

# Flint Township Firefighters' Retirement System

## Summary Annual Report

### December 31, 2014

Dear Member:

The following is a summary of your Retirement System. Each year, an actuarial valuation is prepared to compare assets to liabilities. Assets are held and invested in a trust separate from other Township assets. The only disbursements from this trust are to members who are retired or disabled, beneficiaries of members, members who receive contribution refunds, and for Retirement System expenses.

As Retirement Board Members, our tasks include making sure trust assets are invested prudently, required Township and member contributions are received and that benefits are paid in accordance with the Retirement System's provisions.

Various professionals are hired to help in the administration of the System. They are listed in the column to the right.

The Township is funding Retirement System benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Respectfully submitted,

**Board of Trustees**  
**Flint Township Firefighters' Retirement System**

**Board Members**

*Chairman*  
 Thomas Stadler

*Vice-Chair*  
 Michael Burkley

*Treasurer*  
 Marsha Binelli

*Member at Large*  
 Beth Takacs

*Member at Large*  
 Nina MacGillvray

**Professional Advisors**

Investment Fiduciaries  
 JP Morgan Chase

Investment Consultant  
 JP Morgan Chase

Service Providers  
 Rodwan Consulting Company, *Actuary*  
 VanOverbeke, Michaud & Timmony, P.C.,  
*Attorney*

**Actuarial Information Used for this Report:**

1. 10 active members
2. 15 retirees/beneficiaries
3. Plan is closed to new hires
4. \$33,537 average annual pension benefit
5. \$503,056 annual pension benefits paid
6. \$799,938 valuation payroll used
7. Employer's normal cost of benefits: 18.32%
8. Employer's total contribution rate: 41.28%
9. Member contribution rate: 8.00%
10. The required employer contribution for the fiscal year was received
11. 8.0% assumed rate of investment return
12. Assumed rate of wage inflation 4.5%
13. Closed 4 year smoothing method used
14. Level percent of payroll amortization period used
15. Individual Entry Age cost method used
16. Funded ratio 66.2%

**Investment Performance\***

	1	3	5	7	10
Combined	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
Account	9.53%	13.52%	10.86%	N/A%	N/A%

\*Calendar year ending December 31, 2014 (net of fees)

**2015 Projected Expenditures**

Pension Payments/ Withdrawals: \$552,033  
 Refund of Member Contributions: \$0  
 Investment Fees: \$3,000  
 Memberships/Training/Education/Travel: \$1,000  
 Administrative Expenses: \$8,700

## Flint Township Firefighters' Retirement System Summary Annual Report (cont.)

### Actuarial Valuation Summary

Rodwan Consulting Company was hired to prepare the December 31, 2014 Actuarial Valuation. The funding objective of the System is to contribute a contribution that remains level from year to year as a percent of payroll. The actual level of contribution is dependent on past and assumed future experience, including investment performance, and benefit provisions.

Below is a summary of the results:

<b>Contribution Requirements</b>	
Normal Cost of Benefits	
Total	18.32%
Member portion	8.00
Employer portion	10.32
Amortization of unfunded liability (15 years)	30.96
Computed Employer Rate	41.28%

*Contribution rates are expressed as a percent of eligible member payroll.*

### **Assets & Liabilities**

#### **Funded Status**

Market Value of Assets	\$5,918,165
Smoothed Valuation Assets	5,532,101
Actuarial Accrued Liability	8,354,705
Funded Ratio – Entry Age cost method	66.2%

The valuation reflects Retirement System changes made prior to December 31, 2014. The assumptions and methods are consistent with those used in the December 31, 2013 valuation.

**Actuary's Statement** – The System is being funded based on sound actuarial assumptions, methods and level percent of payroll funding objective. For a complete analysis, please review the December 31, 2014 actuarial valuation.

#### **Revenues & Expenditures**

Beginning Balance (Adjusted Market Value) – December 31, 2013	\$5,513,709
<b>Revenues</b>	
Employees' contributions	63,415
Employer contribution	314,986
Net Investment income	<u>519,177</u>
Total	897,579
<b>Expenditures</b>	
Pension payments	485,978
Non-Investment Expenses	<u>7,144</u>
Total	493,122
Ending Balance (Market Value) – December 31, 2014	\$5,918,165
Recognized Return on Smoothed Funding Value of Assets	10.75%