>8.2%</td>
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<tr>
<td>Rubbish</td>
<td>154,895.37</td>
<td>1.6%</td>
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<tr>
<td>Other General Government</td>
<td>2,508,185.16</td>
<td>26.4%</td>
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<tr>
<td>Economic Development</td>
<td>129,353.10</td>
<td>1.4%</td>
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<tr>
<td>Water</td>
<td>604,288.29</td>
<td>6.4%</td>
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<tr>
<td>Sewer</td>
<td>760,931.66</td>
<td>8.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,509,923.96</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
A significant portion of the pension liabilities are attributable to employees within the Enterprise funds.
SETTLEMENT AGREEMENT AND RELEASE

THIS AGREEMENT is made this ___ day of September, 2016, between the SAGINAW RETIREES, LLC, BRUCE and VICKI PALMER, THOMAS SMILEY, JAMES HEIDGER, and TED ARNOLDI, and the CITY OF SAGINAW, a Michigan Municipal Corporation.

Definitions Applicable to this Settlement Agreement:

"PLAINTIFFS" means the Saginaw Retirees, LLC, a Michigan limited liability company, representing retirees and beneficiaries of the City of Saginaw, Bruce and Vicki Palmer, Thomas Smiley, James Heidger, and Ted Arnoldi, and all other RETIREES of the City of Saginaw who are currently receiving retiree health care insurance benefits under the City's health care plans, who execute this SETTLEMENT AGREEMENT AND RELEASE.

"RETIREE" or "RETIREES" means a City of Saginaw retiree receiving health insurance coverage through the City of Saginaw, as well as any eligible spouse or eligible dependent at the time of this SETTLEMENT AGREEMENT AND RELEASE.

All City of Saginaw retirees currently receiving opt out payments in lieu of health insurance coverage through the City of Saginaw are also included under this SETTLEMENT AGREEMENT AND RELEASE only as it pertains to the continuation of their opt out payments in Paragraph 4a below.

"DEFENDANT" means the City of Saginaw, a Michigan Municipal Corporation, its council members, mayor, employees and agents.

WHEREAS, the DEFENDANT had proposed in 2013 changes to the retiree health care for those RETIREES receiving health care insurance benefits from the City of Saginaw through Blue Cross/Blue Shield policies issued to the DEFENDANT;
WHEREAS, Saginaw Retirees, LLC, a Michigan limited liability company whose members are RETIREES of the City of Saginaw receiving health care insurance benefits and Bruce and Vicki Palmer, Thomas Smiley, James Heidger, Gatis Skabardis, and Ted and Elaine Arnoldi filed a lawsuit in the Saginaw County Circuit Court, Case No. 2013-020189-CK-4, entitled Saginaw Retirees, LLC, Bruce and Vicki Palmer, Thomas Smiley, James Heidger, Gatis Skabardis, and Ted and Elaine Arnoldi v. City of Saginaw, to prevent the changes to the health care insurance benefits for RETIREES as proposed by DEFENDANT;

WHEREAS, the parties have participated in facilitation and have agreed to resolve this matter in accordance with the terms and conditions of this SETTLEMENT AGREEMENT AND RELEASE, the parties to the lawsuit and the undersigned RETIREES agree as follows:

1. That effective January 1, 2017, DEFENDANT will provide to all RETIREES who sign this SETTLEMENT AGREEMENT AND RELEASE and all other retirees who have attained the age of 65 years or older, Blue Cross/Blue Shield of Michigan Community Blue PPO ASC - Medical Coverage (also known as “CB1 Plan” in accordance with the Benefits-at-a-Glance document attached as Exhibit A). Also, any retiree and/or covered spouse currently on a Traditional Blue Cross Plan because the retiree is 65 years of age or older and even if the eligible spouse is not yet 65, they will both be placed on the “CB1 Plan” effective January 1, 2017. This CB1
Plan shall not include any premium contributions on the part of RETIREES.

2. That effective January 1, 2017, DEFENDANT will provide to all RETIREES who sign this SETTLEMENT AGREEMENT AND RELEASE and all other pre-65 retirees who have not attained the age of 65 years, Blue Cross/Blue Shield of Michigan Community Blue PPO ASC - Medical Coverage (also known as "CB3 Plan" in accordance with the Benefits-at-a-Glance document attached as Exhibit B). After January 1, 2017, all RETIREES who will attain the age of 65 will be switched to the CB1 Plan referenced in Paragraph 1 to this SETTLEMENT AGREEMENT AND RELEASE at the time the RETIREE attains the age of 65, regardless of the age of the covered spouse who will also be switched to the CB1 Plan at the same time. Effective January 1 of each subsequent calendar year, all RETIREES who will attain the age of 65 during each subsequent calendar year, will be switched to the CB1 Plan referenced in Paragraph 1 to this SETTLEMENT AGREEMENT AND RELEASE, at the time the RETIREE attains the age of 65, regardless of the age of the covered spouse who will also be switched to the CB1 Plan at the same time. At least sixty (60) days prior to the RETIREE turning age 65, the DEFENDANT shall be responsible for notifying the RETIREE and covered spouse of the changes to their deductible and out-of-pocket copay maximum amounts and that they will both be switched to the CB1 Plan.
effective the date the retiree attains the age of 65. This CB3 Plan shall not include any premium contributions on the part of RETIREES.

3. Both of the above-referenced Plans include prescription drug coverage set forth in the attached Blue Preferred Rx ASC Prescription Drug Coverage ($10 copay for generic or selected prescribed over-the-counter drugs and $40 copay for brand-name drugs in accordance with the Benefits-at-a-Glance documents attached as Exhibit C). Prescription drug copay amounts shall be included in the calculation of the annual out-of-pocket maximum amounts to be paid by RETIREES.

4. The parties who sign this SETTLEMENT AGREEMENT AND RELEASE agree that heath care coverage provided in paragraphs 1, 2, and 3 above is a replacement for and supersedes any health care insurance coverage provided for RETIREES as may have been set forth in any Collective Bargaining Agreements, Ordinances or Employment Agreements (collectively “Agreements”) in effect at the time of their retirement. Said Agreements are void only as they apply to health care insurance benefits for RETIREES and that the RETIREES shall rely upon this SETTLEMENT AGREEMENT AND RELEASE for any contractual obligation by DEFENDANT to provide health care insurance benefits from January 1, 2017 forward. This paragraph shall not apply to those retirees described in Paragraph 7 below. All eligible spouses and eligible dependents of RETIREES above will also be included in this SETTLEMENT
AGREEMENT AND RELEASE after the RETIREE gives proper notice to the City to add them to their health insurance plan.

4a. Nothing in Paragraph 4 above, shall adversely affect, modify or eliminate any claims concerning any other rights on the part of RETIREES or any other beneficiary as provided by the previously referenced Agreements, including life insurance, pensions and other post-retirement rights and benefits in effect at the time of their retirement. Opt-in/opt-out rights, with respect to health insurance coverage, shall remain as provided by the previously referenced Agreements in effect at the time of retirement. This paragraph shall not apply to those retirees described in Paragraph 7 below.

4b. The parties who sign this SETTLEMENT AGREEMENT AND RELEASE acknowledge that RETIREES were entitled to health insurance coverage as set forth in any applicable Collective Bargaining Agreements, Ordinances or Employment Agreements (collectively "Agreements") in effect at the time of their retirement. The parties agree that this SETTLEMENT AGREEMENT AND RELEASE does not otherwise modify, limit, diminish, impair or alter their health insurance coverage except on the terms and conditions described herein.

5. The parties who sign this SETTLEMENT AGREEMENT AND RELEASE understand and agree that the DEFENDANT may have to modify the
health care insurance coverage provided to RETIREES, in the future, if these Plans described herein from Blue Cross/Blue Shield of Michigan or any other health care insurance carrier become unavailable as a direct result of legislative actions or regulations adopted pursuant to enabling legislation that change current Federal or State laws. If DEFENDANT must modify coverage as identified in paragraphs 1, 2 and 3 above, it will replace said coverages with coverages that are then available which provide for comparable coverage and comparable out-of-pocket costs, to the extent permitted by law, to coverages described in this AGREEMENT and attached exhibits subject to the limitations of Paragraph 9 below.

6. All RETIREES who sign this SETTLEMENT AGREEMENT AND RELEASE agree that they will waive any and all claims they may have, whether known or unknown, with respect to the particular health care insurance coverage that has been provided to them up through December 31, 2016, including any claims that the coverage is not consistent with prior Agreements nor any out-of-pocket copays and deductibles that the retiree has been obligated to pay, and hereby releases DEFENDANT from any and all such claims on behalf of themselves, their heirs, assigns, administrators and personal representatives.

6a. All RETIREES who sign this SETTLEMENT AGREEMENT AND RELEASE agree that they are NOT waiving their rights pertaining to any
known or unknown outstanding claims or disputes with Blue Cross/Blue Shield of Michigan and/or Medicare for services provided to them prior to January 1, 2017, if they relate to the RETIREE’S health insurance coverage in effect at the time the services were provided.

7. The coverages or eligibility of spouses or dependents under the CB1 and CB3 Plans described in this SETTLEMENT AGREEMENT AND RELEASE in Paragraphs 1, 2 and 3 do not apply to those retirees who are currently receiving health care insurance benefits under Blue Cross/Blue Shield of Michigan under CB3 Plans and/or CB4 Plans or future retiree negotiated plans. Those retirees will remain on those plans without any changes to their current coverage, and required contributions, if applicable.

8. This SETTLEMENT AGREEMENT AND RELEASE is contingent upon a 66% majority of the SAGINAW RETIREEs, LLC’s membership agreeing to execute this SETTLEMENT AGREEMENT AND RELEASE. DEFENDANT retains the right to not proceed and decline to execute this SETTLEMENT AGREEMENT AND RELEASE should there be less than a 66% majority of current members who have agreed to this SETTLEMENT AGREEMENT AND RELEASE. A resolution will be adopted by the SAGINAW RETIREEs LLC reflecting that 66% or more of the membership voted to agree to accept this proposal, in the event that 66% or more of
the membership agrees at a membership meeting organized by the SAGINAW RETIREES LLC.

9. If this SETTLEMENT AGREEMENT AND RELEASE is consummated by all parties, subject to the limitations described above, then the parties agree to enter a Stipulation and Consent Judgment covering a period of seven (7) years beginning January 1, 2017, incorporating this Agreement. With the exception of modifications, changes or alterations expressly permitted in this SETTLEMENT AGREEMENT AND RELEASE, there will be no changes to the CB1, CB3 or Rx coverages subject to the conditions of Paragraph 5. There will be no changes to the pre-65 year old RETIREES until they reach age 65, when they will be converted to the CB1 Plan with their eligible spouse and/or eligible dependents, if applicable. All post-age 65 RETIREES will continue to be covered under the CB1 Plan subject to the conditions of Paragraph 5. The parties agree to enter an Order of Dismissal with Prejudice and Without Interest, Costs or Attorney Fees of the lawsuit referenced herein, and hereby authorize their attorney to execute such Stipulation and provide it to the Court. The terms of this Settlement Agreement shall survive the expiration of the Consent Judgment.

