

Public Act 530 of 2016 - Compliance

Sec. 13

(1)(d)	Item	Information and Location
(i)	Name of System	Marquette County Road Commission
(ii)	Names Investment Fiduciaries	MERS of Michigan is the Investment Fiduciary
(iii)	Systems service providers	MERS of Michigan, CBIZ Retirement Plan Services (actuary)
(iv)	System's assets and liabilities/changes	Statement of Fiduciary Net Position for the Year Ending 12/31/2016 attached.
(v)	System's funded ratio	46.50%
(vi)	Investment performance	Investment performance net of fees: 1 year: 10.85% 3 years: 5.32% 5 years: 8.30% 7 years: 8.18% 10 years: 5.11%
(vii)	System admin & invest expenses	At December 31, 2016, the cost of the Defined Benefit Plan was 0.39% (0.21% for administration and 0.18% for investments)
(viii)	System's budget	Not applicable to the local government
(ix)	(A) Number of actives	53
	(B) Number of retirees/beneficiaries	68
	(C) The average annual retirement allowance	\$24,363.88
	(D) Total annual retirement allowance	\$1,656,744
	(E) Valuation payroll for actives	\$2,728,682
	(F) Normal cost and/or percentage	\$179,052
	(G) Total computed employer contribution	\$1,295,184
	(H) Weighted average member contributions	4%
	(I) Actuarial investment return	7.75%
	(J) Actuarial long term inflation rate	3.75%
	(K) Smoothing method	5 years
	(L) Amortization method	Table 10 of AAV - Attached
	(M) Actuarial cost method	Entry Age Normal Method
	(N) Open or closed membership	Benefit Provision History in the Annual Actuarial Valuation - Attached
	(O) Health Care inflation	7.50%
(x)	Travel report	Not applicable to local governments within MERS

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20h (1) If below 60% funded, actions taken to reduce the systems UAL

MERS adheres to the following fiscal best practices:

- Conducts an Experience Study every five years to ensure assumptions match actual experience and make adjustments where necessary.
- Use a fixed Amortization period
- MERS implements checks and balances to eliminate unexpected pension spikes. Actuarial loads are applied to groups that have demonstrated a history of Final Average Compensation increases.
- UAL amortization schedule is on track to be paid off in 23 years.

Marquette County Road Commission has taken the following actions:

- Lowered benefit offered to new hires, effective 1/1/2013
- Bridged Benefits for existing employees, effective 1/1/2013
- Increased Employee Contribution Rates
- Set a maximum Employer Contribution of 10%, effective 1/1/2013
- Submitted an additional 3% of payroll, at minimum, each year in Employer contributions.



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Ishpeming, MI 49849

**Statement of Fiduciary Net Position
For the Year Ending 12/31/2016**

Customer Number: 521101

Reserve for Employee Contributions						
Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	EE Refunds	Interest on EE Balance	Balance as of 12/31/2016
52110101	\$738,751.57	\$48,406.06	(\$38,840.00)	\$0.00	\$5,961.42	\$754,279.05
52110110	\$337,173.21	\$36,132.32	(\$33,924.57)	\$0.00	\$2,865.98	\$342,246.94
52110112	\$35,166.00	\$5,140.01	\$0.00	\$0.00	\$298.91	\$40,604.92
52110114	\$36,344.27	\$48,913.28	(\$4,311.64)	\$0.00	\$278.86	\$81,224.77
52110115	\$12,158.86	\$2,743.12	\$4,311.64	(\$12,281.58)	\$36.66	\$6,968.70
Total	\$1,159,593.91	\$141,334.79	(\$72,764.57)	(\$12,281.58)	\$9,441.83	\$1,225,324.38

