

CITY OF INKSTER POLICEMEN AND FIREMEN RETIREMENT SYSTEM

2015 Summary Annual Report

The Public Employee Retirement System Investment Act requires the City of Inkster Policemen and Firemen 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 2015.

The name of the retirement system is the City of Inkster Policemen and Firemen Retirement System. The Retirement System's investment fiduciaries are:

Graystone Consulting/Morgan Stanley
Loomis Sayles
McMillan Office Inc.

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The name of the System's service providers are:

Sullivan Ward Asher & Patton, legal advisor
Rodwan Consulting Company, actuary
Comerica Bank, custodian
Consulting Physicians, medical authority

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

	<u>06/30/2014</u>	<u>06/30/2015</u>
Assets (Smoothed):	\$26,549,689	\$26,728,148

Net Increase of \$178,459

As reported in the actuarial valuation for the annual period ending June 30, 2015, the Retirement System's valuation assets were \$26,728,148 and its actuarial accrued liabilities were \$31,986,101, which produced a funded ratio of 83.6%. The Retirement System received the required employer contribution for the fiscal year beginning July 1, 2015.

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 - 0.71%
3 year - 7.12%
5 year - 6.57%
7 year - 8.72%
10 year - 5.52%

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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:

2015 list of expenditures:

Benefit Payments & Member Refunds	\$2,532,403.61
Actuarial Fees	\$13,000.00
Consulting Fees	\$51,716.98
Conference/Association Fees	\$7,022.54
Custody Fees	\$13,886.17
Insurance Fees	\$13,539.00
Investment Management Fees	\$68,646.57
Legal Fees	\$55,342.45
Misc. Postage/printing	59.99
ADR Reclaim Processing Fees	\$115.30
Medical Examinations	0
TOTAL BENEFIT PAYMENTS/EXPENSES	\$2,755,732.61

There were no soft dollars expenses in 2015. 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 2016 are:

2016 proposed budget:

Benefit Payments & Member Refunds	\$2,600,000
Actuarial Fees	\$15,500
Consulting Fees	\$55,500
Conference/Association Fees	\$25,000
Custody Fees	\$15,000
Insurance Fees	\$6,500
Investment Management Fees	\$73,500
Legal Fees	\$45,000
Medical Examinations	\$3,000
ADR Reclaim Fees	\$150
TOTAL BENEFIT PAYMENTS/EXPENSES	\$2,839,150

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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: 27
2. The number of retirees and beneficiaries: 74
3. The average annual retirement allowance: \$33,070
4. The total annual retirement allowances being paid: \$2,447,181
5. The valuation payroll: \$1,842,842
6. The employer's computed normal cost of benefits expressed as a percentage of valuation payroll is: 5.19%
7. The employer's total contribution rate expressed as a percentage of valuation payroll is: 26.23%
8. The weighted average of member contributions is: 10.00%
9. The actuarial assumed rate of investment return is: 8.0%
10. The actuarial assumed rate of long-term wage inflation is: 4.0%
11. The smoothing method utilized to determine the funding value of assets is: a 5 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 19 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