

CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM

2016 Summary Annual Report

The Public Employee Retirement System Investment Act requires the City of Monroe Employees Retirement System to prepare and issue a summary annual report and to publish and make available a list of all expenses paid by soft dollars annually. The following information is provided for the year 2016.

The name of the retirement system is the City of Monroe Employees Retirement System. The Retirement System's investment fiduciaries are:

Board of Trustees of the City of Monroe Employees Retirement System
Integrated Investment Consultants
Munder Capital Management
Eagle LCV
World Asset Management
Prudential Investment Management (PRISA)
Earnest Partners
JP Morgan Asset Management
Johnston Asset Management
Breckinridge Capital
Victory Capital Management
Bloomfield Capital

The names of the System's service providers are:

Sullivan Ward Asher & Patton, legal advisor
Gabriel Roeder Smith & Company, actuary
Comerica Bank, custodian
Medicolegal Services Inc., medical authority

The System's changes in net plan assets on a plan-year basis:

	<u>12/31/2015</u>	<u>12/31/2016</u>	
Assets:	\$129,753,467	\$129,962,228	Net Increase of \$208,761

As reported in the actuarial valuation for the annual period ending December 31, 2016, the Retirement System's valuation assets were \$135,200,000 and its actuarial accrued liabilities were \$147,210,000, which produced a funded ratio of 91.8%. The Retirement System received the required employer contribution for the calendar year beginning January 1, 2016.

The System's investment performance net of fees on a rolling calendar year basis for the previous one, three, five, seven and ten year periods are:

1 year – 6.5%	3 year – 4.40%	5 year – 8.40%	7 year – 7.90%
10 year – 5.70%			

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The System's administrative and investment expenditures pursuant to the Standards of the Governmental Accounting Board, including, but not limited to, a list of all expenditures made with soft dollars and all expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System are:

2016 list of expenditures:

Benefit Payments	\$9,330,086
Member Refunds	\$425,650
Actuarial Fees	\$39,500
Consultant Services Fees	\$156,696
Conference/Association Fees	\$2,050
Custody Fees	\$43,138
Insurance Fees	\$11,865
Investment Management Fees	\$532,070
Legal Fees	\$28,712
Postage and Printing	\$650
Medical Examinations	\$0
ADR Reclaim Processing Fees	\$85
TOTAL EXPENSES	\$10,569,502

There were no soft dollars expenses. The System's itemized budget containing all projected expenditures, including, but not limited to, expenditures for professional training and education, including travel expenditures, by or on behalf of System board members that are paid by the System for 2017 are:

2017 proposed budget:

Benefit Payments	\$9,500,000
Member Refunds	\$25,000
Actuarial Fees	\$41,475
Consultant Services Fees	\$164,531
Conference/Association Fees	\$10,000
Custody Fees	\$42,295
Insurance Fees	\$12,458
Investment Management Fees	\$558,674
Legal Fees	\$30,148
Postage and Printing	\$683
Medical Examinations	\$2,500
ADR Reclaim Fees	\$85
TOTAL EXPENSES	\$10,390,849

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The following information as provided in the System’s most recent annual actuarial valuation report:

1. The number of active members – 164
2. The number of retirees and beneficiaries – 283
3. The average annual retirement allowance - \$33,938.00
4. The total annual retirement allowances being paid - \$9,604,425
5. The valuation payroll - \$9,204,828
6. The employer’s computed normal cost of benefits expressed as a percentage of valuation payroll is: 14.51%
7. The employer’s total contribution rate expressed as a percentage of valuation payroll is: 22.60%
8. The weighted average of member contributions is: 4.48%
9. The actuarial assumed rate of investment return is: 7.45%
10. The actuarial assumed rate of long-term wage inflation is: 3.25%
11. The smoothing method utilized to determine the funding value of assets is: a 7 year smoothing
12. The amortization method and period utilized for funding the System’s unfunded actuarial accrued liability, if any: The amortization method is a level percent of payroll. The amortization period is 23 years, closed.
13. The System’s actuarial cost method is commonly referred to as the entry-age actuarial cost method.
14. Whether System membership is open or closed to specific groups of employees: The System is open to new hires as a whole.
15. The actuarial assumed rate of health care inflation: 7.5%

Retirees and Beneficiaries for 2016:

<u>As of 1-1-2016</u>	<u>Number</u>	<u>Benefit Amount (does not include member refunds)</u>
Beginning of Year	278	\$9,128,249
Added	15	\$ 715,966
Removed	10	\$ 239,790
End of Year 12/31/16	283	\$9,604,425