

# City of Marysville Police Officers and Firefighters Retirement System

## Summary Annual Report

June 30, 2013

Dear Member:

The following is a summary of your Retirement System. Each year, an actuarial valuation is prepared to compare assets to liabilities. Assets are held and invested in a trust separate from other City assets. The only disbursements from this trust are to members who are retired or disabled, beneficiaries of members, members who receive contribution refunds, and for Retirement System expenses.

As Retirement Board Members, our tasks include making sure trust assets are invested prudently, required City and member contributions are received and that benefits are paid in accordance with the Retirement System's provisions.

Various professionals are hired to help in the administration of the System. They are listed in the column to the right.

The City is funding Retirement System benefits as they accrue in accordance with a sound level percent of payroll funding objective.

Respectfully submitted,

**Board of Trustees**  
**City of Marysville Police Officers and Firefighters Retirement System**

### **Board Members**

Don Paterson,  
*Chairman*

Tim Raker,  
*Vice Chair*

Daniel Damman,  
*Trustee*

Wayne Ryden,  
*Trustee*

Robert Sheehy,  
*Trustee*

Reneae Warnke  
*Secretary/Administrator*

### **Professional Advisors**

Investment Fiduciaries  
 Hamlin Capital Mgt, LLC  
 Reinhart Partners  
 Seizert Capital Partners

### Service Providers

Custodial Services  
 PNC

Investment Consultant  
 Fund Evaluation Group

Attorney  
 Sullivan, Ward, Asher & Patton, P.C.

Actuary  
 Rodwan Consulting Company, *Actuary*

### **Actuarial Information Used for this Report:**

1. 24 active members
2. 24 retirees/beneficiaries
3. Plan is open to new hires
4. \$45,904 average annual pension benefit
5. \$1285,320 annual pension benefits being paid
6. \$1,918,654 valuation payroll used
7. Employer's normal cost of benefits: 14.41%
8. Employer's total contribution rate: 32.12%
9. Member contribution rate: 8.00%
10. The required employer contribution for the fiscal year was received
11. 8.0% assumed rate of investment return
12. 4% assumed rate of long-term wage inflation
13. 5 year smoothing method used
14. 20 years amortization period used
15. Method used is level percent of payroll
16. Cost method is individual entry-age
17. Current valuation assets are 68.1% of accrued liability.

### **Investment Performance\***

	1	3	5	7	10
Combined	Year	Year	Year	Year	Year
Account	10.0%	8.3%	4.5%	4.3%	5.4%

\*Calendar year ending December 31, 2013 (net of fees)

### **2013-2014 Projected Expenditures**

Pension Payments: \$1,286,000.  
 Audit Fees/Liability Insurance: \$6,100.  
 Investment Fees: \$62,600.  
 Memberships/Training/Education/Travel: \$2,000.  
 Administrative Expenses: \$32,550.

# City of Marysville Police Officers and Firefighters Retirement System Summary Annual Report (cont.)

## Actuarial Valuation Summary

Rodwan Consulting Company was hired to prepare the June 30, 2013 Actuarial Valuation. The funding objective of the System is to contribute a contribution that remains level from year to year as a percent of payroll. The actual level of contribution is dependent on past and assumed future experience, including investment performance, and benefit provisions. Below is a summary of the results:

### Contribution Requirements

Normal Cost of Benefits	
Total	14.41%
Member portion	8.00
Employer portion	6.41
Amortization of unfunded liability	
(20 years)	25.71
Computed Employer Rate	32.12%

Contribution rates are expressed as percents of eligible member payroll.

### Assets & Liabilities

<b>Funded Status</b>	
Market Value of Assets	\$14,411,577
Valuation Assets	14,804,132
Actuarial Accrued Liability	21,729,016
Funded Ratio	68.1%

The valuation reflects Retirement System changes made prior to June 30, 2013. The assumptions and methods are consistent with those used in the June 30, 2012 valuation.

**Actuary's Statement** – The System is being funded based on sound actuarial assumptions, methods and level percent of payroll funding objective. For a complete analysis, please review the June 30, 2013 actuarial valuation.

### Revenues & Expenditures

Beginning Balance (Market Value) – July 1, 2012	\$13,705,268
Revenues	
Employees' contributions	140,689
Employer contribution	571,900
Investment income	1,322,869
Other	0
Total	2,035,458
Expenditures	
Pension payments	1,297,754
Health Insurance	0
Vested Benefits	0
Administrative expenses	31,395
Other	0
Total	1,329,149
Ending Balance (Market Value) – June 30, 2013	\$14,411,577
Recognized Return on Smoothed Funding Value of Assets	0.4%