Reserve for Employer Contributions and Benefit Payments

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers & Fees	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
52110101	\$6,606,063.64	\$540,049.83	\$38,840.00	(\$917,985.49)	\$814,679.30	(\$16,206.50)	\$7,065,440.78
52110110	\$3,143,310.59	\$427,607.79	\$33,924.57	(\$551,012.40)	\$388,509.74	(\$7,724.44)	\$3,434,615.85
52110111	\$80,829.62	\$55,140.00	\$0.00	(\$46,793.58)	\$9,544.23	(\$186.96)	\$98,533.31
52110112	\$443,980.84	\$69,749.97	\$0.00	(\$85,508.40)	\$53,293.58	(\$1,058.21)	\$480,457.78
52110113	\$48,137.69	\$14,808.00	\$0.00	(\$13,483.80)	\$5,500.23	(\$108.44)	\$54,853.68
52110114	\$24,395.51	\$16,997.94	(\$7,612.66)	\$0.00	\$9,574.37	(\$190.39)	\$43,164.77
52110115	\$14,568.25	\$1,867.15	\$7,612.66	\$0.00	\$2,886.06	(\$56.24)	\$26,877.88
Total	\$10,361,286.14	\$1,126,220.68	\$72,764.57	(\$1,614,783.67)	\$1,283,987.51	(\$25,531.18)	\$11,203,944.05

Combined Reserves

Bargaining Unit	Balance as of 12/31/2015	Invoiced & Other Contributions	Transfers	Benefits Paid	Net Investment Income	Admin Expenses	Balance as of 12/31/2016
Total	\$11,520,880.05	\$1,267,555.47	\$0.00	(\$1,627,065.25)	\$1,293,429.34	(\$25,531.18)	\$12,429,268.43

Outstanding Accounts Receivable at 12/31/2016: \$118,323.40

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Division 01 - Union

Table 10-01: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ 7,542,061	23	\$ 7,758,030	22	\$ 529,068
Gain/Loss	12/31/2016	181,706	22	195,788	22	13,356
Total				\$ 7,953,818		\$ 542,424

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

** Please see the [Appendix](#) on the MERS website for a description of the amortization policy.

The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 10 - NonUnio

Table 10-10: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ 5,997,949	23	\$ 6,167,225	22	\$ 420,576
Gain/Loss	12/31/2016	(6,580)	22	(7,090)	22	(480)
Total				\$ 6,160,135		\$ 420,096

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

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The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 11 - Engineer

Table 10-11: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ 318,572	5	\$ 241,766	4	\$ 66,324
Gain/Loss	12/31/2016	(30,490)	10	(32,853)	10	(4,020)
Total				\$ 208,913		\$ 62,304

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

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The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 12 - Admin

Table 10-12: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ 1,046,511	23	\$ 1,077,126	22	\$ 73,452
Gain/Loss	12/31/2016	14,084	22	15,175	22	1,032
Total				\$ 1,092,301		\$ 74,484

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

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The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 13 - Spintdt

Table 10-13: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ 90,515	5	\$ 69,452	4	\$ 19,056
Gain/Loss	12/31/2016	2,873	10	3,096	10	384
Total				\$ 72,548		\$ 19,440

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

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The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 14 - Union after 01/01/2013

Table 10-14: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Gain/Loss	12/31/2016	3,427	15	3,693	15	324
Total				\$ 3,693		\$ 324

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

** Please see the [Appendix](#) on the MERS website for a description of the amortization policy.

The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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Division 15 - Non-Union after 01/01/13

Table 10-15: Layered Amortization Schedule

Type of UAL	Date Established	Original Balance	Original Amortization Period**	Amounts for Fiscal Year Beginning 1/1/2018		
				Outstanding UAL Balance*	Amortization Period**	Amortization Payment
Initial	12/31/2015	\$ (18,186)	10	\$ (23,428)	10	\$ (2,868)
Gain/Loss	12/31/2016	(729)	15	(786)	15	(72)
Total				\$ (24,214)		\$ (2,940)

* This is the remaining balance as of the valuation date, projected to the beginning of the fiscal year shown above.

