

Flint Township Firefighters' Retirement System
Summary Annual Report
December 31, 2017

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 or 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 as directed by 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

Actuarial Information Used for this Report:

1. 8 active members
2. 15 retirees/beneficiaries
3. Plan is closed to new hires
4. \$39,292 average annual pension benefits
5. \$589,385 annual pension benefits paid
6. \$697,594 valuation payroll used
7. Employer's normal cost of benefits: \$127,123 (18.17%)
8. Employer's total contribution rate: \$334,985 (48.02%)
9. Member contribution rate: 8.0%
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: 77.2%

Board Members

Chairperson

Thomas Stadler

Vice-Chair

Michael Burkley

Treasurer

Lisa Anderson

Members At Large

Nina MacGillvray

Beth Takacs

Professional Advisors

Investment Fiduciaries

Comerica Bank

Investment Consultant

Comerica Bank

Service Providers

Actuary

Rodwan Consulting Company

Legal Counsel

VanOverbeke, Michaud &
Timmony, P.C.

<u>Investment Performance*</u>						<u>2018 Projected Expenditures</u>
	1	3	5	7	10	Pension payments/withdrawals: \$590,673
Combined	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	Refund of Member Contributions: \$-0-
Account	15.46%	0.44%	9.24%	8.42%	3.80%	Investment Fees: \$15,000
						Memberships/Training/Education/ Travel: \$1,000
						Administrative Expenses: \$10,000

*Calendar year ending December 31, 2017 (net of fees)

Actuarial Valuation Summary

Rodwan Consulting Company was hired to prepare the December 31, 2017 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 experience, including investment performance, and benefit provisions. Below is a summary of the results:

Contribution Requirements

Normal Cost of Benefits

Total	18.17 %
Member Portion	8.00
Employer Portion	10.17
Amortization of Unfunded Liability (13 years)	37.85
Computed Employer Contribution Rate	48.02 %

Contribution rates are expressed as percents of eligible member payroll.

Assets & Liabilities

Funded Status

Market Value of Assets	\$7,175,295
Smoothed Valuation Assets	7,005,115
Actuarial Accrued Liability	9,073,702
Funded Ratio - Entry Age cost method	77.2 %

There were no changes in benefit provisions in 2017.

The assumptions and methods are the same as those used in the December 31, 2016 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, 2017 actuarial valuation.

Revenues & Expenditures

Beginning Balance (Adjusted Market Value) - December 31, 2016	\$ 6,335,181
Revenues	
Employees' Contributions	61,351
Employer Contribution	431,590
Net Investment Income	966,579
Total	1,459,520
Expenditures	
Pension Payments	598,732
Non-Investment Expenses	20,674
Total	619,406
Ending Balance (Market Value) - December 31, 2017	7,175,295
Recognized Return on Valuation Assets	8.09%