10. This SETTLEMENT AGREEMENT AND RELEASE represents the entire understanding between the parties who are signing this AGREEMENT, and there are no other verbal promises or representations not contained in
this AGREEMENT which are binding upon the parties and this
AGREEMENT supersedes and voids any verbal and/or prior written
agreements between the parties as to the health care insurance coverage
of the RETIREES.

PLAINTIFFS CERTIFY THAT THEY HAVE READ ALL OF THIS SETTLEMENT
AGREEMENT AND RELEASE AND FULLY UNDERSTAND ALL OF THE TERMS
USED AND THEIR SIGNIFICANCE AND HAVE SIGNED THIS SETTLEMENT
AGREEMENT AND RELEASE VOLUNTARILY AND WITH THE ADVICE OF
COUNSEL.

IN WITNESS WHEREOF, SAGINAW RETIREES, LLC, BRUCE and VICKI
PALMER, THOMAS SMILEY, JAMES HEIDGER, and TED ARNOLDI, and all other
RETIREES who have signed this Agreement have executed this Settlement Agreement
and Release as their free act and deed this _______ day of September, 2016.

WITNESSED: 

SIGNED:

________________________________________
SAGINAW RETIREES, LLC Date

By: _____________________________________
Its: ______________________________________
BRUCE PALMER   Date

VICKI PALMER   Date

THOMAS SMILEY   Date

JAMES HEIDGER   Date

TED ARNOLDI   Date

WITNESSED:

\[\text{Signature}\]

CITY OF SAGINAW   Date

By: ______________________

Its: _______________________
supersedes and voids any verbal and/or prior written agreements between the
parties as to the health care insurance coverage of the RETIREES.

PLAINTIFFS CERTIFY THAT THEY HAVE READ ALL OF THIS SETTLEMENT
AGREEMENT AND RELEASE AND FULLY UNDERSTAND ALL OF THE TERMS
USED AND THEIR SIGNIFICANCE AND HAVE SIGNED THIS SETTLEMENT
AGREEMENT AND RELEASE VOLUNTARILY AND WITH THE ADVICE OF
COUNSEL.

IN WITNESS WHEREOF, SAGINAW RETIREES, LLC, BRUCE and VICKI
PALMER, THOMAS SMILEY, JAMES HEIDGER, GATIS SKABARDIS, TED and ELAINE
ARNOLDI, and all other RETIREES who have signed this Agreement have executed this
Settlement Agreement and Release as their free act and deed this 24TH day of
October, 2016.

WITNESSED:

SIGNED:
David A. Dalen 10-24-16
SAGINAW RETIREES, LLC Date

By: DAVID L. GULVAS

Its: PRESIDENT

Thomas H. Fancher 10-24-16
THOMAS H. FANCHER Date

William B. Howard 10-24-16
WILLIAM B. HOWARD Date

Timothy E. Genovese 10-24-16
TIMOTHY E. GENOVESE Date

David P. Rupp 10-24-16
DAVID P. RUPP Date
Settlement Agreement and Release with City of Saginaw

PLAINTIFFS CERTIFY THAT THEY HAVE READ ALL OF THE SETTLEMENT AGREEMENT AND RELEASE AND FULLY UNDERSTAND ALL OF THE TERMS USED AND THEIR SIGNIFICANCE AND HAVE SIGNED THIS SETTLEMENT AGREEMENT AND RELEASE VOLUNTARILY AND WITH THE ADVICE OF COUNSEL.

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date

By: ___________________________  Date
December 15, 2016

Alec Scott Gibbs, Esq.
Law Office of Gregory T. Gibbs
717 S. Grand Traverse Street
Flint, MI 48502

RE: Saginaw Retirees LLC v City of Saginaw
Case No. 2013-020189-CK

Dear Mr. Gibbs:

Enclosed you will find the Consent Judgment with regard to the above-captioned matter that has been entered by Judge Kaczmarek on December 7, 2016.

Very truly yours,

GIARMARCO, MULLINS & HORTON, P.C.,

Stephen J. Hitchcock

SJH/jmf
Enclosure
Cc w/encl.: Dennis Jordan
STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF SAGINAW

SAGINAW RETIRES LLC, BRUCE AND
VICKI PALMER, THOMAS SMILEY,
JAMES HEIDGER, GATIS SKABARDIS,
TED AND ELAINE ARNOLDI, on behalf
of themselves and all others similarly situated,

Plaintiffs,

v.

CITY OF SAGINAW,

Defendant.

Case No. 2013-020189-CK-4

Hon. Robert L. Kaczmarek

GREGORY T. GIBBS (P26440)
ALEC SCOTT GIBBS (P73593)
LAW OFFICE OF GREGORY T. GIBBS
Attorneys for Plaintiffs
717 S. Grand Traverse Street
Flint, Michigan 48502
(810) 239-9470

JOHN C. CLARK (P51356)
STEPHEN J. HITCHCOCK (P15005)
GIARMARCO, MULLINS & HORTON, P.C.
Attorneys for Defendant
101 West Big Beaver Road, 10th Floor
Troy, Michigan 48084
(248) 457-7024

CONSENT JUDGMENT

At a session of the Court, held in the City of Saginaw, County of
Saginaw, State of Michigan on: 12-1-16

PRESENT: Hon. Robert L. Kaczmarek
Circuit Court Judge

The parties having reached a settlement and having provided the Court with a signed
Settlement Agreement and Release;

IT IS HEREBY ORDERED AND ADJUDGED that the Court hereby enters this Consent
Judgment incorporating the terms of the attached Settlement Agreement and Release for a period
of seven (7) years from January 1, 2017 to December 31, 2024; and

A TRUE COPY
Susan Kaltenbach, Clerk
IT IS FURTHER ORDERED AND ADJUGED that the Court’s injunction of October 2, 2013, is hereby terminated effective December 31, 2016.

SO ORDERED.

IT IS FURTHER ORDERED THAT
PURSUANT TO MCR 2.602(A)(3),
THIS ORDER RESOLVES ALL PENDING
CLAIMS AND CLOSES THIS CASE
Approved as to form.

LAW OFFICE OF GREGORY T. GIBBS

BY: __________________________
    ALEC SCOTT GIBBS (P73593)
    Attorneys for Plaintiffs

GIARMARCO, MULLINS & HORTON, P.C.

BY: __________________________
    STEPHEN J. HITCHCOCK (P15005)
    Attorney for Defendant

Robert L. Kaczmarek
P15639
Circuit Court Judge
### Table 1: 2017-2018 Budget Projection

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Contract</th>
<th>Est Census</th>
<th>7/1/17 Rate</th>
<th>7/1/17 Rate Est</th>
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### Table 2: 2017-2018 Budget Projection

<table>
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<th>Coverage</th>
<th>Contract</th>
<th>Est Census</th>
<th>7/1/17 Rate</th>
<th>7/1/17 Rate Est</th>
<th>Est Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
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<td>$11.981.81</td>
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<tr>
<td>Double</td>
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<tr>
<td>Family</td>
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<tr>
<td>Coverage</td>
<td>Contract Est.</td>
<td>Rate Estimate</td>
<td>7/1/17 Rate</td>
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<tr>
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<td>---------------</td>
<td>---------------</td>
<td>-------------</td>
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</tr>
<tr>
<td>Family</td>
<td>$19,902</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
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<tr>
<td>Double</td>
<td>$19,902</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
</tr>
<tr>
<td>Single</td>
<td>$19,902</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
</tr>
<tr>
<td>Active Employees</td>
<td>$19,902</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
<td>$18,816.18</td>
</tr>
</tbody>
</table>

2016-2018 Budget Projection
City of Saginaw
Attachment #6
City of Saginaw  
Corrective Action Plan – Other Post Employment Benefits 
Attachment 6a

Prior Actions - System Design Changes
On July 1, 2009, the City closed the retiree healthcare plan for all new hires. The City also changed healthcare plans for active employees and has increased those cost-sharing mechanisms since the original 2009 implementation dates. Attachments 6e – 6j are the labor and employment contracts for the bargaining units, which show the changes to the healthcare plans. On January 1, 2017, the City reached a settlement with the retirees which changed the retiree healthcare plans, resulting in an estimated annual savings of $3,000,000. Attachment 6b is the settlement agreement and page 16 highlights the projected reduction in costs per year.

Prior Actions – Other Considerations
The City changed actuaries in 2017 and all assumptions were reevaluated and amended as necessary during this process. The actuarial valuation is in Attachment 2a.

A portion of the OPEB liability is attributable to employees within the enterprise divisions as shown in Attachment 6c. The attached analysis shows that our revenue ratio (ADC/Total Governmental Funds) would be reduced from 43.1% to 24.3% when including enterprise funds within the calculation.

Prospective Actions – Additional Funding
The City will create a retiree healthcare trust, with an opening balance of $973,430 by June 30, 2019, in accordance with scenario #1 on Attachment 2b, provided to the City from CBIZ. To the extent the budget will allow, additional contributions of up to $973,430 will be added to this trust annually.

Prospective Actions – Other Considerations
The City will seek to negotiate more employee cost sharing and lower cost benefits during upcoming negotiations with all local units with CBA’s expiring June 30, 2019.

We would be more than happy to meet with the members of the Municipal Stability Board and discuss any questions or concerns you may have regarding the City of Saginaw’s unfunded liabilities.
August 6, 2018

Dennis Jordan SPHR  
Director of Human Resources  
City of Saginaw  
1315 S. Washington Avenue  
Saginaw, Michigan 48601

Re: Minimum Corrective Action Plan under Public Act 202 of 2017

As requested by the City of Saginaw, we prepared this letter to illustrate a minimum Employer Contribution strategy to fund the Total OPEB Liability ("TOL") to 40% over a 30-year period. The calculations are based on all participant data, plan provisions, and actuarial assumptions and methods disclosed in the Actuarial Valuation of Other Post-Employment Benefits (OPEBs) dated December 31, 2017.

This analysis considered two scenarios, both of which assume a 3.20% discount rate and annual rate of return on OPEB assets, based on the municipal bond market as of the valuation date. Furthermore, contributions and benefit payments are assumed to be made uniformly throughout each year. Further detail is included later in this report. In summary:

1. **Scenario #1** – the City continues its current pay-as-you-go policy, while simultaneously contributing an additional level-dollar amount into the OPEB Trust over 30 years. Under this scenario, the City’s annual Trust contribution is estimated to be $973,430. Coupled with pay-as-you-go benefits, the City’s total annual contribution over the next 30 years would vary.

2. **Scenario #2** – the City contributes a level-dollar amount into the OPEB Trust over 30 years and begins paying retiree benefits from the OPEB Trust immediately. Under this scenario, the total annual Employer contribution to the Trust is estimated to be $14,144,823.

