



Flint Public Library Business Office

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Memo

To: Director Schwartz and Board of Trustees
From: Connie Palmer, Director of Finance, HR and Facilities
Date: November 18, 2020
Re: **Local Government System Annual Report (Form 5572)**

Attached you will find the Local Government System Annual Report, Form 5572 as filed on November 17, 2020 with the Michigan Department of Treasury. PA 202 of 2017 requires this report "be filed for any local unit of government that offers a retirement pension benefit and or a retirement health benefit plan" (MI Dept. of Treasury, Form 5572 instructions, part A.) The purpose of the report is to provide the information to the legislature on the status of the publicly funded retirement and retiree health care plans in the State of Michigan. The public act provides for oversight if a reporting unit has underfunded status by requiring the creation and filing for approval of a corrective action plan.

The report is composed of two parts, the first is the report on the pension plans and the second is the report on retiree health care plans. We are required to submit this report electronically to the governing body of the local unit of government after submission to Michigan Department of Treasury. This summary is to aid in understanding the report.

Please note that the Flint Public Library currently meets the guidelines for the funding of its retirement plan and will not require further action.

Flint Public Library has two pension plans in the pension part of the report; they are as follows:

- The Municipal Employees Retirement System (MERS) covers full time employees hired after July 1, 2002 and part time employees hired prior to July 1, 2012. The plan is a defined benefit plan without retiree health care. Employees are vested after 10 years of employment with the library. Retirement contributions are paid monthly based on the percentage of eligible retirement earnings. The plan is overfunded at 105.53%. The overfunding is the result of individuals having worked at the library and leaving before they were vested in the plan; payments made on their behalf are still part of the plan assets.
- The Michigan Public School Employees Retirement System (MPSERS) covers all employees that continued their employment with the Flint Public Library after the library separated from the Flint Community Schools in 2002. The plan is a defined benefit plan with retiree health care for retirees and their beneficiaries. Employees are

vested after 10 years of service in a public school district, eligible district public library and eligible universities. The plan is part of the Office of Retirement Services within the State of Michigan and is governed by Public Act 300 of 1980 as amended by the state legislature and governor. The library currently has eight participants in this plan. The plan as a whole is underfunded; the libraries proportionate share of the underfunding is \$2,139,199 in liabilities as of September 30, 2019 or .00646% of the total plan. The stabilization payments received yearly are part of a funding solution to eliminating the underfunding by the year 2032.

The pension part of the report provides summary information on each plan and calculates as to whether there is an unfunded status for the plans as defined by PA202 of 2017. The calculation for the library includes the MERS plan, which is overfunded. The MPSERS plan, as a cost-sharing plan, is not included in the calculation.

The second part of the report provides information about retiree health care plans. The MPSERS plan provides for retiree health care, the MERS plan does not. The library's proportionate percentage of the unfunded portion of the MPSERS plan is \$385,780 in liabilities as of September 30, 2019 or .00537% of the total plan. The MPSERS plan is a cost-sharing plan; we are not required to provide additional calculations.

If you have further questions, please email me at cpalmer@fpl.info and I will respond to all. Thank you.

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) & Public Act 530 of 2016 Pension Report

Enter Local Government Name	Flint Public Library	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Enter Six-Digit Municode	258000	
Unit Type	Library	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2020	
Contact Name (Chief Administrative Officer)	Kathryn L. Schwartz	
Title if not CAO	Director of Library Services	
CAO (or designee) Email Address	kschwartz@fpl.info	
Contact Telephone Number	810-249-2038	
Pension System Name (not division) 1	Michigan Employer's Retirement System	If your pension system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
Pension System Name (not division) 2	ORS MPSERS - Cost sharing plan	
Pension System Name (not division) 3		
Pension System Name (not division) 4		
Pension System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement pension system	Calculated from above	Michigan Employer's Retirement System	ORS MPSERS - Cost sharing plan			
3	Financial Information						
4	Enter retirement pension system's assets (system fiduciary net position ending)	Most Recent Audit Report	2,061,493				
5	Enter retirement pension system's liabilities (total pension liability ending)	Most Recent Audit Report	1,953,459	-			
6	Funded ratio	Calculated	105.5%				
7	Actuarially Determined Contribution (ADC)	Most Recent Audit Report	34,027	161,064			
8	Governmental Fund Revenues	Most Recent Audit Report	5,176,711	5,176,711			
9	All systems combined ADC/Governmental fund revenues	Calculated	3.8%	3.8%			
10	Membership						
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	20	8			
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	8	6			
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	4	25			
14	Investment Performance						
15	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	14.02%				
16	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	6.39%				
17	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider	7.9%				
18	Actuarial Assumptions						
19	Actuarial assumed rate of investment return	Actuarial Funding Valuation used in Most Recent Audit Report	7.35%				
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	Level Percent				
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report	0				
22	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report	No				
23	Uniform Assumptions						
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	2,076,564				
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	2,244,960				
26	Funded ratio using uniform assumptions	Calculated	92.5%				
27	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report	92,820				
28	All systems combined ADC/Governmental fund revenues	Calculated	1.8%	1.8%			
29	Pension Trigger Summary						
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 60% funded <u>AND</u> greater than 10% ADC/Governmental fund revenues. Non-Primary government triggers: Less than 60% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
Local governments must post the current year report on their website or in a public place.
The local government must electronically submit the form to its governing body.
Local governments must have had an actuarial experience study conducted by the plan actuary for each retirement system at least every 5 years.
Local governments must have had a peer actuarial audit conducted by an actuary that is not the plan actuary OR replace the plan actuary at least every 8 years.