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The unfunded accrued liability as of December 31, 2016 (see Table 6) is projected to the beginning of the fiscal year for which the contributions are being calculated. This allows the 2016 valuation to take into account the expected future contributions that are based on past valuations. The projected unfunded accrued liability is amortized over the appropriate period.

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pg 1 of 4**Benefit Provision History**

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

01 - Union

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2013	Benefit B-3 (80% max)
1/1/2013	Member Contribution Rate 4.50%
12/31/2012	Frozen FAC
1/1/2012	Member Contribution Rate 2.43%
3/1/2011	Member Contribution Rate 2.26%
1/1/2009	Member Contribution Rate 2.12%
3/1/2008	Member Contribution Rate 2.19%
6/1/2007	Day of work defined as 8 Hours a Day for All employees.
6/1/2007	Exclude Temporary Employees requiring less than 12 months
7/1/2006	Benefit F55 (With 25 Years of Service)
1/1/2006	Member Contribution Rate 2.32%
5/16/2005	Day of work defined as 120 Hours a Month for All employees.
5/16/2005	Exclude Temporary Employees
1/1/2005	Member Contribution Rate 2.38%
1/1/2004	Member Contribution Rate 2.44%
1/1/2002	Member Contribution Rate 2.56%
1/1/2001	Member Contribution Rate 2.59%
1/1/2000	Member Contribution Rate 2.61%
7/1/1999	Benefit B-4 (80% max)
7/1/1999	E2 2.5% COLA for future retirees (07/01/1999)
7/1/1998	Benefit B-3 (80% max)
1/1/1997	Member Contribution Rate 2.70%
1/1/1995	6 Year Vesting
2/6/1994	Member Contribution Rate 2.81%
3/1/1993	Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1993	10 Year Vesting
3/1/1993	Benefit C-2/Base B-1
3/1/1993	Member Contribution Rate 0.00%
3/1/1993	Fiscal Month - January

10 - NonUnion

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2014	Benefit B-3 (80% max)
1/1/2014	Member Contribution Rate 4.50%
12/31/2013	Current FAC
1/1/2013	Member Contribution Rate 2.26%
1/1/2012	Member Contribution Rate 2.01%
1/1/2011	Member Contribution Rate 1.76%
1/1/2009	Member Contribution Rate 1.51%

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3/1/2008	Member Contribution Rate 1.69%
6/1/2007	Day of work defined as 8 Hours a Day for All employees.
6/1/2007	Exclude Temporary Employees requiring less than 12 months
7/1/2006	Benefit F55 (With 25 Years of Service)
1/1/2006	Member Contribution Rate 1.90%
5/16/2005	Day of work defined as 120 Hours a Month for All employees.
5/16/2005	Exclude Temporary Employees
1/1/2005	Member Contribution Rate 1.94%
1/1/2004	Member Contribution Rate 2.04%
1/1/1999	Temporary Benefit F55 (With 30 Years of Service) (01/01/1999 - 05/03/1999)
9/1/1998	Benefit B-4 (80% max)
9/1/1998	E2 2.5% COLA for future retirees (09/01/1998)
1/1/1997	Benefit B-2
1/1/1997	Member Contribution Rate 2.15%
2/6/1994	Member Contribution Rate 2.11%
1/31/1994	Member Contribution Rate 0.00%
1/1/1994	6 Year Vesting
10/1/1993	Member Contribution Rate 2.30%
3/1/1993	Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1993	10 Year Vesting
3/1/1993	Benefit C-2/Base B-1
3/1/1993	Fiscal Month - January