The undersigned actuary is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. Please see page 2 of this document for additional disclosures required by the Actuarial Standards of Practice.

Sincerely,

Frank T. Vedegys, FSA, EA, MAAA  
Senior Consulting Actuary  
FTV:ajj
Additional Disclosures Required by Actuarial Standards of Practice No. 41

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 investment return, or additional cost or contribution requirements based on the plan’s funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary’s assignment, the actuary did not perform an analysis of the potential range of such future measurements.

This report should not be relied on for any purpose other than the purpose described in the primary communication. Determination of the financial results associated with the benefits described in this report in a manner other than the intended purpose may produce significantly different results.

The calculation was based upon information furnished by the Employer, concerning Retirement benefits and member information. CBIZ Retirement Plan Services is not responsible for the accuracy or completeness of the information provided to us for these calculations.

The developed findings included in this report consider data or other information through December 31, 2017.

Please note this letter should be distributed to any interested parties only in its entirety.
Comments on Scenario #1

Total annual contributions are a combination of pay-as-you-go benefits and the level contribution to the OPEB Trust shown in the primary letter. While total annual contributions will always be greater than the retiree benefit payments, the City can continue the current pay-as-you-go policy while budgeting a level Trust contribution that results in the TOL being 40% funded after 30 years.

Comments on Scenario #2

Total annual contributions are level, compared to the varying contributions in Scenario #1; however, a larger contribution is required in the earlier years. These larger contributions in early years allow investment return to alleviate the cash burden in later years that would otherwise occur under Scenario #1 or a pay-as-you-go strategy.
May 1, 2018

Dennis Jordan, SPHR
Director of Human Resources
1315 S. Washington Ave.
City Hall, Room 202
Saginaw, MI 48601

RE: Actuarial Valuation of Other Post-Employment Benefits under GASB Statement No. 75 as of December 31, 2017

Dear Dennis:

Enclosed are the results of the Actuarial Valuation of Other Post-Employment Benefits (OPEBs) under GASB Statement No. 75 for City of Saginaw.

Overall, the Total OPEB Liability increased relative to the expectation from the prior valuation. Below is a summary of the primary drivers of the increase:

- Shifted healthcare trend schedule to maintain the same immediate rate

With the change in valuation date requested by your auditor, the reconciliation of the Total and Net OPEB Liability now reflect experience during the calendar year. GASB No. 75 standards allow this method for fiscal year reporting. As such, the GASB No. 75 disclosure included in this report can be used for fiscal year ending June 30, 2018. We have also included an estimated disclosure for fiscal year ending June 30, 2019.

Please review the results thoroughly. If you have any further questions or concerns, feel free to reach out to me by phone at 216.525.4683, or by e-mail at AJJohnson@CBIZ.com.

Respectfully,

[Signature]

Alex J. Johnson
Actuarial Consultant

Enclosure(s)
Actuarial Valuation
of
Other Post Employment Benefits (OPEBs)
as of December 31, 2017
and
GASB Statement No. 75
City of Saginaw

Report Prepared May 1, 2018

The information provided herein is the confidential and proprietary work product of CBIZ and cannot be disclosed, copied or distributed to outside third parties without the prior written consent of CBIZ. This information can be expressly used only for the intended purpose and recipient.
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Definitions  25
City of Saginaw
Actuarial Valuation as of December 31, 2017

Actuarial Certification

We, the undersigned, are consulting actuaries associated with the firm CBIZ Retirement Plan Services. We are members of the American Academy of Actuaries and meet its qualification standards to provide statements of actuarial opinion for actuarial valuations of Other Postemployment Benefits (OPEBs). We have completed an actuarial valuation of the OPEB plan for the City of Saginaw as of December 31, 2017. This report contains the results of the valuation.

To the best of our knowledge, the information supplied in this report is complete and accurate. In our opinion, the methods and assumptions used in the valuation comply with the Governmental Accounting Standards Board (GASB), particularly GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension”. The assumptions are related reasonably to the past experience of the Plan, and they represent our best estimate of anticipated experience under the Plan. Nevertheless, the actual costs of the plan in the future will differ from the results of the valuation, as the emerging experience varies from the assumptions projected in the valuation.

We have relied on the City for the accuracy and completeness of the benefit plans, assets, claims and premium data, and the employee census. While we have not audited the data, we have reviewed it for reasonableness and consistency. A summary of our understanding of the plan features is provided in this report.

This report has been prepared for the use and benefit of the City in assessing the effect of GASB Statement No. 75 on accounting for OPEB plans. It should not be relied upon for other purposes, and it is not intended to benefit any other party. It may be shared in its entirety with all auditors and the general public.

Neither CBIZ nor any of the employees working on this engagement has any relationship with the City of Saginaw that may impair, or appear to impair, the independence and objectivity of our work.

This actuarial valuation was prepared in accordance with the applicable Statements of the Governmental Accounting Standards Board and the Actuarial Standards of Practice issued by the American Academy of Actuaries.

Frank T. Vedegys, FSA, EA, MAAA
Senior Consulting Actuary

May 1, 2018
Date
City of Saginaw  
Actuarial Valuation as of December 31, 2017

Summary of Valuation Results

<table>
<thead>
<tr>
<th>Division</th>
<th>General-Union &amp; Non-Union</th>
<th>Police</th>
<th>Fire</th>
<th>ICMA (Police, Fire, General)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant Data</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Employees</td>
<td>59</td>
<td>16</td>
<td>20</td>
<td>88</td>
<td>183</td>
</tr>
<tr>
<td>Retirees and Covered Spouses</td>
<td>549</td>
<td>346</td>
<td>251</td>
<td>6</td>
<td>1152</td>
</tr>
<tr>
<td>Total</td>
<td>608</td>
<td>362</td>
<td>271</td>
<td>94</td>
<td>1335</td>
</tr>
<tr>
<td>Total OPEB Liability (TOL)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Employees</td>
<td>$16,476,488</td>
<td>6,155,083</td>
<td>7,094,153</td>
<td>15,347,005</td>
<td>$45,072,729</td>
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<tr>
<td>Retirees and Covered Spouses</td>
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<td>52,774,170</td>
<td>1,645,073</td>
<td>236,890,274</td>
</tr>
<tr>
<td>Total OPEB Liability</td>
<td>$123,080,406</td>
<td>82,022,196</td>
<td>59,868,323</td>
<td>16,992,078</td>
<td>$281,963,003</td>
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<tr>
<td>Fiduciary Net Position (FNP)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net OPEB Liability (NOL)</td>
<td>$123,080,406</td>
<td>82,022,196</td>
<td>59,868,323</td>
<td>16,992,078</td>
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<tr>
<td>FNP as a Percentage of TOL</td>
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<td>0.00%</td>
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Actuarial Determined Contribution (ADC) for Year Ending:

- **December 31, 2018**:  
  - $4,720,353
  - 2,648,983
  - 2,251,075
  - 51,154
  - 9,671,565
- **December 31, 2019**:  
  - 4,917,390
  - 2,826,734
  - 2,348,772
  - 82,878
  - 10,175,774
### Development of Fiduciary Net Position at Valuation Date

**City of Saginaw**  
**Actuarial Valuation as of December 31, 2017**

#### Statement of Changes in Fiduciary Net Position

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<tr>
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<th>1/1/2017 - 12/31/2017</th>
<th>OPEB Trust</th>
<th>Pay-as-you-go</th>
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<td>- $</td>
<td>- $</td>
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<td><strong>Employer Contributions</strong></td>
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<td><strong>Participant Contributions</strong></td>
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<td>-</td>
<td>-</td>
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<tr>
<td><strong>Investment Income, net of investment expenses</strong></td>
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<td><strong>Total Additions</strong></td>
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<td>- $</td>
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<td>(10,153,961)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Deductions</strong></td>
<td>$ -</td>
<td>- $</td>
<td>(10,153,961)</td>
<td>$(10,153,961)</td>
</tr>
<tr>
<td><strong>Net Change</strong></td>
<td>$ -</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance as of End of Year</strong></td>
<td>$ -</td>
<td>- $</td>
<td>- $</td>
<td>-</td>
</tr>
<tr>
<td><strong>Money-Weighted Rate of Return</strong></td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td></td>
</tr>
</tbody>
</table>
City of Saginaw
Actuarial Valuation as of December 31, 2017

Development of Actuarially Determined Contribution (ADC)

The Actuarially Determined Contribution (ADC) is calculated in accordance with the Employer's funding and investment policy. Under GASB Nos. 74 and 75, if the Employer does not have a formal, written funding policy, the ADC is calculated based on the 5-year average historical contributions as a percentage of either the ADC or the Covered Payroll.

The employer does not have a qualified, irrevocable OPEB Trust, per GASB Standards. As such, the employer's policy is to pay its share of retiree benefits as they come due ("pay-as-you-go").

Actuarially Determined Contribution for Year Ending December 31, 2018 $ 9,671,565
   Expected Covered Payroll for Year Ending December 31, 2018 10,867,995
   ADC as a % of Covered Payroll 89%

Actuarially Determined Contribution for Year Ending December 31, 2019 $ 10,175,774
   Expected Covered Payroll for Year Ending December 31, 2019 10,370,910
   ADC as a % of Covered Payroll 98%
### City of Saginaw

#### Actuarial Valuation as of December 31, 2017

#### 10-Year Schedule of Funding Progress

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Fiduciary Net Position (a)</th>
<th>Total OPEB Liability (b)</th>
<th>Net OPEB Liability (b - a)</th>
<th>Funded Ratio (a / b)</th>
<th>Annual Covered Payroll (c)</th>
<th>Net OPEB Liability as a Percent of Payroll (b - a) / c</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2009</td>
<td>$2,651,169</td>
<td>$204,084,283</td>
<td>$201,433,114</td>
<td>1.3%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>12/31/2011</td>
<td>3,494,511</td>
<td>223,750,256</td>
<td>220,255,745</td>
<td>1.6%</td>
<td>14,750,338</td>
<td>1493.2%</td>
</tr>
<tr>
<td>12/31/2013</td>
<td>-</td>
<td>217,282,627</td>
<td>217,282,627</td>
<td>0.0%</td>
<td>15,435,397</td>
<td>1407.7%</td>
</tr>
<tr>
<td>7/1/2016</td>
<td>-</td>
<td>272,539,089</td>
<td>272,539,089</td>
<td>0.0%</td>
<td>11,048,374</td>
<td>2466.8%</td>
</tr>
<tr>
<td>12/31/2017</td>
<td>-</td>
<td>281,963,003</td>
<td>281,963,003</td>
<td>0.0%</td>
<td>10,409,330</td>
<td>2708.8%</td>
</tr>
</tbody>
</table>
### 10-Year Schedule of Employer Contributions

