

MCERS

Monroe County Employees Retirement System

*Summary Annual Report
To Members*



For the Year Ended December 31, 2017

Dear Retirement System Member:

The Retirement System, which is managed by the Monroe County Employees Retirement System Board of Trustees, is designed to help you meet your financial needs should you become disabled, retire, or die. Your employer also supports a Retiree Health Insurance Program for eligible participants, which is separate from the Monroe County Employees Retirement System.

The Retirement Board's fiduciary responsibility is to supervise the general administration of the System and invest its assets. The Board retains professional financial consultants and money managers to assist in fulfilling these duties.

This summary report has been prepared to give a brief overview of the Retirement System and how it operates. I 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 the County's retirement ordinance and the Retirement Board's official policies. Additional information about the System and its financial operations is available in the office of the Retirement Specialist or by visiting the Monroe County Employees Retirement System Website at: www.mcers.org.



Sincerely,
Michael Grodi, Chairman
Monroe County Employees Retirement System

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This summary report has been prepared to give a brief overview of the Retirement System and how it operates. I hope you will find it useful and informative.
.....

- Michael Grodi
Chairman

MONROE COUNTY EMPLOYEES RETIREMENT SYSTEM

Board of Trustees

CHAIRMAN

Michael Grodi, Employee Representative

VICE CHAIRMAN

George Jondro, Retiree Representative

Nancy Bellaire, Library System Representative

Jeff Koras, Employee Representative

Henry Lievens, Board of Commissioners

James Morgan, Road Commission Representative

Bob Neely, Citizen Representative

Annamarie Osment, Employee Representative

Jason Turner, Board of Commissioners

Plan Administrators

Joey Becker, Retirement Specialist

Michael Bosanac, Retirement Secretary

Actuary

Troy Jaros, Buck

Attorney

Thomas C. Michaud

VanOverbeke, Michaud and Timmony, PC

Auditor

Bill Brickley, Plante Moran

Investment Consultant

Brian Green, AndCo Consulting

Investment Fiduciaries

Boyd Watterson Asset Management

Brandywine Global Asset Management

Cambriar

Clarkston Capital

Clearbridge

Comerica Bank – Custodial Bank

Corbin Capital

Delaware Capital Management

Federated Investment Counseling

Intercontinental Real Estate

Lazard Asset Management

Mesirow Financial

Renaissance Investment Company

Riverbridge Partners

Seizert Capital Partners

Tortoise

Vanguard

Wisdom Tree

Medical Director

Steven Dovitz, M.D.

Retirement Office

840 South Roessler Street, Monroe MI 48161

(734) 241-1174

Funded Status

	2016	2017
Actuarial Accrued Liability	\$274,544,403	\$284,313,525
Actuarial Value of Assets	\$202,718,040	\$207,191,203
Funded Ratio	73.8%	72.8%

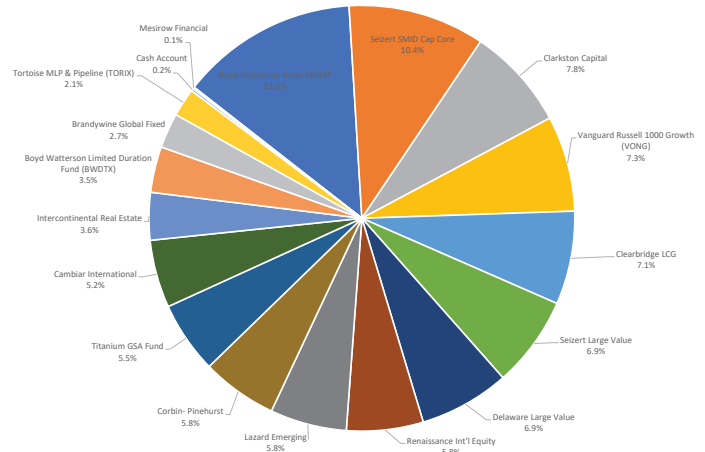
Membership Status

- **Active Members - 725**
- **Retirees/Beneficiaries - 768**
- **Inactive Members - 143**

