

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

Issued under authority of Public Act 202 of 2017.

### I. MUNICIPALITY INFORMATION

Local Unit Name: Redford Township District Library Six-Digit Muni Code: 828005

Retirement Health Benefit System Name: Retiree Heath Funding Vehicle with MERS

Contact Name (Administrative Officer): Garrett Hungerford

Title if not Administrative Officer: Director

Email: ghungerford@redfordlibrary.org Telephone: (313) 531-2640

### 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](mailto: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**.*

On 3/21/16, retiree healthcare was closed to all new employees starting on or after April 1st, 2016.

- ☐ **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.*

- ☒ **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**.*

The information provided on Form 5572 was from the audit that used actuarial data from 2016. The library is in process of updating our valuation for FY ending March 31st, 2019.

### 4. DESCRIPTION OF PROSPECTIVE ACTIONS

The corrective action plan allows you to submit a plan of prospective actions which are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prospective actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement **system** as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what will the local unit of government do to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

**Category of Prospective Actions:**

- ☒ **System Design Changes** - System design changes may include the following: Changes to coverage levels (including retiree co-payments, deductibles, and Medicare eligibility), changes to premium cost-sharing, eligibility changes, switch to defined contribution retiree health care plan, changes to retiree health care coverage for new hires, etc.

**Sample Statement:** The local unit will seek to align benefit levels for the retired membership with each class of active employees. Beginning with **summer 2018** contract negotiations, the local unit will seek revised collective bargaining agreements with the **Command Officers Association** and **Internal Association of Firefighters** to increase employee co-payments and deductibles for healthcare. These coverage changes would result in an improvement to the retirement system's funded ratio. Please see page **12** of the attached actuarial analysis that indicates the system would be **40%** funded by **fiscal year 2020** if these changes were adopted and implemented by **fiscal year 2019**.

The library is currently investigating alternative health care options to reduce overall liability. This will take place in spring 2019 with any changes occurring January 1st, 2020.

- ☒ **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 Redford Township District Library is committed to contributing \$30,000 in a Retiree Health Funding Vehicle (RHFV) and pay distributions out of our existing operating budget. As of 12/31/2018, assets for the RHFV are \$342,457. The pay schedule attached was performed by Watkins Ross and shows that the library will be funded at 40% by 2039.

- ☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, actuarial assumption changes, amortization policy changes, etc.

**Sample Statement:** Beginning in **fiscal year 2019**, the local unit will begin amortizing the unfunded portion of the healthcare liability using a **level-dollar amortization method over a closed period of 10 years**. This will allow the health system to reach a funded status of **42%** by **2022** as shown in the attached actuarial analysis on page **13**.

## 5. CONFIRMATION OF FUNDING

Please check the applicable answer:

Do the corrective actions listed in this plan allow for (insert local unit name) Redford Township District Library to make, at a minimum, the retiree premium payment, as well as the normal cost payments for all new hires (if applicable), for the retirement health benefit system according to your long-term budget forecast?

☒ Yes

☐ No

If No, Explain

## 6. DOCUMENTATION ATTACHED TO THIS CORRECTIVE ACTION PLAN

Documentation should be attached as a .pdf to this corrective action plan. The documentation should detail the corrective action plan that would be implemented to adequately address the local unit of government's underfunded status. Please check all documents that are included as part of this plan and attach in successive order as provided below:

**Naming convention:** when attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

### Naming Convention

### Type of Document

☒ Attachment – I

**This Corrective Action Plan (Required)**

☒ Attachment – 1a

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

☒ Attachment – 2a

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

☒ Attachment – 3a

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

☒ Attachment – 4a

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

☐ Attachment – 5a

A separate corrective action plan that the local unit has approved to address its underfunded status, which includes documentation of prior actions, prospective actions, and the positive impact on the system's funded ratio

☐ Attachment – 6a

Other documentation, not categorized above

## 7. CORRECTIVE ACTION PLAN CRITERIA

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

### Corrective Action Plan Criteria

### Description

☒ Underfunded Status

Is there a description and adequate supporting documentation of how and when the retirement system will reach the 40% funded ratio? Or, if your local unit is a city, village, township, or county, how and when the ARC of all retirement healthcare systems will be less than 12 percent of governmental fund revenues?

