THE CITY OF MARQUETTE

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)

2016 SUMMARY ANNUAL REPORT

In compliance with Act 530 of 2016, Sect. 13(h):

- (i)   Name of the System: City of Marquette MERS Defined Benefit Plan
- (ii)   Name of 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: Actuarial Accrued Liability: $65,151,388, Valuation Assets: $39,693,337, net change: $4,480,167.22
- (v)   System's Funded Ratio: 61%
- (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. & Investment Expense: On December 31, 2016, the cost of the Defined Benefit Plan Was 0.39% (0.21% for admin. and 0.18% for investments)
- (viii) System's Budget: Not applicable to local government
- (ix):
  - (A) Number of Actives: 119
  - (B) Number of Retirees/Beneficiaries: 138
  - (C) The Average Annual Retirement Allowance: $24,931
  - (D) Total annual retirement allowance: $3,440,452
  - (E) Valuation payroll for active employees: $6,086,963
  - (F) Normal Cost and/or Percentage: $655,500
  - (G) Total Computed Employer Contribution: $2,794,224
  - (H) Weighted Average Member Contributions: 5.5%
  - (I) Actuarial Investment Return: 7.75%
  - (J) Actuarial Long Term Inflation Rate: 3.75%
  - (K) Smoothing Method: 5 years
  - (L) Amortization Method: Annual changes in UAL are amortized over various fixed periods.
  - (M) Actuarial Cost Method: Entry Age Normal Method
  - (N) Open or Closed Membership: All divisions are closed except for Division 91. All union new hires are enrolled in Division 91 with a lower benefit level. Management new hires are enrolled in a Defined Contribution Plan.
  - (O) Health Care Inflation: Not applicable to pension plans
- (x)   Travel Report: Not applicable to local governments within MERS