



Summary Annual Report for City of Marquette Fire and Police Retirement System

This is a summary of the annual report for the Marquette Fire/Police Retirement System. The annual report is for the fiscal year **October 1, 2015 through September 30, 2016.**

The Retirement Board's fiduciary responsibility to you is to supervise the general administration of the system and invest its assets. Our Board retains professional advisors to assist us in fulfilling these duties. The Retirement System is governed by the provisions of Michigan Public Act 345, the City's Charter, the City's Retirement Ordinance and the Retirement Board's official rules and regulations.

Your Retirement System's financial objective is to establish and receive contributions which will remain approximately level from year to year and will not have to be increased for future generations of taxpayers. To determine contribution levels and measure how the system's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith and Company, conduct our annual actuarial valuation.

Audited Financial Statement for the Plan Year ended September 30, 2016

Plan disbursements were \$2,422,540. Included in disbursements were \$14,327 in administrative expenses and \$2,408,213 in benefits, annuity withdrawals, and refunds paid to participants and beneficiaries.

The value of the plan assets, after subtracting liabilities of the plan, was \$29,415,466 as of September 30, 2016, compared to \$27,571,474 as of September 30, 2015.

During the plan year, the plan experienced an increase in its net assets of \$1,843,992. This increase includes net appreciation in the value of plan assets of \$2,626,257, earnings from investments of \$4,118, employer contributions of \$1,465,489, employee contributions of \$170,668, and deductions of (\$2,422,540).

Money-Manager Disclosure

The system's investment performance on a rolling calendar basis for the previous 1 year, 3 year, and since inception periods is shown below. Returns are displayed by overall performance and asset class.

Portfolio Performance (net of fees):

1 – Year	9.64%
3 – Year	5.46%
Inception [Aug' 13]	5.82%

Equities:

1 – Year	12.51%
3 – Year	6.91%
Inception [Aug' 13]	7.38%

Fixed Income:

1 – Year	6.18%
3 – Year	4.22%
Inception [Aug' 13]	4.19%

Cash & Cash Equivalents:

1 – Year	0.35%
3 – Year	0.23%
Inception [Aug' 13]	0.22%

Actuarial Information for the Plan as of December 31, 2015

The most recent Actuarial Valuation by Gabriel, Roeder, Smith and Company indicates that the recommended contribution rates are sufficient to meet the System's financial objectives.

The system's funded ratio based upon the ratio of valuation assets to actuarial accrued liabilities on a plan-year basis is 74%, the same as the prior year.

A total of 125 persons were participants in or beneficiaries of the plan, although not all of these persons had yet earned the right to receive benefits. Retirees and beneficiaries currently receiving benefits number 65, vested terminated members, 3, active employees; fire 25, police 32.

The average annual retirement allowance is \$31,485. The total annual retirement benefits being paid is \$1,862,722 with a total valuation payroll (current employees) of \$3,233,941.

The City of Marquette's (employer) computed normal cost of benefits is 26.69% for Police and 26.13% for Fire while the total contribution rate is 45.11% for Police and 40.09% for Fire. The weighted average of employee contributions is 4.80% for Police and 4.78% for Fire.

The actuarial assumed rate of investment return is 7%. The actuarial assumed rate of long-term wage inflation is 4%. In determining the funding value of assets, a 5-year smoothing method is used.

The level-percent-open amortization method is used for funding the system's unfunded actuarial accrued liabilities. An amortization period of 20 years for Police and 19 years for Fire is used. The system's actuarial cost method is the Individual entry age.

The system's membership is open to each police officer and firefighter employed by the City of Marquette in accordance with Public Act 345 Section 38.562 (12) (1).

Your Rights To Additional Information

You have the right to receive a full copy of the actuarial valuation, or any part thereof, on request and upon payment of copying costs.

To obtain a copy of the full actuarial valuation, or any part thereof, write or call the City Treasurer's office at 300 W. Baraga Avenue, Marquette, MI 49855, or call (906) 228-0475. The charge to cover the copying costs will be 30 cents per page for any part thereof.

For additional information of time and location of monthly Retirement Board meetings, call the City of Marquette Clerk's office at (906) 228-0430.

Respectfully submitted,

City of Marquette Fire/Police Retirement Board

Kirk Vogler
William Toomey, Jr.
Mike Archocoscky
Glenda "G.G." Gordon
Mary Schlicht

Actuary: Gabriel, Roeder, Smith & Company

Auditors: Anderson, Tackman & Company, PLC

Money Manager: Wells Fargo Bank