☒ Reasonable Timeframe

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

☒ Legal and Feasible

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

☒ Affordability

Do the corrective action(s) listed allow the local unit to make the retiree healthcare premium payment, as well as normal cost payment for new hires now and into the future without additional changes to this corrective action plan?

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

I, Garrett Hungerford, as the government's administrative officer (insert title)  
Director (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.

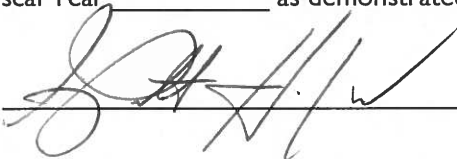
I confirm to the best of my knowledge that because of the changes listed above, one of the following statements will occur:

☒ The Retiree Heath Funding Vehicle with MERS (**Insert Retirement Healthcare System Name**) will achieve a funded status of at least 40% by Fiscal Year 2039 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 02/18/2019

REDFORD TOWNSHIP DISTRICT LIBRARY BOARD OF TRUSTEES MEETING  
February 18, 2019

DRAFT

The regular meeting of the Redford Township District Library Board of Trustees was held on Monday, February 18, 2019 in the library.

The meeting was called to order by Presiding Officer Fred Inman, President, at 4:30 p.m.

Members present:

Jann Dagg  
Fred Inman  
Betsy Lepak  
Lonita Love – arrived at 4:34  
Sue Pevovar  
David Wirth

Members absent: Maureen Miller

Also present: Garrett Hungerford, Director  
Michael Gazzarari, Business and Facilities Manager

**MOTION**

A motion was made by Wirth to approve the Agenda, seconded by Lepak. The motion passed.

Ayes: Dagg, Inman, Lepak, Pevovar, Wirth

Nays: None

**MOTION**

A motion was made by Dagg to approve the warrant requests, seconded by Wirth. The motion passed.

Ayes: Dagg, Inman, Lepak, Pevovar, Wirth

Nays: None

**MOTION**

A motion was made by Dagg to approve the Minutes of the regular meeting on December 17, 2018 seconded by Pevovar. The motion passed.

Ayes: Dagg, Inman, Lepak, Pevovar, Wirth

Nays: None

**CITIZEN'S COMMENTS**

None

**FINANCIAL REPORT**

David Wirth submitted the Financial Report to the Board.

**BUDGET TO ACTUAL REPORT**

The Budget to Actual Report was presented to the Board.

## **DIRECTOR'S REPORT**

Director Garrett Hungerford presented his report.

In the process of clearing out the café area. Provided two designs for the café space from Library Design. Teen shelving and furniture is complete. We were open to the public during the Polar Vortex as a warming center for the Township. We've had a couple of delayed openings or closings due to weather. Posting has been made for substitute librarians. Annual reviews are underway. We've procured a billboard on Telegraph for the Summer Reading Program. The May newsletter will also contain information about the SRP. Library directional signs will be installed in the near future on Telegraph, Six Mile and Beech Daly. The grant for the security cameras will be received within the next two weeks.

## **DIRECTOR REVIEW**

Inman gave a report about his meeting with Hungerford

## **COMMITTEE REPORTS**

Budget Committee gave a report of their February 11, 2019 meeting with the Director

Personnel Committee gave a report of their February 15, 2019 meeting with the Director

## **OLD BUSINESS**

None

## **NEW BUSINESS**

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State of Michigan PA 152 of 2011:

### **MOTION**

A motion was made by Wirth to continue to opt out of PA 152, seconded by Lepak. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

Fine Free:

### **MOTION**

A motion was made by Love to approve 401.0 Lending Policy presented, seconded by Dagg. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

Strategic Plan Approval:

### **MOTION**

A motion was made by Dagg to approve the strategic plan for 2019-2023, seconded by Love. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None



Staff Computer Purchase:

**MOTION**

A motion was made by Lepak to approve the purchase of 27 staff computers from PCM-G not to exceed \$19,000.00, seconded by Pevovar. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

Draft budget for FY 19-20:

The budget for the upcoming fiscal year was discussed. No action necessary.