<table>
<thead>
<tr>
<th>Fiscal Year Ended</th>
<th>Actuarially Determined Contribution (a)</th>
<th>Historical Contribution (b)</th>
<th>Contribution Deficiency (Excess) (a) - (b)</th>
<th>Covered Payroll (c)</th>
<th>Contributions as a Percentage of Covered Payroll (b) / (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/30/2010</td>
<td>$19,904,355</td>
<td>$8,945,764</td>
<td>$10,958,591</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>18,160,426</td>
<td>9,515,047</td>
<td>8,645,379</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6/30/2012</td>
<td>18,085,642</td>
<td>9,791,130</td>
<td>8,294,512</td>
<td>$14,750,338</td>
<td>66.38%</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>17,617,037</td>
<td>8,282,847</td>
<td>9,334,190</td>
<td>14,750,338</td>
<td>56.15%</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>17,500,390</td>
<td>9,966,235</td>
<td>7,534,155</td>
<td>15,435,397</td>
<td>64.57%</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>16,569,597</td>
<td>10,476,304</td>
<td>6,093,293</td>
<td>15,435,397</td>
<td>67.87%</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>16,518,407</td>
<td>10,550,705</td>
<td>5,967,702</td>
<td>15,435,397</td>
<td>68.35%</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>21,883,599</td>
<td>9,373,251</td>
<td>12,510,348</td>
<td>11,048,374</td>
<td>84.84%</td>
</tr>
</tbody>
</table>

Beginning Fiscal Year Ending 2018, the ADC is calculated in accordance with the Employer's funding policy, if one exists. Prior to Fiscal Year Ending 2018, the ADC is equal to the Annual Required Contribution (ARC) as calculated under GASB No. 45.
City of Saginaw
Actuarial Valuation as of December 31, 2017

Projected Retiree Benefit Payments

Exhibit A is a graph that shows the projection of expected benefit payments under the OPEB plan. These payments only reflect those participants who have already been hired or who are retired. Expected benefit payments are equal to the number of retirees each year times the per retiree cost to the employer. The first year's projected benefit payments total $9,671,565. As the last participants retire and then reach the end of their benefit period, the benefit payments decline and eventually would reach zero. Exhibit B is a table showing the first 10 years of expected benefit payments.

Exhibit A - Expected Benefit Payments to Retirees

Exhibit B: First 10 Years of Expected Benefit Payments

<table>
<thead>
<tr>
<th>Plan Year Beginning January 1,</th>
<th>General-Union &amp; Non-Union</th>
<th>Police</th>
<th>Fire</th>
<th>ICMA (Police, Fire, General)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$4,720,353</td>
<td>$2,648,983</td>
<td>$2,251,075</td>
<td>$51,154</td>
<td>$9,671,565</td>
</tr>
<tr>
<td>2019</td>
<td>4,917,390</td>
<td>2,826,734</td>
<td>2,348,772</td>
<td>82,878</td>
<td>10,175,774</td>
</tr>
<tr>
<td>2020</td>
<td>5,139,487</td>
<td>3,002,819</td>
<td>2,459,533</td>
<td>122,506</td>
<td>10,724,345</td>
</tr>
<tr>
<td>2021</td>
<td>5,384,698</td>
<td>3,183,728</td>
<td>2,569,539</td>
<td>155,639</td>
<td>11,293,604</td>
</tr>
<tr>
<td>2022</td>
<td>5,589,954</td>
<td>3,355,270</td>
<td>2,665,310</td>
<td>193,269</td>
<td>11,803,803</td>
</tr>
<tr>
<td>2023</td>
<td>5,813,588</td>
<td>3,496,893</td>
<td>2,749,242</td>
<td>234,567</td>
<td>12,294,290</td>
</tr>
<tr>
<td>2024</td>
<td>6,014,432</td>
<td>3,637,326</td>
<td>2,825,928</td>
<td>280,330</td>
<td>12,758,016</td>
</tr>
<tr>
<td>2025</td>
<td>6,176,033</td>
<td>3,756,614</td>
<td>2,908,872</td>
<td>340,286</td>
<td>13,181,805</td>
</tr>
<tr>
<td>2026</td>
<td>6,295,690</td>
<td>3,851,573</td>
<td>2,953,768</td>
<td>402,908</td>
<td>13,503,939</td>
</tr>
<tr>
<td>2027</td>
<td>6,407,134</td>
<td>3,930,831</td>
<td>2,993,764</td>
<td>474,154</td>
<td>13,805,883</td>
</tr>
</tbody>
</table>
City of Saginaw  
GASB Statement No. 75

### OPEB Expense (Income)

<table>
<thead>
<tr>
<th></th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Service Cost</td>
<td>$2,615,197</td>
<td>$3,054,260</td>
</tr>
<tr>
<td>2. Interest Cost</td>
<td>8,868,071</td>
<td>8,322,885</td>
</tr>
<tr>
<td>3. Expected Return On Plan Assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Recognition of Deferred Outflows/(Inflows) related to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net difference between projected and actual earnings</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>1,333,559</td>
<td>1,932,693</td>
</tr>
<tr>
<td>Changes in assumptions</td>
<td>1,576,995</td>
<td>2,285,500</td>
</tr>
<tr>
<td>5. OPEB Expense (Income)</td>
<td>$14,393,822</td>
<td>$15,595,338</td>
</tr>
</tbody>
</table>

### Key Assumptions for OPEB Expense (Income)

- **Discount Rate**: 3.20% (2018), 3.10% (2017)
- **Salary Scale**: 3.75% (2018), 3.75% (2017)
- **Expected Return on Assets**: N/A (2018), N/A (2017)

### Deferred Outflows/(Inflows) - Amortization Schedules

<table>
<thead>
<tr>
<th>Fiscal Year Established</th>
<th>Original Amount</th>
<th>Amortization Amount</th>
<th>Original Amortization Period</th>
<th>Outstanding Balance at End of Year</th>
<th>Outstanding Balance at End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net difference between projected and actual earnings</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$0</td>
<td>$0</td>
<td>5.00</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2017</td>
<td>0</td>
<td>0</td>
<td>5.00</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| **Differences between expected and actual experience** | | | | | |
| 2018 | $3,266,252 | $1,932,693 | 1.39 | $0 | $0 | N/A |
| 2017 | 3,862,495 | 2,285,500 | 1.69 | 0 | 1,576,995 |

| **Changes in assumptions** | | | | | |
| 2018 | $3,266,252 | $1,932,693 | 1.39 | $0 | $0 | N/A |
| 2017 | 3,862,495 | 2,285,500 | 1.69 | 0 | 1,576,995 |
City of Saginaw
GASB Statement No. 75

Net OPEB Liability

Reconciliation of Total OPEB Liability

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total OPEB Liability at Beginning of Year</td>
<td>$281,963,003</td>
<td>$273,503,200</td>
</tr>
<tr>
<td>2. Service Cost</td>
<td>2,615,197</td>
<td>3,054,260</td>
</tr>
<tr>
<td>3. Interest Cost</td>
<td>8,868,071</td>
<td>8,322,885</td>
</tr>
<tr>
<td>4. Net Benefits Paid by Employer</td>
<td>(9,671,565)</td>
<td>(10,046,089)</td>
</tr>
<tr>
<td>5. Differences between expected and actual experience</td>
<td>0</td>
<td>3,266,252</td>
</tr>
<tr>
<td>6. Changes in assumptions</td>
<td>0</td>
<td>3,862,495</td>
</tr>
<tr>
<td>7. Total OPEB Liability at End of Year</td>
<td>$283,774,706</td>
<td>$281,963,003</td>
</tr>
</tbody>
</table>

Reconciliation of Fiduciary Net Position

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fiduciary Net Position at Beginning of Year</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
<tr>
<td>2. Projected Earnings on Fiduciary Net Position</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Net Difference Between Projected and Actual Earnings</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Employer Contributions</td>
<td>9,671,565</td>
<td>10,046,089</td>
</tr>
<tr>
<td>5. Total Benefits Paid</td>
<td>(9,802,684)</td>
<td>(10,153,961)</td>
</tr>
<tr>
<td>6. Expenses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>7. Participant Contributions</td>
<td>131,119</td>
<td>107,872</td>
</tr>
<tr>
<td>8. Fiduciary Net Position at End of Year</td>
<td>$ 0</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

Money-Weighted Rate of Return

<table>
<thead>
<tr>
<th></th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money-Weighted Rate of Return</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Net OPEB Liability (Asset)

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total OPEB Liability</td>
<td>$283,774,706</td>
<td>$281,963,003</td>
</tr>
<tr>
<td>2. Fiduciary Net Position</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Net OPEB Liability (Asset)</td>
<td>$283,774,706</td>
<td>$281,963,003</td>
</tr>
</tbody>
</table>

Fiduciary Net Position as % of Total OPEB Liability

<table>
<thead>
<tr>
<th></th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiduciary Net Position as % of Total OPEB Liability</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Net OPEB Liability: 1% increase in the discount rate

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net OPEB Liability: 1% increase in the discount rate</td>
<td>$243,518,012</td>
<td>$243,606,446</td>
</tr>
</tbody>
</table>

Net OPEB Liability: 1% decrease in the discount rate

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net OPEB Liability: 1% decrease in the discount rate</td>
<td>334,680,842</td>
<td>330,374,975</td>
</tr>
</tbody>
</table>

Net OPEB Liability: 1% increase in healthcare trend

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net OPEB Liability: 1% increase in healthcare trend</td>
<td>$334,533,039</td>
<td>$330,409,382</td>
</tr>
</tbody>
</table>

Net OPEB Liability: 1% decrease in healthcare trend

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net OPEB Liability: 1% decrease in healthcare trend</td>
<td>243,125,639</td>
<td>243,125,011</td>
</tr>
</tbody>
</table>

Key Assumptions for Net OPEB Liability

<table>
<thead>
<tr>
<th></th>
<th>12/31/2018</th>
<th>12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount Rate</td>
<td>3.20%</td>
<td>3.20%</td>
</tr>
<tr>
<td>Salary Scale</td>
<td>3.75%</td>
<td>3.75%</td>
</tr>
<tr>
<td>Expected Return on Assets</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
City of Saginaw  
GASB Statement No. 75

Deferred Outflows (Inflows)

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources Related to OPEB</th>
<th>Year Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/2018</td>
</tr>
<tr>
<td>1. Net difference between projected and actual earnings</td>
<td>$</td>
</tr>
<tr>
<td>2. Differences between expected and actual experience</td>
<td>0</td>
</tr>
<tr>
<td>3. Changes in assumptions</td>
<td>0</td>
</tr>
<tr>
<td>4. Total</td>
<td>$0</td>
</tr>
</tbody>
</table>

Deferred Outflows of Resources Related to OPEB

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources Related to OPEB</th>
<th>Year Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/2018</td>
</tr>
<tr>
<td>1. Net difference between projected and actual earnings</td>
<td>$</td>
</tr>
<tr>
<td>2. Differences between expected and actual experience</td>
<td>0</td>
</tr>
<tr>
<td>3. Changes in assumptions</td>
<td>0</td>
</tr>
<tr>
<td>4. Total</td>
<td>$</td>
</tr>
</tbody>
</table>

