



# Retirement

CCERDBP

Creve Coeur Employee Retirement Defined Benefit Plan  
Annual Report Fiscal Year Ending June 30, 2015

Dear Participants and Residents,

On behalf of the Board of Trustees I am pleased to present the CCERDBP Summary Annual Financial Report of FY2015. This is the first summary report and provides information concerning the status of the retirement plan. The Board is responsible for the administration of the retirement plan, the investment policies, and monitoring the investment performance of its investment managers.

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Chairman  
Kelly Sullivan

Vice Chairman  
David Caldwell

Members Appointed By  
Council  
Michael Neal  
Larry Potashnick

Members Appointed By  
Employees  
John McIntosh  
Steve Unser

City Council Liaison  
Ellen Lawrence

During the past year the Board has seen a continued increase in the funding level of the plan. Since a low point of \$12.6 million assets following the 2008-2009 market decline, the plan assets have risen to \$21.8 million in FY2015. This resulted from increased City contributions, employee contributions, and the investment performance.

The Board meets regularly with its investment managers to discuss the investment returns and strategies going forward. Commerce Bank manages the fixed income investments. Fiduciary Advisors was selected by the Board in 2013, to manage the equity investments.

The Board also meets with the plan actuary to review the ability of the plan to meet its future obligations to retirees. As a result of the actuarial evaluations, the Board has made two changes in the actuarial assumptions used to determine the contributions to the plan which are recommended to the City Council. First, the assumption for future investment performance has been decreased from 7.5% to 7.0%. Second, the Board changed the amortization of the 7/1/15 unfunded liability from a 15-year rolling time period to a fixed 10-year period ending 6/30/2025. This change is to ensure that the current unfunded liability will be eliminated by the time the vast majority of current participants will have retired. (The plan has been closed to new employees since June, 2006.)

The Funded Ratio, which is an actuarial measure of the ability of the fund to meet future obligations, declined from 90.4% in 2007 to 62.5% in 2011. With the new assumptions in place, it stood at 75.9% in 2015.

The Board has a fiduciary duty to the participants in the plan. The City Council has consistently endorsed the actions taken by the Board and has consistently budgeted contributions equal to or in excess of the amount recommended by the Board.

The City has also begun an annual newsletter for the members of the retirement plan to keep them updated on the progress of the retirement plan.

I wish to thank the Board of Trustees for their efforts this year and City Staff for providing assistance to the Board. Both the City Council and the Pension Board of Trustees have displayed a dedication to maintaining the financial soundness of the pension plan to ensure the participants will receive the benefits, to which they are entitled.

If you have any questions please contact Daniel Smith, Director of Finance, for the City of Creve Coeur, at [dsmith@crevecoeurmo.gov](mailto:dsmith@crevecoeurmo.gov) or (314)-879-2519.

Sincerely,

Kelly Sullivan, Chair  
Creve Coeur Employee Retirement  
Defined Benefit Plan

## Retirement Funding

The retirement benefits are funded by contributions from the City of Creve Coeur, investment income, and by employee contributions. In order to ensure your benefits are available to you, CCEDBP is constantly evaluating the assets relative to the value of the liabilities. The information shown on page indicates the extent to which the system was funded as of a given year.

The City must contribute the annually required contribution subject to City Council annual review of the City's Financial condition during the budget process that, when combined with present assets and future investment returns, will be sufficient to meet the present and future financial obligations of the retirement system. The City has met or exceeded the actuarial required contributions for the last 15 years.

The Market events of 2009 had an extremely negative effect on the pension plan. Since that time the plan has significantly improved its funding level as a result of increased City contributions, employee contributions and increased market performance. The City remains committed to providing adequate funding for the plan.

\$1,818

Current Monthly  
Benefit for  
Members  
Currently Retired  
from the CCDBP

# Retirement

## CCERDBP

### Member Data

June 30, 2015	CCEDBP
<b>Retired Members</b>	
Average Age	70
Average monthly benefit	\$1,818.38
<b>Active Members</b>	
Average Age	51.3
Average Monthly Salary	\$6,079
Average length of service	19.5
<b>Total Membership</b>	
Active	53
Terminated-vested	32
Retired	65

### Age of Active Participants in Plan

Years Credited Service by Category	Number of Active Participants
30-34	2
35-39	3
40-44	3
45-49	11
50-54	19
55-59	7
60-64	4
65-69	4
Total	53

### Facts About Your Pension Plan

- The City has consistently paid or exceeded the annually required contributions to adequately fund plan.
- The active employees also support the plan with a contribution of 3% of their base salary and longevity.
- The major sources of revenue for the plan are investment earnings and City contributions.
- The plan employs professional Investment managers to maximize investment earnings.
- The plan was closed to all new employees hired after June 1, 2006.