Public Hearing for FY 19-20 Budget:

**MOTION**

A motion was made by Wirth to schedule the public hearing of the FY 19-20 budget for March 18, 2019 at 4:30 p.m., seconded by Dagg. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

Policy 302.0: Patron Responsibilities and Conduct:

**MOTION**

A motion was made by Love to approve the changes to policy 302.0 as presented, seconded by Lepak. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

Approval of Corrective Action Plan in Conformance with PA 202 of 2017 – Retiree Health Benefit:

**MOTION**

A motion was made by Wirth to submit the corrective action plan as presented, seconded by Dagg. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

**MOTION**

A motion was made by Love to approve the commitment of making payments of \$30,000 annually to the retiree healthcare funding vehicle in addition to annual benefit payments paid for from general operating fund as outlined in the corrective action plan, seconded by Pevovar. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

**MOTION**

A motion was made by Inman to adjourn, seconded by Love. The motion passed.

Ayes: Dagg, Inman, Lepak, Love, Pevovar, Wirth

Nays: None

The meeting was adjourned at 6:26 p.m.

Respectfully submitted,

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Signature

Recorded by Michael Gazzarari

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Title

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## **Redford Township District Library Full Time Employee Benefits**

The Library Board of Trustees values their employees and is pleased to provide the following benefits to their full-time employees.

The Board must, however, reserve the right to change or discontinue benefits and/or benefit providers at any time. They also reserve the right to require employee contribution to payment of benefits. All benefits are subject to library funding.

### **Health Care/Vision/Dental**

Health care including vision and dental benefits is offered to all full time employees and their families. Currently, it is provided by Blue Care Network. This benefit begins on the 1<sup>st</sup> day of the month, following 30 days of employment.

*See plan documents for details.*

### **Opt Out Insurance**

When an employee is covered by other insurance through their spouse, they may opt for a payment of \$2,500 in lieu of insurance. This is paid after the end of the Fiscal Year (March 31) and is prorated for partial year employment. An Opt Out form must be signed each year, providing information about the other coverage. If the other insurance is discontinued for some reason, then that constitutes a life event and the employee would be able to pick up our coverage mid-year.

### **Retiree Health Insurance**

*This benefit is only available for employees who were full time prior to April 1<sup>st</sup>, 2016.*

Retiree health insurance is currently available for qualified retirees and their spouses. Full-time employees of the library who are currently enrolled in BCN and retire from the library, collecting their MERS pension, are eligible for coverage for themselves and their spouses. Retiree health care is subject to change or elimination by the Board after the employee's retirement.

Once the retiree/spouse is eligible for Medicare, he/she must apply for that coverage and the library coverage is secondary to that.

*Retiree health insurance coverage will be governed by the carrier's rules.*

### **457k Plan**

The Library allows employees to contribute pre-tax dollars through payroll deduction to an optional 457k plan (deferred compensation) retirement fund. The Library does not provide any matching dollars. The investment choices are decided by the individual employee. The employee is encouraged to consult their tax advisor or financial consultant for advice. 457k plan is administered by MERS.

*See plan documents for further details.*

### **Leave Days**

PTO days are covered in detail in the Employee Handbook.

### **Paid Holidays**

Paid holidays are covered in detail in the Employee Handbook.

*Approved by Library Board of Trustees  
September 15, 2008, revised March 21<sup>st</sup>, 2016*

## Redford Township District Library

March 31, 2019 projection (based on 2016 actuarial valuation)

				Discount	Return		
				3.00%	5.50%		
31-Mar	Liability	Assets	Contribution	+distributions	=total contribution	Contribution year	funded percent
2019	3,444,981	342,457	30,000	63,267	93,267	2019-2020	
2020			30,000	74,386	104,386	2020-2021	10.8%
2021			30,000	87,336	117,336	2021-2022	11.7%
2022			30,000	94,125	124,125	2022-2023	12.6%
2023			30,000	108,285	138,285	2023-2024	13.6%
2024			30,000	122,539	152,539	2024-2025	14.6%
2025			30,000	137,249	167,249	2025-2026	15.8%
2026			30,000	133,622	163,622	2026-2027	17.0%
2027			30,000	146,887	176,887	2027-2028	18.2%
2028			30,000	159,791	189,791	2028-2029	19.6%
2029			30,000	161,336	191,336	2029-2030	21.0%
2030			30,000	162,016	192,016	2030-2031	22.6%
2031			30,000	161,052	191,052	2031-2032	24.2%
2032			30,000	157,562	187,562	2032-2033	25.8%
2033			30,000	164,652	194,652	2033-2034	27.5%
2034			30,000	171,486	201,486	2034-2035	29.4%
2035			30,000	178,486	208,486	2035-2036	31.3%
2036			30,000	185,663	215,663	2036-2037	33.4%
2037			30,000	192,617	222,617	2037-2038	35.6%
2038			30,000	198,641	228,641	2038-2039	38.0%
2039	5,037,883	2,045,257		209,833	209,833	2039-2040	40.6%

