



Summary Annual Report For the Plan Year Ending September 30, 2016

Plan Information

Retirement Commission

Tina Turner, chair
Henry Wilson
Francesco Simone
Denis Martin
(resigned 7/30/16)

Hugh Macdonald
Elizabeth Misuraca
Tony Saunders
Gary Woronchak

Financial Institutions

Bank of America
JP Morgan Chase
Northern Trust

Investment Managers

AEW Capital Management, L.P.
Crescent Capital Group, L.P.
Earnest Partners, L.L.C.
Frankenmuth Real Estate
Lazard Asset Management, L.L.C.
Loomis, Sayles & Company
Mt. Lucas Management Corp.
Northpointe Capital, L.L.C.
Rizvi Traverse Management, L.L.C.
SIT Investment Associates, Inc.
TerraCap Management, L.L.C.
UBS Financial Services, Inc.

Auditor

Rehmann Robson

Medical Director

Dr. Andrew Vosburgh, M.D.

Investment Consultants

AndCo Consulting
UBS Financial Services, Inc.

Defined Contribution Record Keeper

Prudential Financial

Actuary

Gabriel Roeder Smith & Company

Custodian of Assets

Northern Trust

Attorneys

Allen Brothers P.L.L.C.
Dickinson Wright P.L.L.C.
Kilpatrick and Associates P.C.
Kirby McInerney L.L.P.
Labaton Sucharow L.L.P.
Miller, Canfield, Paddock and Stone P.L.C.
Miller Law P.C.
Plunkett Cooney P.C.
Robbins Geller Rudman and Dowd L.L.P.
VanOverbeke, Michaud & Timmony P.C.
Wayne County Corporation Counsel
Wilson & Young P.L.C.
Zwerling, Schachter & Zwerling, L.L.P.

Asset and Investment Information

Changes in Plan Net Assets – 2016

Assets: \$883,861,879

Liabilities: \$2,822,920

| | | |
|--------------------|---|----------------------|
| <u>Additions:</u> | Contributions | |
| | Employer (County) | \$87,916,274 |
| | Members (County) | \$10,400,163 |
| | Employer (WCAA) | \$15,421,191 |
| | Participants (WCAA) | <u>\$334,437</u> |
| | Total Contributions | \$114,072,065 |
| | IEF judgment investment earnings | \$741,650 |
| | Net Investment Income | <u>\$78,908,142</u> |
| | Total Additions | \$193,721,857 |
| <u>Deductions:</u> | Benefits Paid | \$139,863,597 |
| | Administrative expenses | <u>\$2,314,488</u> |
| | Total Deductions | \$142,178,085 |
| | Change in net position: | \$51,543,772 |
| | <u>Transfer in from Bailiffs' pension plan:</u> | <u>\$5,670,643</u> |
| | <u>Net position restricted for pensions:</u> | |
| | Beginning of year | \$823,824,554 |
| | End of year | \$881,038,959 |
| | Actuarial Value of Assets: | \$894,845,316 |

Average Annual Market Rate of Return

| | <i>Ending 12/31/16</i> | <i>Ending 9/30/16 (fiscal)</i> |
|----------|------------------------|--------------------------------|
| 1 year | 9.13% | 9.90% |
| 3 Years | 4.96% | 6.10% |
| 5 Years | 8.66% | 9.56% |
| 7 Years | 7.03% | 7.18% |
| 10 Years | 3.91% | 4.31% |

Detailed Expenses:

| | |
|-----------------------|--------------------|
| Personnel Services | \$1,634,588 |
| Building / Equipment | \$227,331 |
| Professional Services | \$3,163,197 |
| Miscellaneous | <u>\$314,678</u> |
| Total | \$5,339,794 |

Budget for 2017:

| | |
|-----------------------|--------------------|
| Personnel Services | \$2,332,208 |
| Building / Equipment | \$366,000 |
| Professional Services | \$4,332,226 |
| Miscellaneous | <u>\$596,466</u> |
| Total | \$7,626,900 |

Summary Annual Report For the Plan Year Ending September 30, 2016

Actuarial Information

Contributions for Fiscal Year Ending September 30, 2016

| | |
|--------------------------------|--------------|
| Valuation Payroll | |
| County | \$97,972,865 |
| WCAA | \$30,105,635 |
| Employer Normal Cost | |
| County | 2.31% |
| WCAA | 6.94% |
| Employee Contribution | |
| County | 7.40% |
| WCAA | 1.16% |
| Total Employer Contribution | |
| County | 52.99% |
| WCAA | 24.63% |
| Annual Required Contributions | |
| County | \$63,686,412 |
| WCAA | \$7,022,311 |
| Actual Employer Contributions | |
| County | \$85,842,874 |
| WCAA | \$15,421,191 |
| Percent of Payroll Contributed | |
| County | 78.26% |
| WCAA | 50.51% |

Plan Membership

| | |
|-------------------------|---------------|
| Active Members | |
| Count: County | 3,174 |
| WCAA | 652 |
| Payroll: County | \$183,241,874 |
| WCAA | \$54,367,374 |
| Retirees/Beneficiaries | |
| Count: County | 5,067 |
| WCAA* | 205 |
| Average Annual Benefit: | |
| County | \$25,236 |
| WCAA* | \$40,023 |
| Total Annual Benefit: | |
| County | \$127,871,297 |
| WCAA | \$8,204,811 |
| Deferred Vested Members | |
| Count: County | 189 |
| WCAA | 6 |
| Total Annual Benefits: | |
| County | \$2,262,310 |
| WCAA | \$72,679 |

*Includes only members that retired from WCAA after September 2002

Funded Status – Pension Benefits

| | County | WCAA |
|-------------------------------|-----------------|---------------|
| Actuarial Accrued Liabilities | \$1,436,559,656 | \$161,200,879 |
| Actuarial Value of Assets | \$782,839,227 | \$112,006,089 |
| Percent Funded | 54% | 69% |

Actuarial Assumptions

| | | |
|--|-------|---------------------------------------|
| <i>Assumed Rate of Investment Return:</i> | | <i>Amortization Method:</i> |
| County and WCAA | 7.25% | County |
| | | WCAA |
| <i>Assumed Rate of Long-Term Wage Inflation:</i> | 3.00% | Level Percent of Payroll |
| | | Level Dollar |
| <i>Asset Valuation Method:</i> | 4- | <i>Base UAAL Amortization Period:</i> |
| year smoothed market, 20% corridor | | 20 years (closed) |
| | | <i>Actuarial Cost Method:</i> |
| <i>Weighted Average of Member Contributions:</i> | | Entry Age Normal |
| County | 7.40% | <i>Status of System Membership</i> |
| WCAA | 1.16% | Defined Benefit |
| | | Defined Contribution |
| | | Open |
| | | Open |

This document contains all of the information required of a Public Employee Retirement System by MCL 38.1133, but is not an exhaustive report. For the Comprehensive Annual Financial Report, the Annual Actuarial Valuation, the Historical Plan Review, the External Independent Audit, the Annual Budget, and the 5 year Experience Study please visit our website at: <http://wcers.org/Reporting.html>