

CITY OF MARINE CITY

PENSION BOARD MEETING AGENDA

Pension Plan

Regular Meeting: Tuesday, April 28, 2015; 4:30PM

Marine City Fire Hall: 200 South Parker Street, Marine City, Michigan

1. **CALL TO ORDER**
2. **ROLL CALL** Mayor Raymond Skotarczyk; City Commission Rep. James Turner, Board Members Michael Itrich, David Scheel, James VanderMeulen and, Lynn Zyrowski; Treasurer Mary Ellen McDonald; and, Acting City Manager Donald Tillery
3. **APPROVE AGENDA (Additions / Deletions)**
4. **APPROVE MINUTES**
 - A. Pension Plan Board Meeting ~ January 27, 2015
5. **COMMUNICATIONS**
 - A. Compliance Statement ~ IRS
6. **UNFINISHED BUSINESS**
 - A. Calculation of Lump-Sum Benefit
7. **NEW BUSINESS**
8. **OPEN DISCUSSION**
9. **FINANCIAL BUSINESS**
 - A. Financial Reports
 - Investment Performance ~ Review by Frederick Miller
 - B. Invoice Approval
 - Sullivan, Ward, Asher & Patton – Invoice #474315
 - C. Preliminary Financial Statements ~ January, February, March, 2015
10. **ADJOURNMENT**

4-A

**City of Marine City
Pension Board ~ Pension Plan
January 27, 2015**

Prior to the meeting being called to order, Board Member David Scheel was sworn into office by City Clerk, Kristen Baxter

A regular meeting of the Pension Board ~ Pension Plan held on Tuesday, January 27, 2015 in the Fire Hall, 200 South Parker Street, Marine City, Michigan, was called to order by Chairperson Scheel at 4:30 PM.

Present: Mayor Skotarczyk; City Commissioner Turner; Board Members Itrich, Scheel, VanderMeulen and Zyrowski; City Manager Gabor; City Treasurer McDonald; and, City Clerk Baxter

Also Present: Frederick Miller, Financial Consultant

Approve Agenda

Motion by Board Member Zyrowski, seconded by Commissioner Turner, to approve the Agenda, as presented. All Ayes. Motion Carried.

Approve Minutes

Motion by Commissioner Turner, seconded by City Manager Gabor, to approve the Minutes of the Regular Pension Board ~ Pension Plan Meeting of October 29, 2014, and the Pension Board ~ Special Meeting of December 10, 2014. All Ayes. Motion Carried.

Communications

There were no Communications presented.

Unfinished Business

Calculation of Death Benefit Lump-Sum Payout

A recommendation was made by Fred Miller to make an amendment to the pension ordinance changing the calculation of death benefit lump-sum payouts by using current market rates, instead of the PBGC rate (pension benefit guarantee rate).

Motion by Mayor Skotarczyk, seconded by City Manager Gabor, to have pension attorney, Cynthia Billings, determine if we are able to amend death benefit lump-sum payout language in the pension ordinance. All Ayes. Motion Carried.

Financial Business

Financial Reports

- **Investment Performance**

Financial Consultant Frederick Miller provided a Performance Analysis Summary, dated January 26, 2015. He reported that the Pension Plan Holdings had a rate of return of 8.9%.

He further reported that the Mutual Funds Portfolio had a 3% dividend return.

Motion by City Manager Gabor, seconded by Board Member Itrich, to receive and file the financial reports, as presented. All Ayes. Motion Carried.

Invoice Approval

Motion by Mayor Skotarczyk, seconded by Board Member Itrich, to approve Rodwan Consulting Company Invoice #1950, as presented. All Ayes. Motion Carried.

Motion by Mayor Skotarczyk, seconded by Board Member Itrich, to approve Sullivan, Ward, Asher & Patton Invoice #472110, as presented. All Ayes. Motion Carried.

Preliminary Financial Statements

Motion by Mayor Skotarczyk, seconded by City Manager Gabor, to accept the Preliminary Financial Statements for October, November & December, 2014, and place them on file. All Ayes. Motion Carried.

Adjournment

Motion by Mayor Skotarczyk, seconded by Board Member Zyrowski, to adjourn at 4:58 pm.
All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter
City Clerk

5A

City of Marine City

Memo

To: Pension Board Members
From: Mary Ellen McDonald, Finance Director/Treasurer
Date: 3/6/2015
Re: Compliance Statement

Attached is the Compliance Statement for the City of Marine City Retirement System form the Internal Revenue Service.

If you have any questions, please contact me.

Thank you



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Date: FEB 27 2015

John Gabor
City of Marine City Retirement System
303 South Water
Marine City, MI 48039

Local contact address:

Internal Revenue Service
TE/GE:EP: Group 7532
550 Main Street, Rm 2-405
Cincinnati, OH 45202

Compliance Statement for: City of Marine City Retirement System
Plan No.: 001
Employer Identification Number: 38-6004573
Control Number: 911731629

Dear Mr. Gabor:

Enclosed is a compliance statement that has been signed by the Internal Revenue Service (IRS). This document is the resulting agreement arising from a submission you made to the IRS's Voluntary Correction Program. The compliance statement outlines the failures disclosed in your submission and the corrective actions that you have taken or will take to resolve those failures. By signing the compliance statement the IRS has agreed that the corrective actions and the revision(s) of your administrative procedures are acceptable.

The determination letter issued with respect to your recent application as part of your Voluntary Correction Program submission is also enclosed for your reference.

At a later date, you may be required to verify that the correction of the failures and any modification of administrative procedures (upon which your enforcement resolution is conditioned) have been timely made.

A compliance statement constitutes an enforcement resolution solely with respect to certain failures of an employee retirement plan that is intended to satisfy the requirements of the Internal Revenue Code. It does not constitute a ruling letter within the meaning of Revenue Procedure 2014-4, 2014-1 I.R.B. 125, or a determination letter within the meaning of Revenue Procedure 2014-6, 2014-1 I.R.B. 198. The compliance statement should not be construed as affecting the rights of any party under any other law, including Title I of the Employee Retirement Income Security Act of 1974.