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN  
1134 MUNICIPAL WAY  
LANSING, MI 48917



PERIOD  
10.01.2018 —  
12.31.2018

CALL CENTER 800.767.MERS (6377)  
WWW.MERSOFMICH.COM

REDFORD TOWNSHIP LIBRARY  
KIMBERLY POTTER  
25320 WEST 6 MILE RD  
REDFORD, MI 48240

YOUR TOTAL ACCOUNT BALANCE

**\$342,457.29**



ACCOUNT SUMMARY

	RHFV
<b>Beginning Balance on 10.01.2018</b>	<b>\$362,345.82</b>
Contributions	0.00
Gain/Loss	(19,668.30)
Distributions	0.00
Fees/Expenses	(220.23)
Other	0.00
<b>Ending Balance on 12.31.2018</b>	<b>\$342,457.29</b>
<b>Your Personal Rate of Return<sup>1</sup></b>	
This Period	-5.43%
Year To Date	-3.82%

MESSAGE CENTER

Have you reviewed your plan's current investment(s) lately? As a reminder, MERS has expanded the investment menu, providing more options to match your municipality's needs with a MERS-managed portfolio. Visit [www.mersofmich.com](http://www.mersofmich.com) for more information and to view the investment menu for your plan.

<sup>1</sup>Your personal rate of return is calculated using the Modified Dietz Method which assumes a constant rate for the period, weighting each cash flow by the time held and relative balances in each investment.



## INVESTMENT PERFORMANCE

Election	Fund Name (Ticker)	Fund Balance (\$)	Annualized Total Return			Expense Ratio <sup>3</sup>	Admin Expense	Fund Type
			1 Year	5 Year	10 Year <sup>2</sup>			
100.00%	MERS TOTAL MARKET PORTFOLIO (MSZF1)	\$342,457.29	(3.62%)	4.93%	8.00%	1.11%	0.51%	Moderately Conservative Balanced
	SHORT-TERM INCOME (MRLE1)		1.75%	0.80%	1.01%	1.11%	0.51%	Short Term Bonds
	MERS DIVERS BOND PORT (0/100) (MRLD1)		(1.16%)	2.45%	4.34%	1.11%	0.51%	Global Bonds
	INTERNATIONAL STOCK INDEX (MRMA)		(13.72%)	0.28%	N/A	1.11%	0.51%	Diversified International Equities
	EMERGING MARKET STOCK (SSBRC)		(16.71%)	1.33%	N/A	1.11%	0.51%	Emerging Market Equities
	MERS GLOBAL STOCK PORT (100/0) (SSBR5)		(5.73%)	5.93%	N/A	1.11%	0.51%	Global Equities
	LARGE CAP STOCK INDEX (SSBR9)		(4.34%)	8.29%	12.94%	1.11%	0.51%	Large Cap Core Equities
	MERS CAPITAL APPR PORT (80/20) (SSBR6)		(7.49%)	4.83%	N/A	1.11%	0.51%	Aggressive Balanced
	MERS EST MARKET PORT (60/40) (MRLB1)		(5.84%)	4.46%	8.37%	1.11%	0.51%	Moderately Aggressive Balanced
	MID CAP STOCK INDEX (SSBRA)		(10.80%)	6.13%	13.75%	1.11%	0.51%	Mid Cap Core
	MERS BALANCED INC PORT (40/60) (SSBR7)		(4.11%)	3.85%	N/A	1.11%	0.51%	Moderately Conservative Balanced
	MERS CAPITAL PRES PORT (20/80) (SSBR8)		(2.35%)	3.49%	N/A	1.11%	0.51%	Conservative Balanced
	SMALL CAP STOCK INDEX (SSBRB)		(8.16%)	N/A	N/A	1.11%	0.51%	Small Cap Core Equities

Log in to your online account to see fund benchmarks and fund performance less than one year.

