michigan municipal league
Better Communities. Better Michigan.

Better Communities.
Better Michigan.

208 N. Capitol Ave.,
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Michigan Municipal League

Pension and OPEB Database

In June of 2015, the League set out to create a comprehensive, statewide database of pension and OPEB information to use as a guide for municipal finance reform. Before developing a solution to one of the largest issues facing Michigan's communities, it was important to fully understand the scope of the problem. Data collection was finalized at the end of August and we are now in the process of analyzing the data and developing suggestions for reform.

The database now stands at 335 member communities – every city and village that has more than five employees. Of those 335 members, the database includes an additional "deep dive" of information on plan design for 100 of the largest municipalities. These top 100 municipalities represent over 90% of League members' employees, cover over a third of the state's population, and are present in nearly half of all counties. Over 100 fields are utilized in the database related to fiscal structure, pension plans, and OPEB plans, resulting in over 1,000 lines of data. We plan to add a list of "full-service" townships in the near future, ensuring this dataset covers most of our state even beyond our membership.

In addition, extensive baseline information already housed within our membership database – population, county, number of employees, incorporation date, etc. – was combined with this database to ensure a more complete picture of each community.

The main source of information for the database is the latest available Comprehensive Annual Financial Reports (CAFRs; either 2014 or 2015) which are accessible online through the State of Michigan Department of Treasury. Other sources include revenue sharing information from Michigan Department of Treasury and demographic information from the League's membership database, which relies upon U.S. Census and member self-reports. As needed, supplementary budgets and benefit plan documents were used to capture additional detail where CAFRs were unclear.

While aggregate data is available at this time, the complete database will be fully developed over the next several weeks. We are participating in a panel session at our annual convention where additional information will be presented to our members and we expect a significant amount of analysis to follow.

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PENSION/OPEB DATABASE, preliminary aggregate data

Pension Plans	Total Data Set (335 Members)*	Largest 100 Employers*
Defined Benefit Plan	83%	98%
Defined Contribution Plan	51%	55%
Hybrid Plan	3%	5%
Total General Fund Revenue	$ 2,827,692,529	$ 2,294,349,874
% of General Fund from Revenue Sharing	16%	15%
% of General Fund from Property Tax	56%	53%
Total Annual Pension Cost	$ 366,026,606	$ 317,761,619
Total Annual Required Contribution	$ 368,934,451	$ 321,349,937
Total Annual Pension Cost / Total GF Rev	13%	14%
Actuarial Value of Assets	$ 10,624,024,319	$ 9,593,062,276
Total Actuarial Accrued Liability	$ 14,039,137,306	$ 12,522,817,708
Pension Fund Ratio	74%	74%
Total Unfunded Actuarial Accrued Liability	$ 3,598,015,873	$ 3,113,520,693
Total Covered Employee Payroll	$ 1,223,175,348	$ 1,034,235,183
% Covered Employee Payroll	296%	390%

OPEB Plans	Total Data Set (335 Members)*	Largest 100 Employers*
Total Annual Required Contribution	$ 489,439,149	$ 447,116,752
Total Annual OPEB Cost	$ 485,830,638	$ 443,925,597
Total Annual OPEB Cost / Total GF Rev	17%	19%
Actuarial Value of Assets	$ 979,822,796	$ 937,352,247
Total Actuarial Accrued Liability	$ 7,167,777,728	$ 6,565,646,853
Total Unfunded Actuarial Accrued Liability	$ 6,184,541,039	$ 5,628,022,227
OPEB Fund Ratio	14%	20%
Total Covered Employee Payroll	$ 1,023,018,210	$ 916,644,418
% Covered Employee Payroll	605%	853%

*excludes the City of Detroit