If you included a Form 2848, Power of Attorney and Declaration of Representative, and/or Form 8821, Tax Information Authorization with the submission, a copy of this letter has been sent to your authorized representative in accordance with a power of attorney or other authorization.

If you have any questions, please contact Christine Chaille by phone at (513)263-4558 or by fax at (513)263-3893.

Sincerely,

Yan Mak
Manager, Employee Plans Voluntary Compliance

Enclosure(s):
Compliance Statement
Determination Letter
cc: Cynthia J. Billings

Form **14568**
(January 2014)

Department of the Treasury - Internal Revenue Service

Appendix C Part I
Model VCP Submission Compliance Statement

OMB Number
1545-1673

Please include the plan name, Applicant's EIN, and plan number on each page of the submission, including attachments

Section I - Plan Information

1. Applicant's name City of Marine City	2. Applicant's EIN (do not use SSN) 38-6004573	3. Plan number 001
4. Plan name City of Marine City Retirement System		

Section II - Applicant's Description of Failures

Attach additional pages, as needed. Label attachment "Section II. Applicant's Description of Failures." List and number each failure separately. If using the Appendix C, Part II Schedules, simply specify the Schedule(s) that are to be part of this compliance statement and attach them to this compliance statement.

See Appendix C Part II Schedule 2

Section III - Applicant's Description of the Proposed Method of Correction

Attach additional pages, as needed. Label attachment "Section III. Applicant's Description of the Proposed Method of Correction." Describe the correction method applicable to each failure listed in Section II. If using the Appendix C, Part II Schedules, simply specify the Schedule(s) that are to be part of this compliance statement and attach them to this compliance statement.

See Appendix C Part II Schedule 2

Section IV - Applicant's Proposed Procedures to Locate and Notify Former Employees or Beneficiaries

Attach additional pages, as needed. Label attachment "Section IV. Applicant's Proposed Procedures to Locate and Notify Former Employees or Beneficiaries." Describe the method(s) that will be used to locate and notify former employees and beneficiaries, or provide an affirmative statement that no former employees or beneficiaries were affected by each failure listed in Section II or will be affected by the correction methods described in Section III. See section 6.02(5)(d) of Rev. Proc. 2013-12.

No former employees or beneficiaries were affected by the failure listed in Sec.II, or will be affected by the correction methods described in Sec. III

Section V - Applicant's Proposed Revision to Administrative Procedures

Attach additional pages, as needed. Label attachment "Section V. Applicant's Proposed Revision to Administrative Procedures." Please include an explanation of how and why the failures arose and a description of the measures that will be implemented to ensure that the same failures do not occur in the future. If using the Appendix C, Part II Schedules, simply specify the Schedule(s) that are to be part of this compliance statement and attach them to this compliance statement.

See Appendix C Part II Schedule 2

Section VI - Requests Related to Excise Taxes, Additional Tax, and Tax Reporting

- The Applicant requests that the Internal Revenue Service ("Service") not pursue the following taxes under the Internal Revenue Code ("Code") (attach supporting rationale as required by section 6.09 of Rev. Proc. 2013-12):
- Excise tax under Code section 4972 with respect to failure(s) number _____
 - Excise tax under Code section 4973 with respect to failure(s) number _____
 - Excise tax under Code section 4974 with respect to failure(s) number _____
 - Excise tax under Code section 4979 with respect to failure(s) number _____
 - Imposition of additional tax under Code section 72(t) with respect to failure(s) number _____
- The Applicant requests that the Service grant the following with respect to plan loan failures as described in section 6.07 of Rev. Proc. 2013-12:
- With respect to loan(s) described in failure(s) number _____, that a deemed distribution corrected pursuant to this VCP submission not be required to be reported on Form 1099-R and that repayments made by such correction not result in the affected participant having additional basis in the plan for purposes of determining the tax treatment of subsequent distributions from the plan.
 - With respect to loan(s) described in failure(s) number _____, that a deemed distribution be reported on Form 1099-R with respect to affected participant(s) for the year of correction instead of the year of the failure.

Plan name City of Marine City Retirement System	EIN 38-6004573	Plan number 001
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Section VII - Enforcement Resolution (to be completed by IRS only)

The Applicant will neither attempt to nor otherwise amortize, deduct, or recover from the Service any portion of the compliance fee nor receive any Federal tax benefit on account of payment of such compliance fee.

The Service will not pursue the sanction of revoking the tax-favored status of the plan under § 401(a), 403(b), 408(k), or 408(p) of the Internal Revenue Code ("Code") on account of the failure(s) described in this submission. This compliance statement considers only the acceptability of the correction method(s) and the revision(s) of administrative procedures described in the submission and does not express an opinion as to the accuracy or acceptability of any calculations or other materials submitted with the submission. The reliance provided by this compliance statement is limited to the specific failures and years specified and does not provide reliance for any other failure or year. In no event may this compliance statement be relied on for the purpose of concluding that the plan or Plan Sponsor was not a party to an abusive tax avoidance transaction. The compliance statement should not be construed as affecting the rights of any party under any other law, including Title I of the Employee Retirement Income Security Act of 1974.

This compliance statement is conditioned on (1) there being no misstatement or omission of material facts in connection with the submission and (2) the completion of all corrections described in this compliance statement within one hundred fifty (150) days of the date of the compliance statement.