Schedule of Deferred Outflows (Inflows)

Amounts reported as deferred outflows or deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

<table>
<thead>
<tr>
<th>YE 12/31/2018</th>
<th>YE 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 $</td>
<td>2018 $2,910,554</td>
</tr>
<tr>
<td>2020 -</td>
<td>2019 -</td>
</tr>
<tr>
<td>2021 -</td>
<td>2020 -</td>
</tr>
<tr>
<td>2022 -</td>
<td>2021 -</td>
</tr>
<tr>
<td>2023 -</td>
<td>2022 -</td>
</tr>
<tr>
<td>2024+-</td>
<td>2023+ -</td>
</tr>
</tbody>
</table>
## Participant Summary

<table>
<thead>
<tr>
<th>Metric</th>
<th>General-Union &amp; Non-Union</th>
<th>Police</th>
<th>Fire</th>
<th>ICMA (Police, Fire, General)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Count - Active</td>
<td>59</td>
<td>16</td>
<td>20</td>
<td>88</td>
<td>183</td>
</tr>
<tr>
<td>Count - Inactive</td>
<td>549</td>
<td>346</td>
<td>251</td>
<td>6</td>
<td>1,152</td>
</tr>
<tr>
<td>Avg Age - Active</td>
<td>53.3</td>
<td>47.3</td>
<td>48.6</td>
<td>49.0</td>
<td>50.2</td>
</tr>
<tr>
<td>Avg Age - Inactive</td>
<td>69.6</td>
<td>64.2</td>
<td>67.8</td>
<td>55.5</td>
<td>67.5</td>
</tr>
<tr>
<td>Average Service</td>
<td>22.1</td>
<td>20.3</td>
<td>21.7</td>
<td>13.0</td>
<td>17.5</td>
</tr>
<tr>
<td>Pct Male - Active</td>
<td>78.0</td>
<td>93.8</td>
<td>90.0</td>
<td>73.9</td>
<td>78.7</td>
</tr>
<tr>
<td>Pct Male - Inactive</td>
<td>45.9</td>
<td>52.9</td>
<td>50.6</td>
<td>50.0</td>
<td>49.1</td>
</tr>
</tbody>
</table>

## Age and Service Chart

<table>
<thead>
<tr>
<th>Attained Age</th>
<th>&lt;1</th>
<th>1 to 4</th>
<th>5 to 9</th>
<th>10 to 14</th>
<th>15 to 19</th>
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<td>0</td>
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<td>53</td>
<td>14</td>
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### City of Saginaw
#### Actuarial Valuation as of December 31, 2017

## Plan Provisions: Non-Union Employees - Defined Benefit

<table>
<thead>
<tr>
<th>Decrement</th>
<th>Eligibility</th>
<th>Benefit provided for:</th>
<th>Insurance Type</th>
<th>Premium Cost Share for:</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Retiree</td>
<td>Spouse</td>
<td>Insurer</td>
</tr>
<tr>
<td><strong>Normal Retirement</strong></td>
<td>Age 50 with 25 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
</tr>
<tr>
<td></td>
<td>Age 60 with 8 years of service</td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vision**</td>
<td>Vision**</td>
<td>MECA, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Hartford Insurance</td>
</tr>
<tr>
<td><strong>Deferred Vested</strong></td>
<td></td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
</tr>
<tr>
<td><strong>Termination</strong></td>
<td>8 years of service</td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
</tr>
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<td></td>
<td>Health Coverage Begins at Normal Retirement</td>
<td>Vision**</td>
<td>Vision**</td>
<td>MECA, Inc.</td>
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<tr>
<td></td>
<td>Eligibility Age</td>
<td>Life Insurance</td>
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<td>Hartford Insurance</td>
</tr>
<tr>
<td><strong>Non-Duty Disability</strong></td>
<td>8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
</tr>
<tr>
<td></td>
<td>Must draw pension immediately</td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vision**</td>
<td>Vision**</td>
<td>MECA, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Hartford Insurance</td>
</tr>
<tr>
<td><strong>Duty Disability</strong></td>
<td>No age or service requirement</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
</tr>
<tr>
<td></td>
<td>Must draw pension immediately</td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vision**</td>
<td>Vision**</td>
<td>MECA, Inc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Hartford Insurance</td>
</tr>
<tr>
<td><strong>Non-Duty Death-in-Service</strong></td>
<td>8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
</tr>
<tr>
<td></td>
<td>No age or service requirement</td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vision**</td>
<td>Vision**</td>
<td>MECA, Inc.</td>
</tr>
</tbody>
</table>

* For anyone eligible with 8 or 9 years of service, a 20% retiree cost share was assumed.

** Dental/Vision benefit offered if an employee contract has been signed. Retirees pay nothing for Dental and Visions coverage

Note 1: Retirees who retire after 7/1/2016 for General Union and Non-Union pay $40 bi-weekly single, $55 bi-weekly two-person, $70 bi-weekly family coverage. Amounts increase $5 annually on 7/1 of each year. After retirement, bi-weekly contributions continue to increase annually by $5, up to an annual cap of $1,500 single, $1,700 double, and $2,100 family.

Life Insurance benefit amount of $10,000 is provided to retirees.

Disability Retirees Life Insurance amount is the active life insurance amount until normal retirement age is reached, at which time it reverts to the retiree amount.

A few retirees do opt-out. They receive the $2,500 opt-out payment, capped on 1/1/2004. They can opt back in at a later date if they choose.
## City of Saginaw
### Actuarial Valuation as of December 31, 2017

### Plan Provisions: General Union & Fire Employees - Defined Benefit

<table>
<thead>
<tr>
<th>Decrement</th>
<th>Eligibility</th>
<th>Benefit provided for:</th>
<th>Insurer</th>
<th>Insurance Type</th>
<th>Premium Cost Share for:</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Retiree</td>
<td>Spouse</td>
<td></td>
<td>Retiree</td>
</tr>
<tr>
<td>Normal Retirement</td>
<td>General Union: Age 50 with 25 years of service. Fire: Age 50 with 20 years of service. Age 60 with 8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Standard Insurance</td>
<td>Note 1</td>
</tr>
<tr>
<td>Deferred Vested Termination</td>
<td>8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
<tr>
<td></td>
<td>Health Coverage Begins at Normal Retirement</td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Standard Insurance</td>
<td>Note 1</td>
</tr>
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<td></td>
<td>Eligibility Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Must commence within 2 years of termination</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Non-Duty Disability</td>
<td>8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
<tr>
<td></td>
<td>Must draw pension immediately</td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Standard Insurance</td>
<td>Note 1</td>
</tr>
<tr>
<td>Duty Disability</td>
<td>No age or service requirement</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
<tr>
<td></td>
<td>Must draw pension immediately</td>
<td>Life Insurance</td>
<td>Life Insurance</td>
<td>Standard Insurance</td>
<td>Note 1</td>
</tr>
<tr>
<td>Non-Duty Death-in-Service</td>
<td>8 years of service</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
<tr>
<td>Duty Death-in-Service</td>
<td>No age or service requirement</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
</tr>
</tbody>
</table>

Note 1: Retirees who retire after 7/1/2016 for General Union and Non-Union pay $40 bi-weekly single, $55 bi-weekly two-person, $70 bi-weekly family coverage. Amounts increase $5 annually on 7/1 of each year. After retirement, bi-weekly contributions continue to increase annually by $5, up to an annual cap of $1,500 single, $1,700 double, and $2,100 family. Amounts for those retired prior to 7/1/2016 do not increase after retirement.

Life Insurance benefit amount of $10,000 is provided to General Union retirees. The life insurance benefit amount varies by class for Fire retirees: Fire: $6,000 Non-Union Fire: $10,000.

Disability Retirees Life Insurance amount is the active life insurance amount until normal retirement age is reached, at which time it reverts to the retiree amount.

A few retirees do opt-out. They receive the $2,500 opt-out payment, capped on 1/1/2004. They can opt back in at a later date if they choose.
## Plan Provisions: Police & Police Command Employees - Defined Benefit

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<th>Insurance Type</th>
<th>Premium Cost Share for:</th>
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<tr>
<td><strong>Deferred Vested</strong></td>
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<td>BCBS Hartford Insurance</td>
<td>Self-Insured</td>
<td>POAM/COAM: 0/0% w/20 yrs</td>
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<td><strong>Termination</strong></td>
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<td>Medical/Rx Life Insurance</td>
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<tr>
<td></td>
<td></td>
<td>Life Insurance</td>
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<td></td>
<td>50/20% w/10 yrs</td>
</tr>
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<td>100/30% w/0-9 yrs</td>
</tr>
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<td>Self-Insured</td>
<td>POAM/COAM: 0/0% w/20 yrs</td>
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<tr>
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<td>Must draw pension immediately</td>
<td>Medical/Rx</td>
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<td>20/10% w/18 yrs</td>
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<tr>
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<td>Life Insurance</td>
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<td>50/10% w/15 yrs</td>
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<td>50/20% w/10 yrs</td>
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<td>100/30% w/0-9 yrs</td>
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<tr>
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<td>BCBS Hartford Insurance</td>
<td>Self-Insured</td>
<td>Note 1 Note 1</td>
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<tr>
<td></td>
<td>Must draw pension immediately</td>
<td>Medical/Rx</td>
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<td>Life Insurance</td>
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</tr>
<tr>
<td><strong>Non-Duty Death-in-Service</strong></td>
<td>No age or service requirement</td>
<td>Medical/Rx Life Insurance</td>
<td>BCBS Hartford Insurance</td>
<td>Self-Insured</td>
<td>Note 1 Note 1</td>
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</tr>
<tr>
<td><strong>Duty Death-in-Service</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 1: Retirees who retire after 9/22/2016 for POAM and COAM pay $40 bi-weekly single, $55 bi-weekly two-person, $70 bi-weekly family coverage. Amounts increase $5 annually on 7/1 of each year. After retirement, bi-weekly contributions continue to increase annually by $5, up to an annual cap of $1,500 single, $1,700 double, and $2,100 family. Amounts for those retired prior to 7/1/2016 do not increase after retirement.

The life insurance benefit amount varies by classification:
- Police Patrol: $10,000
- Police Command: $7,000
- Non-Union Police: $10,000

Disability Retirees Life Insurance amount is the active life insurance amount until normal retirement age is reached, at which time it reverts to the retiree amount.

