

**City of Dearborn
Police and Fire Revised Retirement System
Proposed FY2018, 2019 and 2020 Budget**

This fund accounts for amounts reserved to pay current and future retirement benefits.

Revenue

- The estimated gain on investments is based around the System's Return Assumption of 7.00%. That assumed gain is then allocated based on estimates provided by the City's investment consultant, NEPC, founded on the asset allocation of the System. The Employer contributions are based on the cost to fully fund the Normal Cost and Accrued Liability for Fiscal Year 2016.

Expenditures

- FY 2017 Benefit Payments were estimated based on projecting the current year annuities at a full 12 month cycle. A 5% increase on regular annuities was assumed based on the five year historical trend. No increase applied to other annuities
- Staff Training and Travel is estimated at \$2,000 per trustee multiplied by the 7 members of the Chapter 23 Board.
- Other professional fees include items such as fees for Independent Medical Exams, outside Counsel, etc.
- Administration/Management fees include custodian fees to Comerica, consultant fees to NEPC, the investment fees to managers in Chapter 23 and the City Administrative Service Fee.
- Actuarial fees paid to GRS include the Annual Valuation, Final Calculation verifications and a Supplemental Report that will be required for compliance with GASB 67/68.
- Operating Supplies, Fees and Permits include expenses such as MAPERS and NCPERS annual registration fees and IRS Letter of Determination filing fees.
- Insurance Costs pertain to the Fiduciary Liability Insurance Policy paid to Nickel and Saph

General Notes

- Per Compliance with Public Act 314, this Fund is now required to have a budget prepared which requires Pension Board and Council Approval
- smoothing.
- Members of Chapter 23 make a 5% refundable contribution to the System.