Investments - December 2017

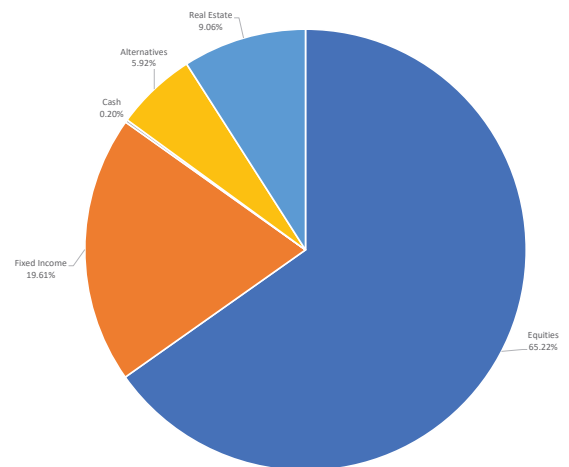
PORTFOLIO MANAGER ALLOCATION

	Market Value	Allocation
Boyd Watterson Asset MGMT	\$27,935,534	1350%
Seizert SMID Cap Core	\$21,499,083	1040%
Clarkston Capital	\$16,140,123	780%
Vanguard Russell 1000 Growth (VONG)	\$15,041,681	730%
Clearbridge LCG	\$14,684,559	710%
Seizert Large Value	\$14,335,275	690%
Delaware Large Value	\$14,234,154	690%
Renaissance Int'l Equity	\$12,069,395	580%
Lazard Emerging	\$12,049,311	580%
Corbin- Pinehurst	\$11,922,924	580%
Titanium GSA Fund	\$11,295,566	550%
Cambiar International	\$10,674,624	520%
Intercontinental Real Estate	\$7,476,836	360%
Boyd Watterson Limited Duration Fund (BWDTX)	\$7,208,543	350%
Brandywine Global Fixed	\$5,504,537	270%
Tortoise MLP & Pipeline (TORIX)	\$4,443,590	210%
Cash Account	\$405,933	20%
Mesirow Financial	\$256,553	10%

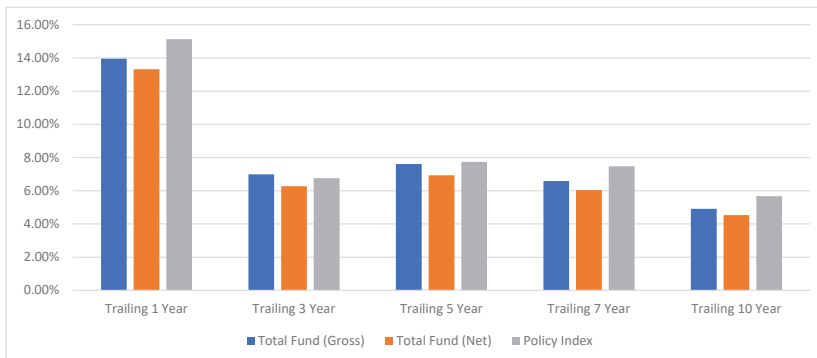


PORTFOLIO COMPOSITION BY ASSET CLASS

Asset Class	Market Value
Equities	135171794
Fixed Income	40648614
Cash	405933
Alternatives	12270221
Real Estate	18772402
	207268964
	\$207,268,964
	\$0



TOTAL FUND PERFORMANCE



	Trailing 1 Year	Trailing 3 Year	Trailing 5 Year	Trailing 7 Year	Trailing 10 Year
Total Fund (Gross)	13.95%	6.99%	7.61%	6.59%	4.91%
Total Fund (Net)	13.32%	6.27%	6.93%	6.04%	4.53%
Policy Index	15.13%	6.76%	7.74%	7.47%	5.67%
Beginning Market Value	\$188,664,589	\$190,691,750	\$175,132,720	\$172,306,536	\$186,982,145
Net Contributions	(\$6,402,217)	(\$18,871,551)	(\$30,935,483)	(\$39,323,120)	(\$57,942,291)
Gain / Loss	\$25,006,592	\$35,448,765	\$63,071,727	\$74,285,548	\$78,229,110
Ending Market Value	\$207,268,964	\$207,268,964	\$207,268,964	\$207,268,964	\$207,268,964

Please Note

This information and data is being provided at your request and is from sources considered reliable, but their accuracy and completeness is not guaranteed. It has been prepared for illustrative purposes only and is not intended to be used as a substitute for the transaction statements you receive from your custodians. Please compare the data on this document carefully with your transaction statements to verify its accuracy. This information is based upon the market value of your account as of the close of business on 12/31/2017, and is subject to daily market fluctuation.

Morgan Stanley Smith Barney LLC. Member SIPC

Brief Summary of Benefit Provisions

REGULAR RETIREMENT

General County – TPOAM Nurses, UAW-FOC, POAM-District Court 1, POAM District Court II, POAM-Youth Center, TPOAM Family Court, TPOAM-Youth Center Supervisors, Non-Union Other, Non-Union Management

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired prior to 1/1/2011 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Hired on or after 1/1/2011 age 60 with 8 or more years of service.

