



CITY OF TRENTON
FIRE AND POLICE PENSION BOARD OF TRUSTEES
2800 Third Street • Trenton, Michigan 48183



City of Trenton Fire & Police Pension System
Summary Annual Report to Members
June 30, 2016

Dear Pension System Member:

The Pension System, which is managed by the Pension Board, is designed to help you meet your financial needs should you become disabled, retire, or die. The City also supports a Retiree Health Program, which is separate from the Pension System.

The Pension 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.

We have prepared this summary report to give you a brief overview of the Pension System and how it operates. We hope you will find it useful and informative. However, a summary cannot cover all the details of the System, which is governed by the provisions of ACT 345, any applicable bargaining agreements, and the Pension Board's official rules and regulations. Additional information about the System and its financial operation is available in the Treasurer's office or online.

Respectfully submitted,

Pension Board City of Trenton Fire & Police Pension System

Retirement Board
City of Trenton Fire & Police Retirement System

Michael McCullough, President
Jeffrey Hornauer, Secretary-Treasurer
Tim Fox, Trustee
Norris Blackledge, Trustee
Bruce Jocks, Trustee

Plan Secretary

Karen Sall

Recording Secretary

Leah Iglehart

Auditors/ Accountants

Plante & Moran, LLP

Actuaries and Consultants

Gabriel Roeder Smith &
Company

Legal Counsel

VanOverbeke, Michaud & Timmony, PC

Investment Fiduciaries

Investment Consultant: Graystone Consulting
Custodial Bank: PNC Bank

Investment Managers:

Dana Investment Advisors
Hamlin
Behringer Harvard
TCW
JP Morgan

Vanguard
Loomis Sayles

iShares/Blackrock

Summary Results of the Actuarial Valuation

Your Pension System's financial objective is to accumulate assets necessary to pay the promised benefits in an orderly manner. To determine an appropriate employer contribution level for the ensuing year and to gauge how the System's funding is meeting this fundamental objective, an independent firm of actuaries and employee benefit consultants, Gabriel, Roeder, Smith & Company, conducts annual actuarial valuations.

These valuations are based on your System's past experience, information about current participation and financial markets, and assumptions concerning the System's future demographic and economic activity. The results of the June 30, 2016 valuation, based on the established funding objective, are summarized below:

Valuation date	June 30, 2016
Actuarial cost method	Entry age actuarial cost method
Normal amortization method	Level percent-of-payroll amortized over a Closed 20-year period
Asset valuation method	5-year smoothed market
Valuation payroll	\$3,991,591
Annual pensions paid	\$4,561,724
Average annual pensions paid	\$39,960
Retirees and beneficiaries receiving benefits	115
Terminated plan members entitled to but not yet receiving benefits	1
Active plan members	63
Total	179
Actuarial Assumptions:	
<i>Actuarial Assumptions:</i>	
- Investment rate of return	7.25%
- Projected salary increases	3.7 – 11.5%
- Assumed rate of payroll growth	3.5%

Fiscal Year Beginning July 1, 2017 Employer Contribution

Contributions for		Funded Status	\$ Millions
Normal Cost	\$ 557,725	Actuarial Accrued Liabilities	\$66.9
Normal Accrued Liabilities	1,021,756	Applied Assets(smoothed market value)	53.0
Early Retirement Window Accrued Liabilities		% funded	79.3%
Total Employer Contribution	\$ 1,579,481		
Computed Employer Rate	38.23%		

Actuary's Opinion

It is the actuary's opinion that the contribution rebates recommended in the most recent actuarial report are sufficient to meet the System's financial objective, presuming continued timely receipt of required contribution.

Other

The Board of Trustees of the Retirement System provides for payment of the required employer contribution as described in Section 20m of Michigan Public Act No. 728 of 2002.

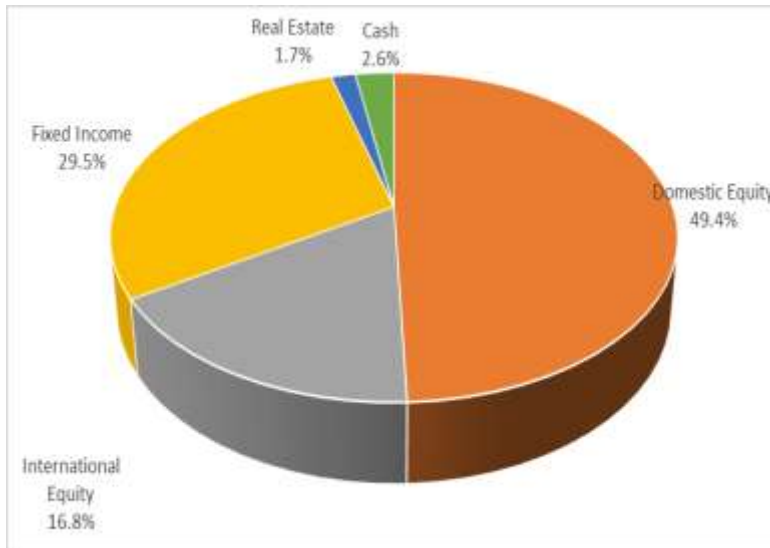
SUMMARY OF CURRENT ASSET INFORMATION

<u>Revenues & Expenditures</u>	<u>2015-2016</u>	<u>Investment Performance(Net of Fees)</u>
Funding(Actuarial) Value – July 1, 2015	\$53,951,496	1-Year -1.87%
		3-Year 4.55%
Revenues		5-Year 4.46%
Employee contributions	242,042	7-Year 7.68 %
Employer contributions	1,424,943	10-Year 4.71 %
Recognized investment income	<u>2,328,041</u>	
Total	3,995,026	
		<u>Projected Expenses for 2016-2017</u>
Expenditures		Administrative \$13,316
Benefit payments	4,561,724	Investment 223,419
Refund of member contributions	98,098	Professional <u>19,085</u>
Expenses	<u>255,820</u>	TOTAL \$255,820
Total	4,915,642	
Funding(Actuarial) Value – June 30, 2016	53,030,880	

Asset Allocation

City of Trenton Fire and Police Retirement System

As of 6/30/16



<u>Asset Class</u>	<u>Market Value</u>	<u>Portfolio Percentage</u>	<u>Policy Allocation</u>	<u>Over/ Under Weight Percent</u>	<u>Dollar</u>
Domestic Equity	\$24,105,175	49.4%	41.0%	8.4%	\$4,093,456
International Equity	\$8,198,742	16.8%	19.0%	-2.2%	-\$1,074,981
Fixed Income	\$14,413,816	29.5%	33.0%	-3.5%	-\$1,693,177
Real Estate	\$808,759	1.7%	5.0%	-3.3%	-\$1,631,695
Cash	<u>\$1,282,579</u>	2.6%	2.0%	0.6%	\$306,398
Combined Accounts	\$48,809,071	100.000%	100.0%		