A few retirees do opt-out. They receive the $2,500 opt-out payment, capped on 1/1/2004. They can opt back in at a later date if they choose.
City of Saginaw  
Actuarial Valuation as of December 31, 2017

Plan Provisions: ICMA, MERS DC, & MERS Hybrid

<table>
<thead>
<tr>
<th>Decrement</th>
<th>Eligibility</th>
<th>Benefit provided for:</th>
<th>Insurer</th>
<th>Insurance Type</th>
<th>Premium Cost Share for:</th>
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<td></td>
<td></td>
<td>Retiree</td>
<td>Spouse</td>
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<td>Retiree</td>
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<tr>
<td>Normal Retirement*</td>
<td>See defined benefit summaries</td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Note 1</td>
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<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
<td>Note 1</td>
</tr>
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<td>Vision**</td>
<td>MECA, Inc.</td>
<td></td>
</tr>
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<td>Life Insurance</td>
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<td>Hartford Insurance</td>
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<td></td>
<td>Medical/Rx</td>
<td>Medical/Rx</td>
<td>BCBS</td>
<td>Self-Insured</td>
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<tr>
<td></td>
<td></td>
<td>Dental**</td>
<td>Dental**</td>
<td>Delta Dental</td>
<td>0% w/20 yrs</td>
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<td>Vision**</td>
<td>Vision**</td>
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<td>10% w/15 yrs</td>
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<td>Life Insurance</td>
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<td>Hartford Insurance</td>
<td>20% w/10 yrs</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>&amp; Note 1</td>
</tr>
</tbody>
</table>

Deferred Vested Termination  
N/A

Non-Duty Disability  
N/A

Duty Disability  
N/A

Non-Duty Death-in-Service  
N/A

Duty Death-in-Service  
N/A

* MERS DC and ICMA employee's eligibility requirements for normal retirement mirror those of their corresponding defined benefit plans.

** Dental/Vision benefit offered if an employee contract has been signed. Retirees pay nothing for Dental and Visions coverage

Note 1: ICMA members pay bi-weekly amounts that vary by classification as described above.

Life Insurance benefit amount varies by classification.

Disability Retirees Life Insurance amount is the active life insurance amount until normal retirement age is reached, at which time it reverts to the retiree amount.

A few retirees do opt-out. They receive the $2,500 opt-out payment. They can opt back in at a later date if they choose.
City of Saginaw
Actuarial Valuation as of December 31, 2017

Plan Provisions (cont.)

The Health Care Plan has been closed to new entrants for members hired on or after the following dates:

° March 1, 2009, for POAM members
° July 1, 2009, for SEIU (Hourly, Salaried and Regular Part-Time) members
° July 1, 2009, for AFSCME members
° July 1, 2009, for Non-Union members
° July 1, 2009, for Fire members
° September 1, 2009, for COAM members

<table>
<thead>
<tr>
<th>Blue Cross Blue Shield of Michigan Plan</th>
<th>Pre-65</th>
<th>Post-65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division 0023/Suffix 903</td>
<td>$5,304</td>
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<tr>
<td>Division 0008/Suffix 904</td>
<td>5,766</td>
<td>13,839</td>
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<td>Division 0025/Suffix 975</td>
<td>6,031</td>
<td>14,474</td>
</tr>
<tr>
<td>Division 0026/Suffix 976</td>
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<td>$582</td>
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<td>MECA Vision</td>
<td>$107</td>
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<tr>
<td>Life Insurance</td>
<td>$0.421 per $1,000 of coverage</td>
<td></td>
</tr>
</tbody>
</table>

Changes Since Prior Valuation

1. Bi-weekly contributions have been updated to reflect those described in individual union agreements.
2. Premium equivalent rates were updated to reflect current rates.
City of Saginaw
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

Actuarial Valuation Date December 31, 2017

Actuarial Cost Method Individual Entry Age Normal as a level percentage of payroll

Discount Rate 3.20%

Annual Wage Increases

<table>
<thead>
<tr>
<th>Age</th>
<th>Base</th>
<th>Merit and Longevity</th>
<th>Total Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>3.75%</td>
<td>11.00%</td>
<td>14.75%</td>
</tr>
<tr>
<td>25</td>
<td>3.75</td>
<td>7.20</td>
<td>10.95</td>
</tr>
<tr>
<td>30</td>
<td>3.75</td>
<td>3.10</td>
<td>6.85</td>
</tr>
<tr>
<td>35</td>
<td>3.75</td>
<td>1.90</td>
<td>5.65</td>
</tr>
<tr>
<td>40</td>
<td>3.75</td>
<td>1.20</td>
<td>4.95</td>
</tr>
<tr>
<td>45</td>
<td>3.75</td>
<td>0.81</td>
<td>4.56</td>
</tr>
<tr>
<td>50</td>
<td>3.75</td>
<td>0.52</td>
<td>4.27</td>
</tr>
<tr>
<td>55</td>
<td>3.75</td>
<td>0.30</td>
<td>4.05</td>
</tr>
<tr>
<td>60</td>
<td>3.75</td>
<td>0.00</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Price Inflation 2.50%

Investment Rate of Return N/A

Actuarial Value of Assets N/A

Annual Healthcare Trend

<table>
<thead>
<tr>
<th>Years after Valuation</th>
<th>Medical &amp; Pharmacy</th>
<th>Dental</th>
<th>Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>8.00%</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2</td>
<td>7.50</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>3</td>
<td>7.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>4</td>
<td>6.50</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>5</td>
<td>6.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>6</td>
<td>5.50</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>7</td>
<td>5.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>8</td>
<td>4.50</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>9+</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>

Claims costs and premium equivalent rates are assumed to increase according to the above healthcare trend. Fixed costs and fees are assumed to increase with inflation.
City of Saginaw  
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

Annual Per-Capita Claims Costs

Starting per capita costs were developed using paid claims and enrollment data from January 1, 2016 through December 31, 2017. For pre-Medicare ages, active and retiree plan experience was used. Non-Drug Medical and Pharmacy were analyzed separately, and projected to the current claims year based on the most recent Segal Survey. 80% credibility was placed on the 2017 experience, and 20% credibility on the 2016 experience. The resulting costs were then adjusted for differences in plan design and disaggregated into age-specific starting costs using average ages and assumptions on the relationship between costs and increasing age. Fixed costs and fees are not included in these costs.

Dental and Vision costs are based on the illustrative premium equivalent rates provided by the Broker. As costs for these benefits do not vary materially by age, they have not been further adjusted. Fixed costs and fees are included in these costs to the extent the insurer has already implemented them.

<table>
<thead>
<tr>
<th>Age</th>
<th>BCBS of Michigan Division/Suffix</th>
<th>Future Retirees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0023/903</td>
<td>0008/904</td>
</tr>
<tr>
<td>40</td>
<td>$3,463</td>
<td>$3,831</td>
</tr>
<tr>
<td>45</td>
<td>4,113</td>
<td>4,550</td>
</tr>
<tr>
<td>50</td>
<td>4,885</td>
<td>5,404</td>
</tr>
<tr>
<td>55</td>
<td>5,801</td>
<td>6,419</td>
</tr>
<tr>
<td>60</td>
<td>6,890</td>
<td>7,624</td>
</tr>
<tr>
<td>64</td>
<td>7,907</td>
<td>8,748</td>
</tr>
<tr>
<td>65</td>
<td>4,674</td>
<td>5,333</td>
</tr>
<tr>
<td>70</td>
<td>5,419</td>
<td>6,183</td>
</tr>
<tr>
<td>75</td>
<td>6,282</td>
<td>7,167</td>
</tr>
<tr>
<td>80</td>
<td>7,282</td>
<td>8,309</td>
</tr>
<tr>
<td>85+</td>
<td>8,442</td>
<td>9,633</td>
</tr>
</tbody>
</table>

Annual Per-Capita Fixed Costs  $1,288
Includes administration, specific and aggregate stop-loss premiums with a specific limit of $140,000
City of Saginaw
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

Participation

*Future Retirees:* 100% of eligible future retirees are assumed to elect life insurance coverage. Future retirees are assumed to elect healthcare coverage at retirement at the following rates, by division:

<table>
<thead>
<tr>
<th>Division</th>
<th>Election %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>93%</td>
</tr>
<tr>
<td>Police</td>
<td>97%</td>
</tr>
<tr>
<td>Fire</td>
<td>97%</td>
</tr>
</tbody>
</table>

All participating future retirees are assumed to be insured through Suffix 903. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made.

*Current Retirees:* Based on current coverage election. It is assumed that no one will opt in or opt out of coverage once initial retirement election is made. Participants enrolled in Suffix 975 will transfer to 976 upon attainment of age 65. Suffixes 975 and 976 are closed to new participants.

Spousal Participation

Future Retirees: 70% of participating retirees are assumed to be married. Participating retirees, if married, are assumed to cover their spouse at the following rates, by division:

<table>
<thead>
<tr>
<th>Division</th>
<th>Election %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>70%</td>
</tr>
<tr>
<td>Police</td>
<td>80%</td>
</tr>
<tr>
<td>Fire</td>
<td>85%</td>
</tr>
</tbody>
</table>

*Current Retirees:* Based on current coverage election.

Spouse Age

Male spouses are assumed to be 3 years older, and female spouses are assumed to be 3 years younger. Actual age is used for spouses of current retirees, if provided.
City of Saginaw
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

Mortality

Healthy:
50% Male-50% Female blend of the following tables:

1. The RP-2014 Health Annuitant Mortality Tables, with rates multiplied by 105%
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

For ages 0-17 use the rates in Table 3, for ages 18-49 use the rates in Table 2, for ages 70 and older use the rates in Table 1, and for ages 50-69 blend Table 2 and Table 1 as follows:

- Age 50, use 60% of Table 2 and 40% of Table 1
- Age 51, use 57% of Table 2 and 43% of Table 1
- Etc. …
- Age 69, use 3% of Table 2 and 97% of Table 1

Disabled:
50% Male-50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The mortality assumptions include a 10% margin for future mortality improvements, relative to the actual mortality experience seen in the 2000-2013 Experience Study.

90% of deaths are assumed to be non-duty deaths, and 10% are assumed to be duty-related.