By emailing this report to the Michigan Department of Treasury, the local government acknowledges that this report is complete and accurate in all known respects.

The Protecting Local Government Retirement and Benefits Act (PA 202 of 2017) Health Care (OPEB) Report

Enter Local Government Name	Flint Public Library	Instructions: For a list of detailed instructions on how to complete and submit this form, visit michigan.gov/LocalRetirementReporting .
Enter Six-Digit Municode	258000	
Unit Type	Library	
Fiscal Year End Month	June	
Fiscal Year (four-digit year only, e.g. 2019)	2020	Questions: For questions, please email LocalRetirementReporting@michigan.gov . Return this original Excel file. Do not submit a scanned image or PDF.
Contact Name (Chief Administrative Officer)	Kathryn L. Schwartz	
Title if not CAO	Director of Library Services	
CAO (or designee) Email Address	kschwartz@fpl.info	
Contact Telephone Number	810-249-2038	
OPEB System Name (not division) 1	ORS MPERS cost sharing plan	If your OPEB system is separated by divisions, you would only enter one system. For example, one could have different divisions of the same system for union and non-union employees. However, these would be only one system and should be reported as such on this form.
OPEB System Name (not division) 2		
OPEB System Name (not division) 3		
OPEB System Name (not division) 4		
OPEB System Name (not division) 5		

Line	Descriptive Information	Source of Data	System 1	System 2	System 3	System 4	System 5
1	Is this unit a primary government (County, Township, City, Village)?	Calculated	NO	NO	NO	NO	NO
2	Provide the name of your retirement health care system	Calculated from above	ORS MPERS cost sharing plan				
3 Financial Information							
4	Enter retirement health care system's assets (system fiduciary net position ending)	Most Recent Audit Report					
5	Enter retirement health care system's liabilities (total OPEB liability)	Most Recent Audit Report					
6	Funded ratio	Calculated					
7	Actuarially determined contribution (ADC)	Most Recent Audit Report	37,414				
7a	Do the financial statements include an ADC calculated in compliance with Numbered Letter 2018-3?	Most Recent Audit Report	YES				
8	Governmental Fund Revenues	Most Recent Audit Report	5,176,711				
9	All systems combined ADC/Governmental fund revenues	Calculated	0.7%				
10 Membership							
11	Indicate number of active members	Actuarial Funding Valuation used in Most Recent Audit Report	8				
12	Indicate number of inactive members	Actuarial Funding Valuation used in Most Recent Audit Report	6				
13	Indicate number of retirees and beneficiaries	Actuarial Funding Valuation used in Most Recent Audit Report	25				
14	Provide the amount of premiums paid on behalf of the retirees	Most Recent Audit Report or Accounting Records					
15 Investment Performance							
16	Enter actual rate of return - prior 1-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider					
17	Enter actual rate of return - prior 5-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider					
18	Enter actual rate of return - prior 10-year period	Actuarial Funding Valuation used in Most Recent Audit Report or System Investment Provider					
19 Actuarial Assumptions							
20	Assumed Rate of Investment Return	Actuarial Funding Valuation used in Most Recent Audit Report					
21	Enter discount rate	Actuarial Funding Valuation used in Most Recent Audit Report					
22	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
23	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	Actuarial Funding Valuation used in Most Recent Audit Report					
24	Is each division within the system closed to new employees?	Actuarial Funding Valuation used in Most Recent Audit Report					
25	Health care inflation assumption for the next year	Actuarial Funding Valuation used in Most Recent Audit Report					
26	Health care inflation assumption - Long-Term Trend Rate	Actuarial Funding Valuation used in Most Recent Audit Report					
27 Uniform Assumptions							
28	Enter retirement health care system's actuarial value of assets using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report					
29	Enter retirement health care system's actuarial accrued liabilities using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report					
30	Funded ratio using uniform assumptions	Calculated					
31	Actuarially Determined Contribution (ADC) using uniform assumptions	Actuarial Funding Valuation used in Most Recent Audit Report					
32	All systems combined ADC/Governmental fund revenues	Calculated	0.0%				
33 Summary Report							
34	Did the local government pay the retiree insurance premiums for the year?	Accounting Records					
35	Did the local government pay the normal cost for employees hired after June 30, 2018?	Accounting Records					
36	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Primary government triggers: Less than 40% funded AND greater than 12% ARC/Governmental fund revenues. Non-Primary government triggers: Less than 40% funded	NO	NO	NO	NO	NO

Requirements (For your information, the following are requirements of P.A. 202 of 2017)
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