

Clinton Township Fire and Police Retirement System

Summary Annual Report

March 31, 2015

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,

**Clinton Township
Fire and Police Retirement Board**

Board Members

James Stachowski,
Chairman

Ken DeBeaussaert,
Citizen Member

William J. Sowerby,
Treasurer

Charles Champagne,
Secretary

Kim Meltzer
Citizen Member

Beth Glowe,
Executive Director

Professional Advisors

Investment Fiduciaries

Alidade

Aliaz

Brandywine Asset Management

Clarkston Capital

Delaware Investments

EnTrust Capital Diversified

EnTrust Spec Opp Fund

Goldman Sacs

Hamlin

Loomis, Sayles and Co.

McMorgan Infrastructure

Mesirow Financial

Morgan Stanley Alternative Investors

Penn Square Capital Group

Pimco All Asset

Reinhart

RREEF American REIT II

Tradewinds Global Investors

Vanguard Emerging Markets

Service Providers

Plante Moran, Auditors

Rodwan Consulting Company, Actuary

VanOverbeke, Michaud & Timmony,
Attorneys

Actuarial Information Used for this Report:

1. 154 active members
2. 177 retirees/beneficiaries (including DROP participants)
3. Plan is open to new hires
4. \$44,290 average annual pension benefit
5. \$7,839,320 annual pension benefits paid
6. \$13,004,900 valuation payroll used
7. Employer's normal cost of benefits: 18.55% Fire employees and 16.74% for Police employees
8. Employer's total contribution rate: 31.47% Fire employees and 21.25% for Police employees
9. Weighted average member contribution rate: 6.78% Fire employees and 7.80% Police employees
10. The required employer contribution for the fiscal year was received
11. 7.5% assumed rate of investment return
12. 5% assumed rate of long-term wage inflation
13. 4 year smoothing method used
14. 20 years amortization period used
15. Method used is level percent of payroll
16. Cost method is individual entry-age
17. Current valuation assets are 87.9% of accrued liability.

Investment Performance*

	1	3	5	7	10
Combined Account	Year	Year	Year	Year	Year
	4.41%	6.71%	6.27%	4.45%	5.90%

*Calendar year ending March 31, 2015 (net of fees)

2015-2016 Projected Expenditures

Pension Payments/DROP Withdrawals: \$8,019,480
 Refund of Member Contributions: \$475,245
 Investment Fees: \$817,806
 Memberships/Training/Education/Travel: \$12,100
 Administrative Expenses: \$185,000

Clinton Township Fire and Police Retirement System Summary Annual Report (cont.)

Actuarial Valuation Summary

Rodwan Consulting Company was hired to prepare the March 31, 2015 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:

Contribution Requirements	Fire	Police
Normal Cost of Benefits		
Total	25.33%	24.54%
Member portion	6.78	7.80
Employer portion	18.55	16.74
Amortization of unfunded liability (20 years)	12.92	4.51
Computed Employer Rate	31.47%	21.25%

Contribution rates are expressed as percents of eligible member payroll.

Assets & Liabilities

Funded Status

Market Value of Assets	\$117,048,278
Valuation Assets	119,306,538
Actuarial Accrued Liability	135,756,770
Funded Ratio	87.9%

The valuation reflects Retirement System changes made prior to March 31, 2015. The assumptions and methods are consistent with those used in the March 31, 2014 valuation.

Actuary's Statement – The System is being funded based on sound actuarial assumptions, methods and level percent of payroll funding objective.

Revenues & Expenditures

Beginning Balance (Market Value) – April 1, 2014	\$116,497,224
Revenues	
Employees' contributions	995,827
Employer contribution	3,427,893
Investment income	6,095,413
Adjustments	0
Total	\$10,519,133
Expenditures	
Pension payments	\$9,051,073
Refund of member contributions	0
Investment Fees	831,281
Administrative Expenses	85,725
Total	\$9,968,079
Ending Balance (Market Value) – March 31, 2015	\$117,048,278
Recognized Return on Smoothed Funding Value of Assets	5.02%