General County – TPOAM

- Hired prior to 10/26/2010 service multiplied by 2.5% of final average earnings.
- Hired prior to 10/26/2010 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 10/26/2010 service multiplied by 1.5% of final average earnings.
- Hired on or after 10/26/2010 age 60 with 8 or more years of service.

General County – POAM Prosecutors

- Hired prior to 4/3/2012 service multiplied by 2.5% of final average earnings.
- Hired prior to 4/3/2012 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 4/3/2012 service multiplied by 1.5% of final average earnings.
- Hired on or after 4/3/2012 age 60 with 8 or more years of service.

Library

- Service multiplied by 2.0% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 8 or more years of service.

Mental Health

- Service multiplied by 2.25% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 8 or more years of service.

Road Commission – AFL-CIO Local #543, AFSCME Local #839

- Hired prior to 12/1/2014 service multiplied by 2.25% of final average earnings.
- Hired on or after 12/1/2014 service multiplied by 2.0% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 8 or more years of service.

Road Commission – Management

- Service multiplied by 2.25% of final average earnings.
- Age 55 with 30 or more years of service or age 60 with 15 or more years of service.

County Agency

- Hired prior to 12/1/2014 service multiplied by 2.50% of final average earnings.
- Hired prior to 12/1/2014 age 55 with 30 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 12/1/2014 service multiplied by 1.5% of final average earnings.
- Hired on or after 12/1/2014 age 60 with 8 or more years of service.

Sheriff – POAM Sheriff Deputies

- Hired prior to 7/1/2013 service multiplied by 2.50% of final average earnings.
- Hired on or after 7/1/2013 service multiplied by 1.5% of final average earnings.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service.

Sheriff – COAM Command

- Hired prior to 4/25/2013 service multiplied by 2.75% of final average earnings.
- Hired on or after 4/25/2013 retirement benefits provided in previous position.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service.

Sheriff – POAM Corrections Officers, COAM-Corrections Supervisors

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Age 50 with 25 or more years of service or age 60 with 8 or more years of service.

Dispatch – POAM Communications Specialist, COAM Communications Supervisors

- Hired prior to 1/1/2011 service multiplied by 2.50% of final average earnings.
- Hired prior to 1/1/2011 age 50 with 25 or more years of service or age 60 with 8 or more years of service.
- Hired on or after 1/1/2011 service multiplied by 1.5% of final average earnings.
- Hired on or after 1/1/2011 age 60 with 8 or more years of service.

Type of final average earnings: Highest 3 consecutive years out of the last 10.

Maximum benefit: 75% of final average earnings.

Brief Summary of Benefit Provisions - Continued

DEFERRED RETIREMENT

60 with 8 or more years of service.....Computed as regular retirement but based upon service and final average earnings at termination date.

NON-DUTY DEATH IN SERVICE

15 years of service or age 60 with 10 years of service.....Computed as a regular retirement but actuarially reduced in accordance with a 100% joint and survivor election.

DUTY DEATH IN SERVICE

No age or service requirements.....Computed as a regular retirement but computed as if the member had at least 15 years of service. Must be in receipt of Worker's Compensation.

NON-DUTY DISABILITY

10 or more years of service.....Computed as a regular retirement.

DUTY DISABILITY

No age or service requirements.....Computed as a regular retirement benefit but computed as if the member had at least 10 years of service.

POST-RETIREMENT INCREASES

Road Commission.....Beginning January 1, 1994 for the Road Commission Local #543 members, a program of discretionary annual increases was begun.

Other Payments:

Library System.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be based upon investment earnings that are in excess of the assumed level of assets to cover retiree liabilities.

General, Sheriff, Dispatch & County Agency.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be paid from the County's general fund.

Road Commission.....May from year-to-year pay a Supplemental Retirement Benefit. The Supplemental Retirement Benefit will be paid from the Road Commission's general fund.

MEMBER CONTRIBUTIONS

Dispatch - COAM-Communications Supervisors.....3.0% of the first \$7,800 and 5.0% of excess

Dispatch – POAM-Communications Specialist.....3.0%

Road Commission – Management.....Hired prior to 5/8/2014 - 3.1%, hired on or after 5/8/2014 – 3.25%

Road Commission – Local #543, Local #839.....3.25%

Sheriff – COAM Command Officers.....4.53%

General – POAM-District Court I..... 3.0%

Sheriff – POAM Sheriff Deputies, POAM Corrections Officers, COAM-Corrections Supervisors

.....3.0%

General County – TPOAM Nurses, TPOAM, UAW-FOC, POAM District Court II, POAM-Youth Center, TPOAM Family Court, TPOAM-Youth Center Supervisors, POAM-Prosecutors, Non-Union Other, Non-Union Management

.....3.0%

County Agency.....3.0%