- The Service will treat the failure to adopt interim amendments or amendments for optional law changes, as described in section 6.05(3)(a) of Rev. Proc. 2013-12 as if they had been adopted timely for the purpose of making available the extended remedial amendment period currently set forth in Revenue Procedure 2007-44, 2007-2 C.B. 54, or its successors. However, this compliance statement does not constitute a determination as to whether any such plan amendments, as drafted, comply with the applicable changes in qualification requirements.
- With regard to failure number _____ relating to the 403(b) Plan failure to timely adopt a written plan, as required under the final § 403(b) regulations and Notice 2009-3, the Service will treat the written plan as if it had been adopted timely for the purposes of making available the extended remedial amendment period set forth in Announcement 2009-89. However, this compliance statement does not constitute a determination as to whether the written plan, as drafted, complies with the applicable requirements associated with § 403(b) and the final § 403(b) regulations.
- With regard to failure number _____ (provided that no modification has been made to either the plan document or adoption agreement of the plan that would otherwise cause the employer to lose reliance on the plan's opinion or advisory letter), the corrective amendment will not cause the plan to lose its status as a Master or Prototype plan or Volume Submitter plan and (provided that no modification has been made that would otherwise affect the employer's eligibility for the six-year remedial amendment cycle) the employer will be allowed to remain within the six-year remedial amendment cycle described in Revenue Procedure 2007-44, 2007-2, on a continuing basis until the expiration of the next six-year remedial amendment cycle as provided in section 18.01 of Rev. Proc. 2007-44, or, if different, the deadline announced by the Service, as provided in section 18.03 of that revenue procedure. In addition, the issuance of this compliance statement constitutes a determination of the effect of the corrective plan amendment on the qualification of the plan, and a subsequent filing of a determination letter request on such amendment will not be required until the expiration of the next six-year remedial amendment cycle.
- The Service will not pursue the following on account of the qualification failure(s) described in this submission:
- Excise tax under Code section 4972.
 - Excise tax under Code section 4973.
 - Excise tax under Code section 4974.
 - Excise tax under Code section 4979.
 - With respect to the Overpayment failures described in this submission that were corrected by removing improper distributions from the IRA(s) of the affected participant(s) and returning those distributions to the plan, the Service will not pursue _____ % of the 10% additional income tax under Code § 72(t).

Plan name City of Marine City Retirement System	EIN 38-6004573	Plan number 001
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- With respect to the loan failure(s) described in this submission:
- Loan(s) that are corrected in accordance with one of the methods described in section 6.07(2) or 6.07(3) of Rev. Proc. 2013-12: The Service will not require deemed distributions under Code § 72(p) to be reported on Form 1099-R with respect to the participant(s) affected by the failure(s), and repayments made pursuant to the correction of such loan(s) will not result in an affected participant having additional basis in the plan for the purpose of determining the tax treatment of subsequent distributions from the plan to such participant(s).
- Loan(s) that are not being corrected in accordance with one of the methods described in section 6.07(2) or 6.07(3) of Rev. Proc. 2013-12: The Service will require deemed distributions under Code § 72(p) to be reported on Form 1099-R with respect to the participant(s) affected by the failure(s). However, the plan will be permitted to report deemed distributions on Form 1099-R in the year of correction, instead of the year of the failure.

Approved:



Yan Mak

Manager, Employee Plans Voluntary Compliance
Tax Exempt and Government Entities Division

Date:

FEB 24 2015

Form 14568-B (January 2014)	Department of the Treasury - Internal Revenue Service Appendix C Part II Schedule 2 Nonamender Failures (other than those to which Schedule 1 applies) and Failure to Adopt a 403(b) Plan Timely	OMB Number 1545-1673
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Please include the plan name, Applicant's EIN, and plan number on each page of the submission, including attachments

Plan name City of Marine City Retirement System	EIN 38-6004573	Plan number 001
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Section I - Identification of Failures

A. Qualified Plans: The plan identified above was not amended to comply with the applicable provisions of the following legislative and regulatory requirements by the applicable deadlines in accordance with § 401(b) and the regulations thereunder:

- The Employee Retirement Income Security Act of 1974 (ERISA)
- The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA)
- The Deficit Reduction Act of 1984 (DEFRA)
- The Retirement Equity Act of 1984 (REA)
- The Tax Reform Act of 1986 (TRA '86)
- The Unemployment Compensation Amendments of 1992 (UCA)
- The Omnibus Budget Reconciliation Act of 1993 (OBRA)
- GUST (includes The Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000)
- The changes required by the Cumulative List for the plan's last on-cycle year:
 - The changes required by the 2004 Cumulative List (Notice 2004-84, 2004-2 C.B. 1030) for an eligible employer using a pre-approved defined contribution plan who failed to adopt the pre-approved plan by 4/30/10, as required by Announcement 2008-23, 2008-1 C.B. 731.
 - The changes required by the 2005 Cumulative List (Notice 2005-101, 2005-2 C.B. 1219) for Cycle A individually designed plans.
 - The changes required by the 2006 Cumulative List (Notice 2007-3, 2007-1 C.B. 255) for Cycle B individually designed plans, and any eligible employer using a pre-approved defined benefit plan who failed to adopt the pre-approved plan by 4/30/12, as required by Announcement 2010-20, 2010-15 I.R.B. 551.)
 - The changes required by the 2007 Cumulative List (Notice 2007-94, 2007-2 C.B. 1179) for Cycle C individually designed plans.
 - The changes required by the 2008 Cumulative List (Notice 2008-108, 2008-50 I.R.B. 1275) for Cycle D individually designed plans.
 - The changes required by the 2009 Cumulative List (Notice 2009-98, 2009-52 I.R.B. 974) for Cycle E individually designed plans.
 - The changes required by the 2010 Cumulative List (Notice 2010-90, 2010-52 I.R.B. 909) for Cycle A individually designed plans.
 - The changes required by the 2011 Cumulative List (Notice 2011-97, 2011-52 I.R.B. 923) for Cycle B individually designed plans.
 - The changes required by the 2012 Cumulative List (Notice 2012-76, 2012-52 I.R.B. 775) for Cycle C individually designed plans.
- Amendments required as a condition for a favorable determination letter. If this item was selected answer the following questions by checking the applicable boxes:

Is this the sole failure for the VCP submission? Yes No

Were the amendments signed within three months of the expiration of the remedial amendment period for adopting the amendments? Yes No

Plan name City of Marine City Retirement System	EIN 38-6004573	Plan number 001
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Other (specify the legal requirement and applicable Cumulative List):

B. 403(b) Plans:

The Plan Sponsor did not timely adopt a written plan as required by the final 403(b) regulations and Notice 2009-3, 2009-2 I.R.B. 250.

