



March 20, 2020

Board of Trustees
City of Allen Park Employees Retirement System
15915 Southfield Road
Allen Park, Michigan 48101

Re: Requested Additional Alternate Economic Scenario for Actuarial Experience Review for the Five-Year Period Ending December 31, 2018

Dear Members of the Board:

As requested by the Board at the March 11, 2020 meeting and as a supplement to our Actuarial Experience Review for the Five-Year Period Ending December 31, 2018, we have prepared an additional alternate economic scenario package of 6.75% assumed investment return with 2.75% assumed wage inflation. Please refer to the March 2, 2020 report for additional disclosures and commentary that also apply to this alternate economic scenario. Once the Board has adopted a demographic/economic assumption package, please let us know so that we may incorporate the assumptions into the December 31, 2019 actuarial valuation report.

Actuarial assumptions are set by the Board of Trustees. With the Board's approval of the recommendations in the March 2, 2020 report, we believe the actuarial condition of the System will be more accurately portrayed. The Board's decisions should be based on the appropriateness of each recommendation individually, not on their collective effect on the funding status or the unfunded liability.

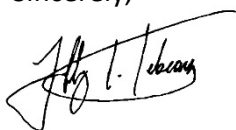
This document and the original report dated March 2, 2020 should not be relied on for any purpose other than that described above. Both were prepared at the request of the Board and are intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the Board only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The results of the experience review, the proposed assumptions set forth in the March 2, 2020 report and this additional economic scenario are based on the data and actuarial techniques and methods described above, and upon the provisions of the System as of the most recent actuarial valuation date, December 31, 2018. Additional information concerning the data, current assumptions, methods, and plan provisions are described in the December 31, 2018 valuation report issued April 26, 2019.

To the best of our knowledge, the March 2, 2020 report and this supplement are complete and accurate and were conducted in accordance with the standards of practice promulgated by the Actuarial Standards Board. We believe that the actuarial assumptions proposed in the March 2, 2020 report and this supplement are reasonable under the Actuarial Standards of Practice.

Jeffrey T. Tebeau and Derek Henning are independent of the plan sponsor, are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Sincerely,



Jeffrey T. Tebeau, FSA, EA, MAAA



Derek Henning, ASA, EA, MAAA

JTT/DH:sc
Enclosure



City of Allen Park Employees Retirement System Actuarial Experience Review for the 5-Year Period Ending December 31, 2018

Impact of Proposed Assumptions on Valuation Results Additional Alternate Economic Scenario

Demographic Assumptions Assumed Investment Rate of Return Assumed Wage Inflation	Retirement System Assumptions			
	Valuation		Alternate Economic 3	
	Current		Proposed	
	7.00% 3.00%		6.75% 2.75%	
	General, Water & Court Members		General, Water & Court Members Police/Fire Members	
Contributions Expressed as Percents of Payroll				
Normal Cost				
Age and service	16.18 %	17.16 %	15.13 %	17.66 %
Death before retirement	0.21 %	0.26 %	0.19 %	0.22 %
Disability	1.63 %	1.73 %	0.39 %	2.93 %
Future refunds	0.72 %	0.33 %	0.73 %	0.33 %
Service purchases	0.43 %	0.00 %	0.20 %	0.20 %
Total	19.17 %	19.48 %	16.64 %	21.34 %
Member Contributions	7.00 %	7.00 %	7.00 %	7.00 %
City's Normal Cost	12.17 %	12.48 %	9.64 %	14.34 %
Unfunded Actuarial Accrued Liabilities*	70.43 %	22.63 %	79.65 %	26.66 %
City's Total Contribution	82.60%	35.11%	89.29%	41.00%
Annual Dollar Contribution	\$1,144,999	\$1,855,106	\$1,232,007	\$2,158,433
Total Annual Dollar Contributions	\$3,000,105		\$3,390,440	
Funded Ratio	78.20%		75.60%	

* Amortized as a level percent-of-payroll over a period of 20 remaining years for the Police/Fire members (starting amortization period of 25 years). Amortized as a level dollar amount over a period of 14 remaining years for the General (including Administrative and Appointees), Water Department, and Court members (starting amortization period of 20 years).