Withdrawal

Participants are assumed to terminate employment for reasons other than death, disability or retirement in accordance with annual rates varying by service and division. Base rates are multiplied by a scaling factor that varies by division. Sample rates are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
<th>Division</th>
<th>Scaler</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>19.60%</td>
<td>General</td>
<td>80%</td>
</tr>
<tr>
<td>1</td>
<td>16.30</td>
<td>Police</td>
<td>20%</td>
</tr>
<tr>
<td>2</td>
<td>13.30</td>
<td>Fire</td>
<td>20%</td>
</tr>
<tr>
<td>3</td>
<td>10.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>8.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>6.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>4.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>3.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>2.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25+</td>
<td>2.20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
City of Saginaw
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

Retirement
Participants are assumed to retire in accordance with annual rates varying by service and division. Rates are based the Retirement rates used in the most recent MERS pension valuation. Sample rates are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>General</th>
<th>Police</th>
<th>Fire</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>19.0%</td>
<td>0.0%</td>
<td>19.5%</td>
</tr>
<tr>
<td>9</td>
<td>19.5</td>
<td>0.0</td>
<td>19.5</td>
</tr>
<tr>
<td>10</td>
<td>19.5</td>
<td>0.0</td>
<td>19.5</td>
</tr>
<tr>
<td>11</td>
<td>19.5</td>
<td>0.0</td>
<td>19.5</td>
</tr>
<tr>
<td>12</td>
<td>19.5</td>
<td>0.0</td>
<td>19.5</td>
</tr>
<tr>
<td>13</td>
<td>19.5</td>
<td>0.0</td>
<td>19.5</td>
</tr>
<tr>
<td>14</td>
<td>19.5</td>
<td>0.0</td>
<td>20.0</td>
</tr>
<tr>
<td>15</td>
<td>20.0</td>
<td>0.0</td>
<td>20.0</td>
</tr>
<tr>
<td>20</td>
<td>21.0</td>
<td>21.0</td>
<td>21.0</td>
</tr>
<tr>
<td>25</td>
<td>24.0</td>
<td>24.0</td>
<td>25.0</td>
</tr>
<tr>
<td>30</td>
<td>28.0</td>
<td>31.0</td>
<td>35.0</td>
</tr>
<tr>
<td>35</td>
<td>39.0</td>
<td>42.0</td>
<td>49.0</td>
</tr>
<tr>
<td>40+</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
</tbody>
</table>

100% Retirement at age 70

Disability
Participants are assumed to become disabled in accordance with annual rates varying by age. Sample rates are as follows:

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>0.02%</td>
</tr>
<tr>
<td>30</td>
<td>0.02</td>
</tr>
<tr>
<td>35</td>
<td>0.05</td>
</tr>
<tr>
<td>40</td>
<td>0.08</td>
</tr>
<tr>
<td>45</td>
<td>0.21</td>
</tr>
<tr>
<td>50</td>
<td>0.29</td>
</tr>
<tr>
<td>55</td>
<td>0.38</td>
</tr>
<tr>
<td>60+</td>
<td>0.39</td>
</tr>
</tbody>
</table>

80% of disabilities are assumed to be non-duty disabilities, and 20% are assumed to be duty-related.
City of Saginaw  
Actuarial Valuation as of December 31, 2017

Actuarial Methods and Assumptions

<table>
<thead>
<tr>
<th>Changes Since Prior Valuation</th>
<th>1. Discount rate was increased from 3.10% to 3.20%.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Per-capita costs and fixed costs were updated to reflect experience since the previous valuation and the increase in the specific stop-loss deductible from $100,000 to $140,000.</td>
</tr>
</tbody>
</table>
City of Saginaw
Actuarial Valuation as of December 31, 2017

Rationale for Key Assumptions

Discount Rate

The discount rate is the single rate that reflects (1) the long-term expected rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return, and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale), to the extent that the conditions for use of the long-term expected rate of return are not met.

Single Equivalent Interest Rate (SEIR)

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Expected Rate of Return</td>
<td>0.00%</td>
</tr>
<tr>
<td>Municipal Bond Index Rate*</td>
<td>3.20%</td>
</tr>
<tr>
<td>Fiscal Year in which Fiduciary Net Position is Projected to be Depleted</td>
<td>2018</td>
</tr>
<tr>
<td>Single Equivalent Interest Rate</td>
<td>3.20%</td>
</tr>
</tbody>
</table>

* Source: S&P Municipal Bond 20 Year High Grade Rate Index

Expected Long-Term Rate of Return on Assets Selection

The investment policy of the Employer is determined based on the goals and objectives of the Plan and the risk tolerance of the Employer. As new information regarding the economic environment becomes available the investment policy may need to be revised. Asset allocations fluctuate due to market performance, however, the targeted OPEB asset allocation is as described below. The Employer's objective in selecting the Expected Long-Term rate of return on Assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and the asset mix of the plan assets.

<table>
<thead>
<tr>
<th>Asset Classes</th>
<th>Actual Allocation (a)</th>
<th>Target Allocation (b)</th>
<th>Expected Return (c)</th>
<th>Arithmetic Mean (b) x (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Fixed Income</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>International Fixed Income</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Domestic Equity</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>International Equity</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Cash</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>0%</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

0.0%
City of Saginaw
Actuarial Valuation as of December 31, 2017

Rationale for Key Assumptions

Annual Healthcare Trend
Trend rates are based on plan experience, historical trends, and industry norms. The immediate trend rates are assumed to decrease to an ultimate trend rate over a period of 5 to 10 years. Healthcare costs are currently approximately 17% of the Gross Domestic Product (GDP). The ultimate rate is decreased over time to maintain this relationship.

Healthcare Reform
Excise taxes on Cadillac plan benefits, if any, were not included in this valuation due to significant uncertainties regarding the tax. Other legislative changes related to the Affordable Care Act were included in the valuation only to the extent they have already been implemented in the plan.

Mortality, Withdrawal, Disability, Retirement
Because the Employer does not have enough data to conduct a fully credible experience analysis with respect to these assumptions, the current assumptions are based on those used in the most recent actuarial valuation of pension benefits through MERS. Said assumptions are based on an experience study conducted using actual MERS experience from 2009 - 2013. MERS retirement rates are based on pension replacement ratio; for purposes of this valuation, they have been converted to service-related rates to reflect similar expectations.

Participation
The assumed rate of participation incorporated into these measurements is based on observations of the plan's past experience, the actuary's experience with plans of a similar size, plan design and retiree contribution level.

Spousal Participation and Age
Because the employer does not have enough data to conduct a fully credible experience analysis with respect to spousal information, the current assumption has been selected based on observations of the past experience, the actuary's experience with plans of a similar size and plan design.
### City of Saginaw

**Actuarial Valuation as of December 31, 2017**

**Public Act 530 of 2016 - Compliance Guide**

Sec. 13(1)(d):

(i) Name of system: City of Saginaw

(ii) Names Investment fiduciaries: Not provided

(iii) System's service providers: Blue Cross Blue Shield of Michigan - Medical Insurer, Delta - Dental Insurer, MECA - Vision Insurer, Brown & Brown of Central Michigan, Inc. - TPA

(iv) System's assets and liabilities: See Summary of Valuation Results, page 2

(v) System's funded ratio: See Summary of Valuation Results, page 2

(vi) Investment performance, net of fees: Most recent year is provided on page 3. For historical performance, contact investment advisors.

(vii) System admin & invest expenses: Non-investment expenses = 0%

For investment expenses, contact investment advisors

(viii) System's budget: Not applicable

(ix) System's budget:

(A) Number of actives: See Participant Summary, page 16

(B) Number of retirees/beneficiaries: See Participant Summary, page 16

(C) Average annual retirement allowance: See Projected Retiree Benefit Payments, page 7

(D) Total annual retirement allowance: See Projected Retiree Benefit Payments, page 7

(E) Valuation Payroll at Valuation Date: $10,409,330

(F) Normal Cost as a % of payroll: 4.92%

(G) ADC as a % of payroll: 0.00%

(H) Weighted average member contributions: Member premium cost sharing is described in the Plan Provisions beginning on page 11

(I) Actuarial expected investment return: N/A

(J) Actuarial long-term inflation rate: 2.50%

(K) Asset smoothing method: None

(L) Amortization Method: Not applicable

(M) Actuarial Cost Method: Individual Entry Age Normal as a level percentage of payroll

(N) Open or Closed membership: Closed

(O) Healthcare inflation: See Actuarial Methods and Assumptions, beginning on page 17

(x) Travel report: Not applicable

Sec. 20(h)(1):

(7) If below 60% funded, actions taken to reduce the system's Unfunded Liability:

- Plan participation is closed for all divisions as of September 1, 2009
- Premium Costs are shared between the Employer and retirees/spouses
- The amount of retiree suffix options through BCBSM has been consolidated as of January 1, 2017.
# City of Saginaw
## Actuarial Valuation as of December 31, 2017

### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Present Value of Projected Benefits</td>
<td>Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.</td>
</tr>
<tr>
<td>Actuarial Valuation Date</td>
<td>The date as of which the service cost, total OPEB liability, and related actuarial present value of projected benefit payments is determined in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.</td>
</tr>
<tr>
<td>Actuarially Determined Contribution (ADC)</td>
<td>A target or recommended contribution to a defined benefit plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.</td>
</tr>
<tr>
<td>Closed Period</td>
<td>A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.</td>
</tr>
<tr>
<td>Contributions</td>
<td>Additions to a OPEB plan's fiduciary net position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government plan), or employees. Contributions can result from cash receipts by the OPEB plan or from recognition by the OPEB plan of a receivable from one of these sources.</td>
</tr>
<tr>
<td>Cost-of-Living Adjustments</td>
<td>Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.</td>
</tr>
<tr>
<td>Covered Employee Payroll</td>
<td>The payroll of employees that are provided with OPEBs through the OPEB plan.</td>
</tr>
<tr>
<td>Deferred Outflows and Inflows of Resources Related to OPEBs</td>
<td>Deferred outflows of resources and deferred inflows of resources related to OPEBs arising from certain changes in the net OPEB liability.</td>
</tr>
</tbody>
</table>
City of Saginaw
Actuarial Valuation as of December 31, 2017

Definitions

Defined Benefit OPEB
OPEB for which the benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The OPEB may be stated as (a) a specified dollar amount; (b) an amount that is calculated based on one or more factors such as age, years of service, and compensation; or (c) a type or level of coverage such as prescription drug coverage or a percentage of health insurance premiums.

Defined Contribution OPEB
OPEB having terms that (a) provide an individual account for each employee; (b) define the contributions that an employer or nonemployer contributing entity is required to make (or the credits that it is required to provide) to an active employee’s account for periods in which that employee renders service; and (c) provide that the OPEB an employee will receive will depend only on the contributions (or credits) to the employee’s account, actual earning on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as OPEB plan administrative costs, that are allocated to the employee’s account.

Discount Rate
The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:
1. The actuarial present value of benefit payments projected to be made in future periods in which (1) the amount of the OPEB plan’s fiduciary net position is projected (under the requirements of Statement 75) to be greater than the benefit payments that are projected to be made in that period and (2) OPEB plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on OPEB plan investments.
2. The actuarial present value of projected benefit payments not included in (a), calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).
# City of Saginaw

## Actuarial Valuation as of December 31, 2017

### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry Age Actuarial Cost Method</td>
<td>A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the <em>normal cost</em>. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the <em>actuarial accrued liability</em>.</td>
</tr>
<tr>
<td>Healthcare Cost Trend Rates</td>
<td>The rates of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.</td>
</tr>
<tr>
<td>Money-Weighted Rate of Return</td>
<td>A method of calculating period-by-period returns on OPEB plan investments that adjusts for the changing amounts actually invested. For purposes of Statement 74, money-weighted rate of return is calculated as the internal rate of return on OPEB plan investments, net of OPEB plan investment expense.</td>
</tr>
<tr>
<td>Net OPEB Liability</td>
<td>The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan.</td>
</tr>
<tr>
<td>OPEB Expense</td>
<td>OPEB expense arising from certain changes in the net OPEB liability.</td>
</tr>
<tr>
<td>Other Postemployment Benefits (OPEB)</td>
<td>Benefits (such as death benefits, life insurance, disability, and long-term care) that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment, regardless of the manner in which they are provided. OPEB does not include termination benefits or termination payments for sick leave.</td>
</tr>
<tr>
<td>Postemployment Healthcare Benefits</td>
<td>Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.</td>
</tr>
</tbody>
</table>
## City of Saginaw
### Actuarial Valuation as of December 31, 2017

### Definitions

<table>
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<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Benefit Payments</td>
<td>All benefits (including refunds of employee contributions) estimated to be payable through the OPEB plan (including amounts to be paid by employers or nonemployer contributing entities as the benefits come due) to current active and inactive employees as a result of their past service and their expected future service.</td>
</tr>
<tr>
<td>Real Rate of Return</td>
<td>The rate of return on an investment after adjustment to eliminate inflation.</td>
</tr>
<tr>
<td>Service Costs</td>
<td>The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.</td>
</tr>
<tr>
<td>Termination Benefits</td>
<td>Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.</td>
</tr>
<tr>
<td>Total OPEB Liability</td>
<td>The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 75. The total OPEB liability is the liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria of paragraph 4 of Statement 75.</td>
</tr>
</tbody>
</table>
I, Kristine Bolzman, Deputy City Clerk of the City of Saginaw, County and State aforesaid, do hereby certify that I have compared the attached copy of the Council Communication to City Council for the regular meeting held on October 8, 2018, and that it is a true and exact copy of the original on file in my office.