Section II - Description of Proposed Method of Correction

A. Qualified Plan. The Plan Sponsor has adopted (or will adopt) amendments that satisfy the requirements of all of the items checked in Section IA of this Appendix C Part II, Schedule 2, retroactively to the effective dates of the specific provisions contained in the amendments. The amendments and restated plan documents (where applicable) are enclosed with this submission.

B. 403(b) Plan. Failure to adopt a written plan timely. The Plan Sponsor has adopted a written plan retroactive to the later of the effective date of the final 403(b) regulations or the initial effective date of the plan. A copy of the signed and dated 403(b) plan is enclosed with this submission.

Section III - Change in Administrative Procedures

The Plan Sponsor has taken the following step(s) to ensure that the failure(s) will not recur:

Adoption of a procedure that provides for maintenance of a list containing all amendments required to be adopted during or at the end of a current plan year; and the date such amendment was executed (or if not fully executed, the status such amendment), and additional implementation of procedures by the City Clerk.

Section IV - Enclosures

In addition to the applicable items listed on the Procedural Requirements Checklist for Form 8950, the Plan Sponsor encloses the following documents, as appropriate, with this submission:

- Copies of all amendments used to correct the failure(s), either as adopted or in proposed form,
- A copy of the plan document in effect prior to any of the amendments used to correct the failure(s),
- A copy of the most recent determination letter issued with respect to the plan (if applicable),
- If required by Section 6.05 of Rev. Proc. 2013-12, a determination letter application (Form 5300, 5307, or 5310 along with Form 8717 and the applicable user fee payment made payable to the U.S. Treasury), or
- For 403(b) plans, a copy of the signed and dated 403(b) Plan document.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 24 2015

CITY OF MARINE CITY
303 S WATER STREET
MARINE CITY, MI 48039

Employer Identification Number:
38-6004573
DLN:
17007143050004
Person to Contact:
CHRISTINE L CHAILLE ID# 31324
Contact Telephone Number:
(513) 263-4558
Plan Name:
CITY OF MARINE CITY RETIREMENT
SYSTEM
Plan Number: 001

Dear Applicant:

We have made a favorable determination on the plan identified above based on the information you have supplied. Please keep this letter, the application forms submitted to request this letter and all correspondence with the Internal Revenue Service regarding your application for a determination letter in your permanent records. You must retain this information to preserve your reliance on this letter.

Continued qualification of the plan under its present form will depend on its effect in operation. See section 1.401-1(b)(3) of the Income Tax Regulations. We will review the status of the plan in operation periodically.

The enclosed Publication 794 explains the significance and the scope of this favorable determination letter based on the determination requests selected on your application forms. Publication 794 describes the information that must be retained to have reliance on this favorable determination letter. The publication also provides examples of the effect of a plan's operation on its qualified status and discusses the reporting requirements for qualified plans. Please read Publication 794.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other federal or local statutes.

This determination letter gives no reliance for any qualification change that becomes effective, any guidance published, or any statutes enacted, after the issuance of the Cumulative List (unless the item has been identified in the Cumulative List) for the cycle under which this application was submitted.

This letter may not be relied on after the end of the plan's first five-year remedial amendment cycle that ends more than twelve months after the application was received. This letter expires on January 31, 2019. This letter considered the 2013 Cumulative List of Plan Qualification Requirements.

This determination letter is applicable for the amendment(s) executed on 2/6/14.

Letter 2002

CITY OF MARINE CITY

This determination letter is based solely on your assertion that the plan is entitled to be treated as a Governmental plan under section 414(d) of the Internal Revenue Code.

This determination letter is applicable to the plan and related documents submitted in conjunction with your application filed during the remedial amendment cycle ending January 31, 2015.

We have sent a copy of this letter to your representative as indicated in the Form 2848 Power of Attorney or appointee as indicated by the Form 8821 Tax Information Authorization.

If you have questions concerning this matter, please contact the person whose name and telephone number are shown above.

Sincerely,

A handwritten signature in black ink that reads "Karen D. Truss". The signature is written in a cursive style with a large, looped initial "K".

Karen D. Truss
Director, EP Rulings & Agreements

Enclosures:
Publication 794

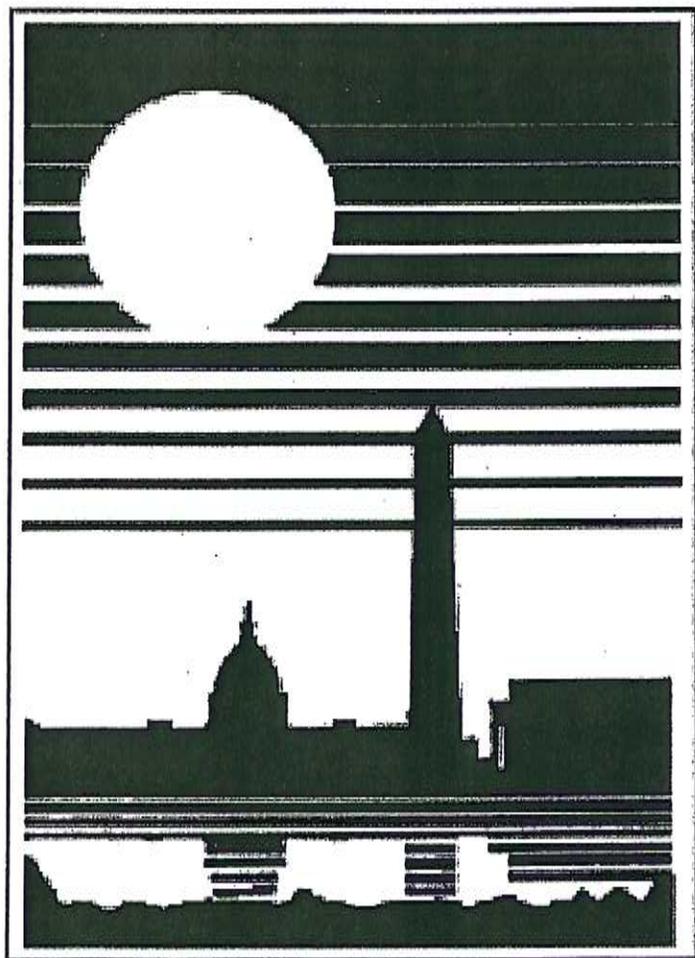
CITY OF MARINE CITY

This determination letter does not provide reliance for any portion(s) of the document that incorporates the terms of an auxiliary agreement (collective bargaining, reciprocity and/or participation agreement), unless the exact language of the section(s) that is being incorporated by reference to the auxiliary agreement has been appended to the document.