<sup>2</sup> Since inception if 10-year return not available.

<sup>3</sup> Expense ratios include fund management fees, 12b-1 fees, 12b-1 fees and other fund expenses. They do not reflect waivers, fee reimbursements, or plan level fees for advice, management or administrative services, if any.

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN  
1134 MUNICIPAL WAY  
LANSING, MI 48917



CALL CENTER 800.767.MERS (6377)  
WWW.MERSOFMICH.COM

PERIOD  
07.01.2018 —  
09.30.2018

REDFORD TOWNSHIP LIBRARY  
KIMBERLY POTTER  
25320 WEST 6 MILE RD  
REDFORD, MI 48240

#### YOUR TOTAL ACCOUNT BALANCE

**\$362,345.82**



#### ACCOUNT SUMMARY

	RHFV
<b>Beginning Balance on 07.01.2018</b>	<b>\$328,627.15</b>
Contributions	30,000.00
Gain/Loss	3,936.16
Distributions	0.00
Fees/Expenses	(217.49)
Other	0.00
<b>Ending Balance on 09.30.2018</b>	<b>\$362,345.82</b>
<b>Your Personal Rate of Return<sup>1</sup></b>	
This Period	1.10%
Year To Date	1.98%

#### MESSAGE CENTER

Have you reviewed your plan's current investment(s) lately? As a reminder, MERS has expanded the investment menu, providing more options to match your municipality's needs with a MERS-managed portfolio. Visit [www.mersofmich.com](http://www.mersofmich.com) for more information and to view the investment menu for your plan.

<sup>1</sup>Your personal rate of return is calculated using the Modified Dietz Method which assumes a constant rate for the period, weighting each cash flow by the time held and relative balances in each investment.





### INVESTMENT PERFORMANCE

Election	Fund Name (Ticker)	Fund Balance (\$)	Annualized Total Return			Expense Ratio <sup>3</sup>	Admin Expense	Fund Type
			1 Year	5 Year	10 Year <sup>2</sup>			
100.00%	MERS TOTAL MARKET PORTFOLIO (MSZF1)	\$362,345.82	5.31%	7.10%	6.79%	0.48%	0.51%	Moderately Conservative Balanced
	SHORT-TERM INCOME (MRLE1)		0.48%	0.60%	0.96%	0.25%	0.51%	Short Term Bonds
	MERS DIVERS BOND PORT (0/100) (MRLD1)		(1.36%)	2.42%	4.69%	0.40%	0.51%	Global Bonds
	INTERNATIONAL STOCK INDEX (MRMA)		2.73%	4.12%	0.00%	0.29%	0.51%	Diversified International Equities
	EMERGING MARKET STOCK (SSBRC)		(4.79%)	4.20%	0.00%	1.11%	0.51%	Emerging Market Equities
	MERS GLOBAL STOCK PORT (100/0) (SSBR5)		12.61%	10.34%	0.00%	0.58%	0.51%	Global Equities
	LARGE CAP STOCK INDEX (SSBR9)		17.84%	13.72%	11.87%	0.25%	0.51%	Large Cap Core Equities
	MERS CAPITAL APPR PORT (80/20) (SSBR6)		10.04%	9.00%	0.00%	0.46%	0.51%	Aggressive Balanced
	MERS EST MARKET PORT (60/40) (MRLB1)		7.04%	7.55%	8.09%	0.45%	0.51%	Moderately Aggressive Balanced
	MID CAP STOCK INDEX (SSBRA)		14.47%	11.95%	12.64%	0.25%	0.51%	Mid Cap Core
	MERS BALANCED INC PORT (40/60) (SSBR7)		4.27%	5.86%	0.00%	0.43%	0.51%	Moderately Conservative Balanced
	MERS CAPITAL PRES PORT (20/80) (SSBR8)		2.08%	4.57%	0.00%	0.38%	0.51%	Conservative Balanced
	SMALL CAP STOCK INDEX (SSBRB)		18.99%	0.00%	0.00%	0.25%	0.51%	Small Cap Core Equities

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