

City of St. Clair Shores Police & Fire Retirement System

27600 Jefferson Avenue St. Clair Shores, MI 48081-2075
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Chairman
James E. Haddad
Vice Chairman
Ronald J. Frederick
Secretary
Douglas M. Haag

Trustees
Joseph J. Chomiak
Shayne F. Gleason
Counsel
Thomas C. Michaud

SUMMARY ANNUAL REPORT FY ENDING JUNE 30, 2016

I. RETIREMENT SYSTEM INFORMATION

A. Name of Retirement System

City of St. Clair Shores Police & Fire Retirement System, Act 345

B. Names of the Retirement System's investment fiduciaries

1. Board of Trustees

James E. Haddad, Chairman; Ronald J. Frederick, Vice Chair; Douglas M. Haag, Secretary; Joseph J. Chomiak, Trustee; Shayne F. Gleason, Trustee

2. Investment Consultant – Morgan Stanley, The Brice Group

3. Investment Managers: Loomis Sayles-LCV; Loomis Sayles – International; INVESCO-International; Winslow Capital; Earnest Partners; Atlanta Capital; Western Asset; TCW-LCV; Causeway – International; Delaware – LCV; Federated – International; JP Morgan – LCV

4. Custodial Bank - Comerica Bank

C. Names of the Retirement System's service providers:

1. Plan Administrator – Douglas M. Haag, Secretary
2. Actuary - Gabriel, Roeder, Smith & Company
3. Attorney(s) - VanOverbeke, Michaud & Timmony, P.C.
4. Auditors/Accountants – Yeo & Yeo
5. Medical Director - None Appointed

II. ASSET/INVESTMENT INFORMATION

A. Assets and Liabilities

1. including changes in net plan assets on a plan-year basis – \$1,167,596.44

B. Investment Performance

1. net of fees on a rolling calendar year basis for the prior 1,3,5,7 and 10 years through the calendar year ending December 30, 2016:

| <u>1 Year</u> | <u>3 Year</u> | <u>5 Year</u> | <u>7 Year</u> | <u>10 Year</u> | <u>Since Inception</u> |
|---------------|---------------|---------------|---------------|----------------|------------------------|
| 6.2% | 4.4% | 8.6% | 7.4% | 4.4% | 6.5% |

C. Expenditures (GASB Compliant)

1. **Administrative** – \$42,153.37
2. **Investment** - \$640,981.20
 - a. including soft dollars – N/A
3. **Professional Training/Education**
 - a. including travel - \$5,689.20

III. ACTUARIAL INFORMATION

A. Membership

1. Active members: 130
2. Retirees/beneficiaries: 204
3. Open/closed plan: Open

B. Benefits

1. Average annual retirement allowance: \$48,692
2. Total annual retirement allowances being paid: \$9,933,166

C. Contributions

1. Valuation payroll: \$10,961,050
2. Employer's normal cost of benefits as a percentage of valuation payroll: 17.69%
3. Employer's total contribution rate as a percentage of valuation payroll: 49.28%
4. Weighted average of member contributions: 4.61%
5. Confirmation that the Retirement System provides for the payment of the required employer contribution and that the Retirement System has received said required employer contributions: YES

D. Assumptions

1. Assumed rate of investment return - 7.5%
2. Assumed rate of long-term wage inflation – 4.5%
3. Smoothing method used to determine the funding value of assets – 5 year smoothing method
4. Amortization method and period used for funding actuarial accrued liabilities – Level percent open 10 years if overfunded, 25 years if underfunded
5. Actuarial cost method – entry age
6. Retiree Health Care Inflation Assumption – N/A

E. Funded Ratio

1. Valuation assets to actuarial accrued liabilities on a plan-year basis = 61.6%

IV. ITEMIZED BUDGET

A. Projected Expenditures

1. Including professional training/education and travel expenditures:

2016/2017 PROJECTED BUDGET

| <u>ITEM</u> | <u>AMOUNT</u> |
|--------------------------|------------------|
| Benefit Payments | \$10,379,856.00 |
| Trustee & Custodial Fees | 657,354.00 |
| Training | 6,000.00 |
| Actuarial Fees | 31,550.00 |
| Legal Fees | <u>11,000.00</u> |
| Total Expenses | \$11,085,760.00 |