Favorable Determination Letter

Publication 794
(January 2013)



Introduction

This publication explains the significance of a favorable determination letter, points out some features that may affect the qualified status of an employee retirement plan and nullify the determination letter without specific notice from us, and provides general information on the reporting requirements for the plan.

Significance of a Favorable Determination Letter

An employee retirement plan qualified under Internal Revenue Code (IRC) section 401(a) (qualified plan) is entitled to favorable tax treatment. For example, contributions made in accordance with the plan document are generally currently deductible. However, participants will not include these contributions in income until the time they receive a distribution from the plan. In some cases, taxation may be further deferred by rollover to another qualified plan or individual retirement arrangement. (See Publication 575, Pension and Annuity Income, for further details.) Finally, plan earnings may accumulate tax free. Employee retirement plans that fail to satisfy the requirements under IRC section 401(a) are not entitled to favorable tax treatment. Therefore, many employers desire advance assurance that the terms of their plans satisfy the qualification requirements.

The Internal Revenue Service (IRS) provides such advance assurance through the determination letter program. A favorable determination letter indicates that, in the opinion of the IRS, the terms of the plan conform to the requirements of IRC section 401(a). A favorable determination letter expresses the IRS's opinion regarding the form of the plan document. However, to be a qualified plan under IRC section 401(a) entitled to favorable tax treatment, a plan must satisfy, in both form and operation, the requirements of IRC section 401(a), including nondiscrimination and coverage

requirements. If elected, a favorable determination letter may also provide assurance that the plan satisfies certain of these nondiscrimination requirements in form. See the following topic, Limitations and Scope of a Favorable Determination Letter, for more details.

Limitations and Scope of a Favorable Determination Letter

A favorable determination letter is limited in scope. A determination letter generally applies to qualification requirements regarding the form of the plan.

Generally no reliance for nondiscrimination requirements.

Generally, a favorable determination letter does not consider, and may not be relied on with regard to whether a plan satisfies the nondiscrimination requirements of IRC section 401(a)(4).

However, if elected by the applicant, a determination letter may be relied on with respect to whether the terms of the plan satisfy one of the design-based safe harbors in Regulation sections 1.401(a)(4)-2(b) and 1.401(a)(4)-3(b), pertaining to the requirement that either the contributions or the benefits under a qualified plan be nondiscriminatory in amount.

No reliance for coverage requirements.

A favorable determination letter does not consider, and may not be relied on with regard to whether a plan satisfies the minimum participation requirements of IRC section 401(a)(26) and the minimum coverage requirements of IRC section 410(b).

No reliance for changes in law and guidance subsequent to publication of the applicable Cumulative List.

Every year, the IRS publishes a Cumulative List of Changes in Plan Qualification Requirements,

(Cumulative List). The Cumulative List identifies changes in the qualification requirements that the IRS will consider in reviewing determination letter applications that are filed during the 12-month "submission period" that begins on the February 1st following publication of the applicable list.

A determination letter for an on-going individually designed plan is based on the Cumulative List in effect for the submission period in which the determination letter application is filed (that is, the "applicable Cumulative List"). See sections 4, 13, and 14 of Revenue Procedure 2007-44 for further details.

Generally, a determination letter issued to an adopting employer of a pre-approved volume submitter plan with minor modifications is based on the list for which the volume submitter practitioner filed its application for an advisory letter for the volume submitter specimen plan (that is, the "applicable Cumulative List," in the case of a volume submitter plan).

For terminating plans, a determination letter is based on the law in effect at the time of the plan's proposed date of termination. See section 8 of Rev. Proc. 2007-44.

A favorable determination letter generally may not be relied on for any guidance published, or any statutes enacted, after the issuance of the "applicable Cumulative List" or for any qualification requirements that become effective in a calendar year after the calendar year in which the submission period begins, except for guidance that is included in the "applicable Cumulative List." See section 4.03 of Rev. Proc. 2007-44.

Other limitations. In addition, the following apply generally to all determination letters:

- If the employer maintain two or more retirement plans, any of which were either not submitted to the IRS

for determination or not disclosed on each application, certain limitations and requirements will not have been considered on an aggregate basis. Therefore, the employer may not rely on the determination letter regarding the plans when considered as a total package.

- A determination letter does not consider the special requirements relating to: (a) IRC section 414(m) (affiliated service groups), (b) IRC section 414(n) (leased employees), or (c) a partial termination of a plan unless the application includes requests that the letter consider such requirements.

- A determination letter does not consider whether actuarial assumptions are reasonable for funding or deduction purposes or whether a specific contribution is deductible.

- A determination letter does not express an opinion whether disability benefits or medical care benefits are accident and health plan benefits under IRC section 105 or whether contributions are contributions by an employer to accident and health plans under IRC section 106.

- A determination letter does not express an opinion on whether the plan is a governmental plan defined in IRC section 414(d).

- A determination letter does not express an opinion on whether contributions made to a plan treated as a governmental plan defined in IRC section 414(d) constitute employer contributions under IRC section 414(h)(2), nor on whether a governmental excess benefit arrangement satisfies the requirements or IRC section 415(m).

- A determination letter does not express an opinion on whether the plan is a church plan within the meaning of section 414(e).

Become familiar with the terms of the determination letter. Call the contact person listed on the determination letter if any of the terms in the determination letter are not understood.

Retention of Information.

Whether a plan meets the qualification requirements is determined from the information in the written plan document, the application form, and the supporting information submitted by the employer. **Therefore, the employer must retain a copy of the application, information submitted with the application and all other correspondence.**

Other Conditions for Reliance.