In Witness Whereof, I have hereunto set my hand and affixed the Corporate Seal of the City of Saginaw, Michigan, on October 9, 2018.

Kristine Bolzman
DEPUTY CITY CLERK
From: Timothy Morales, City Manager
Subject: Corrective Action Plan: Retirement Health Benefit Systems
Prepared by: Dennis Jordan, ACM/Director of Human Resources

Manager’s Recommendation:

I recommend approval of the Corrective Action Plan for the Retirement Health Benefit Systems to the Michigan Department of Treasury.

Justification:

Public Act 202 (The Act) of 2017, the Protecting Local Government Retirement and Benefits Act, went into effect on December 20, 2017. Pursuant to the Act, local units of government who offer retirement benefits (pension and healthcare) that are determined to be actuarially underfunded, must provide the Michigan Department of Treasury a Corrective Action Plan that has been approved by the local governmental body (City Council). The Act requires retiree healthcare plans to be at least 40% funded. The City of Saginaw is on a “Pay as you go” method and has no funds dedicated to a healthcare trust fund. Since the most recent Actuarial Valuation of the retirement health plan (December 31, 2017) indicates the plan has $281,963,003 of unfunded liabilities, we will need to file a Corrective Action Plan with the State Treasurer.

In summary, the plan will establish a HealthCare Trust and make annual additional contributions to the extent that future annual budgets will support the additional contributions.

I am requesting City Council to approve the Corrective Action Plan for the Retirement Health Benefit Systems so it can be submitted to the State of Michigan Department of Treasury for consideration.

Submitting the Corrective Action Plan does not guarantee that the Treasury will approve the Plan. The Department of Treasury will notify the City of their determination and whether or not further action will be required.

I have approved the Corrective Action Plan for the Retirement Health Benefit Systems as to substance and the City Attorney approves as to form.

Council Action:

Motion to approve the recommendation of the City Manager.
STATE OF MICHIGAN  )
COUNTY OF SAGINAW  )
CITY OF SAGINAW    )

OFFICE OF THE CITY CLERK
CITY OF SAGINAW

I, Kristine Bolzman, Deputy City Clerk of the City of Saginaw, County and State aforesaid, do hereby certify that I have compared the attached copy of the Council Minutes for the regular meeting held on October 8, 2018, and that it is a true and exact copy of the original on file in my office.

In Witness Whereof, I have hereunto set my hand and affixed the Corporate Seal of the City of Saginaw, Michigan, on October 24, 2018.

Kristine Bolzman  
DEPUTY CITY CLERK
A REGULAR MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, WAS HELD MONDAY, OCTOBER 8, 2018, AT 6:30 P.M. IN THE COUNCIL CHAMBER AT CITY HALL, 135 S. WASHINGTON AVENUE, SAGINAW, MICHIGAN.

PRAYER AND PLEDGE OF ALLEGIANCE
Council Member Bryant offered a prayer and led the pledge of allegiance of the United States of America.

ROLL CALL
Mayor Pro Tem Kloc called the meeting to order. Council Members present: Jamie Forbes, Clint Bryant, Floyd Kloc, Brenda Moore, John Milne, Michael Balls, and John Humphreys: 7. Council Members absent: Annie Boensch and Mayor Dennis Browning: 2.

ANNOUNCEMENTS
City Clerk Janet Santos announced the following:
- City Council has rescheduled the regular November Council meetings to Monday, November 5 and Monday, November 26. Both meetings are at 6:30 p.m.
- A revised agenda has been distributed. The revision adds the reappointment of Greg Branch to the MBS Airport Commission and corrects the term ending date to October 31, 2022 for both reappointments.
- The last day to register to vote, or change your address is Tuesday, October 9 at 4:00 p.m. Voter information as of October 9 will be effective for the November 6 General Election.

Mayor Pro Tem Kloc presented a proclamation to Fire Marshal Ralph Martin designating October 7 – 13, 2018 as "Fire Prevention Week."

Mayor Pro Tem Kloc presented a proclamation to Dan Straka, Saginaw County Bar Association, designating October 21 – 27, 2018 as "Pro Bono Week."

PUBLIC INPUT
Public Input addressed the Council as follows: Irie Sample.

REMARKS OF COUNCIL
Remarks were heard from the following Council Members: Balls, Milne, Moore, Bryant, Forbes, Humphreys, and Mayor Pro Tem Kloc.

REPORTS FROM CITY MANAGER
City Manager Tim Morales provided information updates on various meetings, events and City projects.

Manager Morales introduced Michelle McGregor, Executive Director of the First Ward Community Center. Ms. McGregor presented an update on the EnVision Center Program.

Manager Morales introduced Dennis Jordan, Director of Human Resources. Mr. Jordan presented an update on PA 202 - Unfunded Liabilities.

CONSENT AGENDA:
1. Approve the September 24, 2018 special meeting and regular council meeting minutes.

2. Approve Petition #18-13 from the Saginaw County Bar Association to erect a banner in the 500 block of Court Street from March 18 to April 16, 2019 to promote “Law Day.”


5. Approve the amendments to the FY 2019 Approved Budget to recognize changes that have occurred during the October period.

6. Approve the Saginaw County Mental Health Authority/Mid-State Health Network Treatment and Prevention Services Grant for $189,332. Further, approve a budget adjustment for FY 2019 to recognize these funds.

7. Approve the purchase with Premier Safety Company for $2,989 for a Mini Rae photoionization detector air monitor for the Fire Department.

8. Approve the purchase with First Class Building Maintenance for $6,000 for window repairs in Fiscal Services.

9. Approve the purchase with Sign Image for an amount not to exceed $37,000 for the professional services associated with the design, installation and construction of a digital sign for City Hall.

10. Approve the Ojibway Island Park Improvements Contract with Geiersbach Construction Inc., for $547,708.50 for the Engineering Section, Right of Way Division.

11. Approve the purchase with Altech Doors, LLC for $20,658.16 for five overhead doors in the Public Works Building.

12. Approve the purchase with Michigan Pipe and Valve for $97,890 for fire hydrants for the Maintenance and Service Division.

13. Approve the purchase with Michigan Pipe and Valve for $247,671 for water main appurtenances for the Maintenance and Service Division.

14. Approve the purchase with Compass Minerals America, Inc. for $100,425 for road salt for the Streets Section, Right of Way Division.

15. Approve the purchase with Carrier & Gable, Inc. for $7,950 for 30 portable sign stands for the Traffic Maintenance Section, Right of Way Division.

17. Approve the purchase with Pyramid Paving for $32,945 for professional services associated with the design and resurfacing of the parking lot on the corner of Court and Hamilton Streets.

18. Approve the purchase with Waterworks Systems and Equipment, a sole source, for $5,531 for vacuum regulator parts for the Wastewater Treatment Division.

19. Approve the purchase with Infor for $15,480.29 for the EAM software renewal for the Water and Wastewater Treatment Divisions.

20. Ratification of a purchase with Graham Masonry & Waterproofing for $16,510 for the masonry repairs at the Police Station.

Moved by Council Member Moore, seconded by Council Member Bryant to approve consent agenda items 1 through 11, and 14 through 20, as presented. 7 ayes, 0 nays, 2 absent. Motion approved.

Moved by Council Member Balls, seconded by Council Member Bryant to approve consent agenda items 12 and 13, as presented. 7 ayes, 0 nays, 2 absent. Motion approved.

BOARD/COMMISSION/COMMITTEE REPORTS
Council Member Bryant reported that the Planning Commission approved the site plans for a Vascular Clinic to proceed on Michigan Avenue.

APPOINTMENT OF BOARD/COMMISSION/COMMITTEE MEMBERS
Moved by Council Member Bryant, seconded by Council Member Milne to approve the Council reappointment of Timothy Morales to the MBS International Airport Commission with a term to expire October 31, 2022. 7 ayes, 0 nays, 2 absent. Motion approved.

Moved by Council Member Forbes, seconded by Council Member Milne to approve the Council reappointment of Greg Branch to the MBS International Airport Commission with a term to expire October 31, 2022. 7 ayes, 0 nays, 2 absent. Motion approved.

RESOLUTIONS
Moved by Council Member Moore, seconded by Council Member Milne to adopt the resolution approving the revocation of the Obsolete Property Rehabilitation Certificate #3-12-0019 granted to James Bricault for 126 N. Franklin Street. 7 ayes, 0 nays, 2 absent. Motion approved.

MISCELLANEOUS BUSINESS
Moved by Council Member Bryant, seconded by Council Member Moore to authorize the City Manager to issue a Letter of Support for First Ward Community Center’s Participation in the EnVision Center Pilot Demonstration Initiative. 7 ayes, 0 nays, 2 absent. Motion approved.
Moved by Council Member Bryant, seconded by Council Member Moore to go into closed session to consider material exempt from discussion or disclosure by state or federal statute. Mayor Pro Tem Kloc asked Clerk Santos to conduct a roll call vote.  
Ayes: Moore, Forbes, Bryant, Balls, Humphreys, Milne, Kloc  
Nays: None  
Absent: Boensch, Browning  
Motion approved.

Council entered a closed session at 8:24 p.m.

Moved by Council Member Moore, seconded by Council Member Bryant to return to regular session at 8:44 p.m. 7 ayes, 0 nays, 2 absent. Motion approved.

Moved by Council Member Milne, seconded by Council Member Bryant to approve the recommendation of legal counsel as discussed in closed session. 7 ayes, 0 nays, 2 absent. Motion approved.

ADJOURNMENT

Moved by Council Member Balls, seconded by Council Member Moore to adjourn the meeting at 8:45 p.m. 7 ayes, 0 nays, 2 absent. Motion approved.

Janet Santos, CMMC/MMC  
City Clerk