11 - Engineer

12/1/2016	Service Credit Purchase Estimates - Yes
6/1/2007	Day of work defined as 8 Hours a Day for All employees.
6/1/2007	Exclude Temporary Employees requiring less than 12 months
5/16/2005	Day of work defined as 120 Hours a Month for All employees.
5/16/2005	Exclude Temporary Employees
6/1/1999	E2 2.5% COLA for future retirees (06/01/1999)
6/1/1999	Benefit FAC-3 (3 Year Final Average Compensation)
1/1/1997	Benefit B-4 (80% max)
1/1/1997	Member Contribution Rate 2.00%
1/1/1995	6 Year Vesting
1/1/1995	Benefit C-2/Base B-1
1/1/1995	Member Contribution Rate 0.73%
1/1/1995	Benefit FAC-5 (5 Year Final Average Compensation)
3/1/1993	Fiscal Month - January

12 - Admin

12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2014	Member Contribution Rate 5.00%
1/1/2013	Member Contribution Rate 2.54%
1/1/2012	Member Contribution Rate 2.29%
1/1/2011	Member Contribution Rate 2.04%

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6/1/2007 Day of work defined as 8 Hours a Day for All employees.
 6/1/2007 Exclude Temporary Employees requiring less than 12 months
 7/1/2006 Benefit F55 (With 25 Years of Service)
 5/16/2005 Day of work defined as 120 Hours a Month for All employees.
 5/16/2005 Exclude Temporary Employees
 11/1/2004 Temporary 22 Years & Out (11/01/2004 - 02/03/2005)
 1/1/2001 E2 2.5% COLA for future retirees (11/06/2000)
 1/1/1997 Benefit B-4 (80% max)
 1/1/1997 Member Contribution Rate 1.79%
 1/1/1995 Benefit FAC-5 (5 Year Final Average Compensation)
 1/1/1995 6 Year Vesting
 1/1/1995 Benefit C-2/Base B-1
 1/1/1995 Member Contribution Rate 1.83%
 3/1/1993 Fiscal Month - January

13 - Spintdt

12/1/2016 Service Credit Purchase Estimates - Yes
 6/1/2007 Day of work defined as 8 Hours a Day for All employees.
 6/1/2007 Exclude Temporary Employees requiring less than 12 months
 5/16/2005 Day of work defined as 120 Hcurs a Month for All employees.
 5/16/2005 Exclude Temporary Employees
 1/1/2002 E2 2.5% COLA for future retirees (08/01/2001)
 8/1/2001 Benefit FAC-3 (3 Year Final Average Compensation)
 8/1/2001 Benefit F55 (With 25 Years of Service)
 1/1/1997 Benefit B-4 (80% max)
 1/1/1997 Benefit F55 (With 15 Years of Service)
 1/1/1997 Member Contribution Rate 2.00%
 1/1/1995 Benefit FAC-5 (5 Year Final Average Compensation)
 1/1/1995 6 Year Vesting
 1/1/1995 Benefit C-2/Base B-1
 1/1/1995 Member Contribution Rate 0.00%
 3/1/1993 Fiscal Month - January

14 - Union after 01/01/2013

12/1/2016 Service Credit Purchase Estimates - Yes
 1/1/2016 Participant Contribution Rate 5%
 1/1/2013 Day of work defined as 8 Hours a Day for All employees.
 1/1/2013 Benefit FAC-5 (5 Year Final Average Compensation)
 1/1/2013 Exclude Temporary Employees requiring less than 12 months
 1/1/2013 6 Year Vesting
 1/1/2013 Benefit C-1 (New)
 1/1/2013 Member Contribution Rate 5.00%
 3/1/1993 Fiscal Month - January

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12/1/2016	Service Credit Purchase Estimates - Yes
1/1/2016	Participant Contribution Rate 5%
1/1/2013	Day of work defined as 8 Hours a Day for All employees.
1/1/2013	Benefit FAC-5 (5 Year Final Average Compensation)
1/1/2013	Exclude Temporary Employees requiring less than 12 months
1/1/2013	6 Year Vesting
1/1/2013	Benefit C-1 (New)
1/1/2013	Member Contribution Rate 5.00%
3/1/1993	Fiscal Month - January