We have not verified the information submitted with the application. The determination letter will not provide reliance if:

- (1) there has been a misstatement or omission of material facts, (for example, the application indicated that the plan was a governmental plan and it was not a governmental plan);
- (2) the facts subsequently developed are materially different than the facts on which the determination was made; or
- (3) there is a change in applicable law.

Amendments to the plan for changes in law and guidance.

A favorable determination letter issued for an individually designed plan provides reliance up to and including the expiration date identified on the determination letter. This reliance is conditioned upon the timely adoption of any necessary interim amendments as required by section 5.04 of Rev. Proc. 2007-44. A favorable determination letter issued to an adopting employer of a pre-approved volume submitter plan with minor modifications provides reliance up to and including the last day of

the six-year remedial amendment cycle, conditioned upon the timely adoption of any necessary interim amendments as required by section 5.04 of Rev. Proc. 2007-44. Also see Rev. Proc. 2011-49, 2011-44 I.R.B. 609 sections 5.01 and 15.05.

Plan Must Qualify in Operation

Generally, a plan qualifies in operation if it satisfies the coverage and nondiscrimination requirements and is maintained according to its terms. However, a plan generally must be operated in a manner that satisfies any change in the qualification requirements for the period beginning when the change is effective, even if the plan has not yet been amended for the change. Changes in facts on which the determination letter was issued may mean that the determination letter may no longer be relied upon.

Some examples of the effect of a plan's operation on a favorable determination are:

Contributions or benefits in excess of the limitations under IRC section 415. A retirement plan may not provide retirement benefits or, in the case of a defined contribution plan, contributions and other annual additions, that exceed the limitations specified in IRC section 415. The plan contains provisions designed to provide benefits within these limitations. The plan is disqualified if these limitations are exceeded.

Top heavy minimums under IRC section 416. If this plan is top heavy in accordance with IRC 416, the plan must provide certain minimum benefits and vesting for non-key employees. If the plan provides the minimum benefits and accelerated vesting only for years during which the plan is top heavy, failure to identify such years and to provide the accelerated vesting and benefits will disqualify the plan.

Actual deferral percentage or contribution percentage tests.

If this plan provides for cash or deferred arrangements, employer matching contributions, or employee contributions, the determination letter considers whether the terms of the plan satisfy the requirements specified in IRC section 401(k)(3) or 401(m)(2), in form. However the determination letter does not consider whether special nondiscrimination tests described in IRC section 401(k)(3) or 401(m)(2) have been satisfied in operation.

Reporting Requirements

Most plan administrators or plan sponsors/employers who maintain an employee benefit plan must file a Form 5500 series annual return/report.

A "Final" Form 5500 series annual return/report must be filed if the plan is terminated.

Form 5330 for prohibited transactions. Transactions between a plan and someone having a relationship to the plan (disqualified person) are prohibited, unless specifically exempted from this requirement. A few examples are loans, sales and exchanges of property, leasing of property, furnishing goods or services, and use of plan assets by the disqualified person. Disqualified persons who engage in a prohibited transaction for which there is no exceptions must file Form 5330 by the last day of the seventh month after the end of the tax year of the disqualified person.

Form 5330 for tax on nondeductible employer contributions to qualified plans - If contributions are made to this plan in excess of the amount deductible, a tax may be imposed upon the excess contribution. Form 5330 must be filed by the last day of the seventh month after the end of the employer's tax year.

Form 5330 for tax on excess contributions to cash or deferred arrangements or excess employee contributions or employer matching contributions - If a plan includes a cash or deferred arrangement (IRC section 401(k)) or provides for employee contributions or employer matching contributions (IRC section 401(m)), then excess contributions that would cause the plan to fail the actual deferral percentage or the actual contribution percentage test are subject to a tax unless the excess is eliminated within 2½ months after the end of the plan year. Form 5330 must be filed by the due date of the employer's tax return for the plan year in which the tax was incurred.

Form 5330 for tax on reversions of plan assets - Under IRC section 4980, a tax is payable on the amount of almost any employer reversion of plan assets. Form 5330 must be filed by the last day of the month following the month in which the reversion occurred.

Form 5310-A for certain transactions - Under IRC section 6058(b), an actuarial statement is required at least 30 days before a merger, consolidation, or transfer (including spin-off) of assets to another plan. This statement is required for all plans. However, penalties for non-filing will not apply to defined contribution plans for which:

- (1) The sum of the account balances in each plan equals the fair market value of all plan assets,
- (2) The assets of each plan are combined to form the assets of the plan as merged,
- (3) Immediately after a merger, the account balance of each participant is equal to the sum of the account balances of the participant immediately before the merger, and

- (4) The plans must not have an unamortized waiver or unallocated suspense account.

Penalties will also not apply if the assets transferred are less than three percent of the assets of the plan involved in the transfer (spinoff), and the transaction is not one of a series of two or more transfers (spinoff transactions) that are, in substance, one transaction.

The purpose of the above discussions is to illustrate some of the principal filing requirements that apply to pension plans. This is not an exclusive listing of all returns and schedules that must be filed.

9-B

Memo

To: Kristen Baxter, City Clerk
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date: April 7, 2015
Re: Invoice Approval

Please include the attached invoice on the agenda of the next Pension Board Meeting for approval.

Sullivan, Ward, Asher & Patton	Invoice #474315	\$180.00
(Professional Services 12/1/14-2/28/15)		
A/C #731-000.000-801.000	\$180.00	

If you have any questions, please contact me.

Thank you



Sullivan, Ward, Asher & Patton, P.C.

ATTORNEYS AND COUNSELORS AT LAW

25800 Northwestern Highway
1000 Maccabees Center
Southfield, MI 48075-8412

TELEPHONE: 248-746-0700

FEDERAL TAX I.D. No.: 38-1880608
<http://www.swappc.com>

FAX: 248-746-2795

MARINE CITY RETIREMENT SYSTEM
MARY ELLEN MCDONALD, FINANCE DIRECTOR/TREASURER
303 S WATER
MARINE CITY , MI 48039

March 31, 2015
Client: MNE
Matter: MNE-119432
Invoice#: 474315
Billing Atty: CB

Re: PENSION FUND

For Professional Services Rendered Between December 01, 2014 and February 28, 2015

Previous Balance		618.99
Less Payments		-618.99
Balance Forward		0.00
Current Fees	180.00	
Total Current Charges		180.00
Total Amount Due		180.00

RECEIVED
APR 06 2015

City of Marine City

Sullivan, Ward, Asher & Patton, P.C.

MARINE CITY RETIREMENT SYSTEM
 Re: PENSION FUND
 I.D. MNE-119432 - CB

March 31, 2015
 Invoice 474315
 Page 2

Fees			
Description	Hours		
PREPARATION OF FEE AND POLITICAL CONTRIBUTION DISCLOSURES AND CORRESPONDENCE RE: SAME	1.20		
Total Fees	1.20		180.00

Fee Recap			
Attorney	Hours	Rate/Hour	Amount
CYNTHIA BILLINGS	1.20	150.00	180.00
Totals	1.20		180.00

Total Fees and Disbursements	180.00
Total Current Charges Due	180.00

City of Marine City

Memo

To: Pension Board Members
From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer
Date 2/16/15
Re: **PRELIMINARY FINANCIAL STATEMENTS FOR JANUARY 2015**

Please include the attached **Preliminary Financial Statements for January 2015** on the agency Meeting. If you have any questions, please contact me.

Thank you

02/15/2015 07:45 PM
User: McDonald
DB: Marine City

BALANCE SHEET FOR CITY OF MARINE CITY
Period Ending 01/31/2015
PRELIMINARY FINANCIAL STATEMENTS-JANUARY 2015

Page: 17/18

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	94,947.81
731-000.000-017.000	PENSION FUND TRUST ACCOUNT	5,175,394.61
731-000.000-028.100	CONTRIBUTIONS RECEIVABLE	78,432.00
Total Assets		<u>5,348,774.42</u>
*** Liabilities ***		
Total Liabilities		<u>0.00</u>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	6,092,593.86
Total Fund Balance		<u>6,092,593.86</u>
Beginning Fund Balance		6,092,593.86
Net of Revenues VS Expenditures		(743,819.44)
Ending Fund Balance		5,348,774.42
Total Liabilities And Fund Balance		5,348,774.42

PRELIMINARY
FINANCIAL
STATEMENTS
JANUARY 2015

02/15/2015 07:58 PM
 User: McDonald
 DB: Marine City

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY
 PERIOD ENDING 01/31/2015

PRELIMINARY FINANCIAL STATEMENTS-JANUARY 2015

GL NUMBER	DESCRIPTION	2014-15 ORIGINAL BUDGET	2014-15 AMENDED BUDGET	YTD BALANCE 01/31/2015 NORM (ABNORM)	ACTIVITY FOR MONTH 01/31/2 INCR (DECR)	E YEA
Fund 731 - MARINE CITY RETIREMENT SYSTEM						
Revenues						
Dept 000.000						
731-000.000-650.100	UNREALIZED GAIN/LOSS	0.00	0.00	(185,069.39)	(48,085.79)	
731-000.000-650.200	REALIZED GAIN/LOSS	0.00	0.00	73,337.11	0.00	
731-000.000-653.000	EMPLOYER RETIREMENT CONT.	0.00	0.00	115,123.61	16,446.23	
731-000.000-654.000	EMPLOYEE RETIREMENT CONT.	0.00	0.00	10,333.83	1,208.45	
731-000.000-665.000	INTEREST	0.00	0.00	98,438.41	4,972.18	
Total Dept 000.000		0.00	0.00	112,163.57	(25,458.93)	
TOTAL Revenues		0.00	0.00	112,163.57	(25,458.93)	
Expenditures						
Dept 000.000						
731-000.000-801.000	PROFESSIONAL SERV.	0.00	0.00	8,273.99	0.00	
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	28,440.54	9,086.64	
731-000.000-955.000	RETIREMENT BENEFITS	0.00	0.00	270,337.48	38,619.64	
731-000.000-964.000	REFUND/REBATE	0.00	0.00	548,931.00	0.00	
Total Dept 000.000		0.00	0.00	855,983.01	47,706.28	
TOTAL Expenditures		0.00	0.00	855,983.01	47,706.28	
Fund 731 - MARINE CITY RETIREMENT SYSTEM:						
TOTAL REVENUES		0.00	0.00	112,163.57	(25,458.93)	
TOTAL EXPENDITURES		0.00	0.00	855,983.01	47,706.28	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(743,819.44)	(73,165.21)	

PRELIMINARY
 FINANCIAL
 STATEMENTS
 JANUARY 2015

City of Marine City

Memo

To: Pension Board Members

From: Mary Ellen McDonald, CPFA/MiCPT
Finance Director/Treasurer

Date 3/13/15

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR FEBRUARY 2015**

Please include the attached **Preliminary Financial Statements for February 2015** on the agenda for the next Board Meeting. If you have any questions, please contact me.

Thank you

03/13/2015 11:35 AM
User: McDonald
DB: Marine City

BALANCE SHEET FOR CITY OF MARINE CITY
Period Ending 02/28/2015
PRELIMINARY FINANCIAL STATEMENTS-FEBRUARY 2015
Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	73,990.23
731-000.000-017.000	PENSION FUND TRUST ACCOUNT	5,175,394.61
731-000.000-028.100	CONTRIBUTIONS RECEIVABLE	78,432.00
Total Assets		<u>5,327,816.84</u>
*** Liabilities ***		
Total Liabilities		<u>0.00</u>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	6,092,593.86
Total Fund Balance		<u>6,092,593.86</u>
Beginning Fund Balance		6,092,593.86
Net of Revenues VS Expenditures		(764,777.02)
Ending Fund Balance		5,327,816.84
Total Liabilities And Fund Balance		5,327,816.84

PRELIMINARY
FINANCIAL
STATEMENTS
FEBRUARY 2015

03/13/2015 11:51 AM
 User: McDonald
 DB: Marine City

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY

PERIOD ENDING 02/28/2015

PRELIMINARY FINANCIAL STATEMENTS-FEBRUARY 2015

GL NUMBER	DESCRIPTION	2014-15 ORIGINAL BUDGET	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORM (ABNORM)	ACTIVITY FOR MONTH 02/28/2 INCR (DECR)	EI YEAI
Fund 731 - MARINE CITY RETIREMENT SYSTEM						
Revenues						
Dept 000.000						
731-000.000-650.100	UNREALIZED GAIN/LOSS	0.00	0.00	(185,069.39)	0.00	
731-000.000-650.200	REALIZED GAIN/LOSS	0.00	0.00	73,337.11	0.00	
731-000.000-653.000	EMPLOYER RETIREMENT CONT.	0.00	0.00	131,569.84	16,446.23	
731-000.000-654.000	EMPLOYEE RETIREMENT CONT.	0.00	0.00	11,549.66	1,215.83	
731-000.000-665.000	INTEREST	0.00	0.00	98,438.41	0.00	
Total Dept 000.000		0.00	0.00	129,825.63	17,662.06	
TOTAL Revenues		0.00	0.00	129,825.63	17,662.06	
Expenditures						
Dept 000.000						
731-000.000-801.000	PROFESSIONAL SERV.	0.00	0.00	8,273.99	0.00	
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	28,440.54	0.00	
731-000.000-955.000	RETIREMENT BENEFITS	0.00	0.00	308,957.12	38,619.64	
731-000.000-964.000	REFUND/REBATE	0.00	0.00	548,931.00	0.00	
Total Dept 000.000		0.00	0.00	894,602.65	38,619.64	
TOTAL Expenditures		0.00	0.00	894,602.65	38,619.64	
Fund 731 - MARINE CITY RETIREMENT SYSTEM:						
TOTAL REVENUES		0.00	0.00	129,825.63	17,662.06	
TOTAL EXPENDITURES		0.00	0.00	894,602.65	38,619.64	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(764,777.02)	(20,957.58)	

PRELIMINARY
 FINANCIAL
 STATEMENTS
 FEBRUARY 2015

City of Marine City

Memo

To: Pension Board Members

From: Mary Ellen McDonald, CPFAMiCPT
Finance Director/Treasurer

Date 4/12/15

Re: **PRELIMINARY FINANCIAL STATEMENTS FOR MARCH 2015**

Please include the attached **Preliminary Financial Statements for March 2015** on the agenda Meeting. If you have any questions, please contact me.

Thank you

04/12/2015 08:21 AM
User: McDonald
DB: Marine City

BALANCE SHEET FOR CITY OF MARINE CITY
Period Ending 03/31/2015
PRELIMINARY FINANCIAL STATEMENTS-MARCH 2015

Page: 16/17

Fund 731 MARINE CITY RETIREMENT SYSTEM

GL Number	Description	Balance
*** Assets ***		
731-000.000-001.001	CASH	53,035.85
731-000.000-017.000	PENSION FUND TRUST ACCOUNT	5,353,769.54
731-000.000-028.100	CONTRIBUTIONS RECEIVABLE	78,432.00
Total Assets		<u>5,485,237.39</u>
*** Liabilities ***		
731-000.000-200.000	ACCOUNTS PAYABLE	180.00
Total Liabilities		<u>180.00</u>
*** Fund Balance ***		
731-000.000-390.000	FUND BALANCE	6,092,593.86
Total Fund Balance		<u>6,092,593.86</u>
Beginning Fund Balance		6,092,593.86
Net of Revenues VS Expenditures		(607,536.47)
Ending Fund Balance		5,485,057.39
Total Liabilities And Fund Balance		5,485,237.39

PRELIMINARY
FINANCIAL
STATEMENTS
MARCH 2015

04/12/2015 08:33 AM
 User: McDonald
 DB: Marine City

REVENUE AND EXPENDITURE REPORT FOR CITY OF MARINE CITY
 PERIOD ENDING 03/31/2015

PRELIMINARY FINANCIAL STATEMENTS-MARCH 2015

GL NUMBER	DESCRIPTION	2014-15 ORIGINAL BUDGET	2014-15 AMENDED BUDGET	YTD BALANCE 03/31/2015 NORM (ABNORM)	ACTIVITY FOR MONTH 03/31/2 INCR (DECR)	YE
Fund 731 - MARINE CITY RETIREMENT SYSTEM						
Revenues						
Dept 000.000						
731-000.000-650.100	UNREALIZED GAIN/LOSS	0.00	0.00	(19,429.49)	0.00	
731-000.000-650.200	REALIZED GAIN/LOSS	0.00	0.00	73,337.11	0.00	
731-000.000-653.000	EMPLOYER RETIREMENT CONT.	0.00	0.00	148,016.07	16,446.23	
731-000.000-654.000	EMPLOYEE RETIREMENT CONT.	0.00	0.00	12,768.19	1,218.53	
731-000.000-665.000	INTEREST	0.00	0.00	110,959.22	0.00	
Total Dept 000.000		0.00	0.00	325,651.10	17,664.76	
TOTAL Revenues		0.00	0.00	325,651.10	17,664.76	
Expenditures						
Dept 000.000						
731-000.000-801.000	PROFESSIONAL SERV.	0.00	0.00	8,453.99	0.00	
731-000.000-808.000	PENSION TRUST FEE	0.00	0.00	28,225.82	0.00	
731-000.000-955.000	RETIREMENT BENEFITS	0.00	0.00	347,576.76	38,619.64	
731-000.000-964.000	REFUND/REBATE	0.00	0.00	548,931.00	0.00	
Total Dept 000.000		0.00	0.00	933,187.57	38,619.64	
TOTAL Expenditures		0.00	0.00	933,187.57	38,619.64	
Fund 731 - MARINE CITY RETIREMENT SYSTEM:						
TOTAL REVENUES		0.00	0.00	325,651.10	17,664.76	
TOTAL EXPENDITURES		0.00	0.00	933,187.57	38,619.64	
NET OF REVENUES & EXPENDITURES		0.00	0.00	(607,536.47)	(20,954.88)	

PRELIMINARY
 FINANCIAL
 STATEMENTS
 MARCH 2015