## FINANCIAL POSITION

### PLAN NET ASSETS

The Plan Net Assets schedule shows a snapshot of what the Creve Coeur Employee Defined Pension Plan owns at the end of the Fiscal Year  
**June-30**

	<u>2015</u>	<u>2014</u>	<u>Amount of</u> <u>Change</u>	<u>Percentage</u> <u>Change</u>
<b>ASSETS</b>				
Investments, at fair value:				
Equity:				
Mutual funds	\$ 15,719,196	\$ 15,333,998	\$ 385,198	2.51%
Fixed Income				
Managed bond account	\$ 5,796,363	\$ 5,563,111	\$ 233,252	4.19%
Total Increase			\$ -	
Money market funds	\$ 256,607	\$ 491,140	\$ (234,533)	-47.75%
<b>Total Investments</b>	<b>\$ 21,772,166</b>	<b>\$ 21,388,249</b>	<b>\$ 383,917</b>	<b>1.79%</b>
Accrued interest and dividends receivable	38,090	40,352	\$ (2,262)	-5.61%
<b>Total Assets</b>	<b>\$ 21,810,256</b>	<b>\$ 21,428,601</b>	<b>\$ 381,655</b>	<b>1.78%</b>
<b>LIABILITIES</b>				
<b>*NET POSITION-RESTRICTED FOR PENSIONS</b>	<b>\$ 21,810,256</b>	<b>\$ 21,428,601</b>	<b>\$ 381,655</b>	<b>1.78%</b>

\*Net Position-Resticted for pensions-The amount of funds available at year end to fund current and future pension liabilities

## CHANGES IN NET POSITION

	2015	2014	Amount of Change	Percentage Change
<b>ADDITIONS TO NET POSITION ATTRIBUTED TO:</b>				
Investment income:				
Net appreciation (depreciation) in fair value of investments	\$ (143)	\$ 2,817,995	(2,818,138)	-100.01%
Interest and dividends	499,552	488,394	11,158	2.28%
<b>Total Investment Income</b>	<b>499,409</b>	<b>3,306,389</b>	<b>(2,806,980)</b>	<b>-84.90%</b>
Less - Investment management and custodial fees*	39,807	37,460	2,347	6.27%
<b>Net Investment Income</b>	<b>459,602</b>	<b>3,268,929</b>	<b>(2,809,327)</b>	<b>-85.94%</b>
Employer's contributions	1,254,457	1,444,717	(190,260)	-13.17%
Employee contributions	93,099	74,183	18,916	25.50%
<b>Total Additions</b>	<b>1,807,158</b>	<b>4,787,829</b>	<b>(2,980,671)</b>	<b>-62.26%</b>
<b>DEDUCTIONS FROM NET POSITION ATTRIBUTED TO:</b>				
Benefits paid to retirees and beneficiaries:				
Monthly annuitized	1,392,018	1,362,521	29,497	2.16%
Lump-sum	-	145,486	(145,486)	-100.00%
<b>Total Benefits Paid To Retirees And Beneficiaries</b>	<b>1,392,018</b>	<b>1,508,007</b>	<b>(115,989)</b>	<b>-7.69%</b>
Administrative expenses:				
Actuarial fees	14,866	12,452	2,414	19.39%
Fiduciary insurance	5,585	5,260	325	6.18%
Auditing fees	12,400	3,000	9,400	313.33%
Other fees and charges	634	2,575	(1,941)	-75.38%
<b>Total Administrative Expenses</b>	<b>33,485</b>	<b>23,287</b>	<b>10,198</b>	<b>43.79%</b>
<b>Total Deductions</b>	<b>1,425,503</b>	<b>1,531,294</b>	<b>(105,791)</b>	<b>-6.91%</b>
<b>INCREASE IN NET POSITION</b>	<b>381,655</b>	<b>3,256,535</b>	<b>(2,874,880)</b>	<b>-88.28%</b>
<b>NET POSITION - RESTRICTED FOR PENSIONS, BEGINNING OF YEAR</b>	<b>21,428,601</b>	<b>18,172,066</b>	<b>3,256,535</b>	<b>17.92%</b>
<b>NET POSITION- RESTRICTED FOR PENSIONS, END OF YEAR</b>	<b>\$ 21,810,256</b>	<b>\$ 21,428,601</b>	<b>381,655</b>	<b>1.78%</b>

\*Investment Manager Fees-Investment Manager Fees are as follows:

- 1) Equity \$20,000 annually (Fiduciary Advisors)
- 2) Fixed Income 0.3.% of value of fixed income investment (Commerce Bank)

This is comparative information concerning the Defined Benefit Plan for year 2014-2015. It includes such information as;

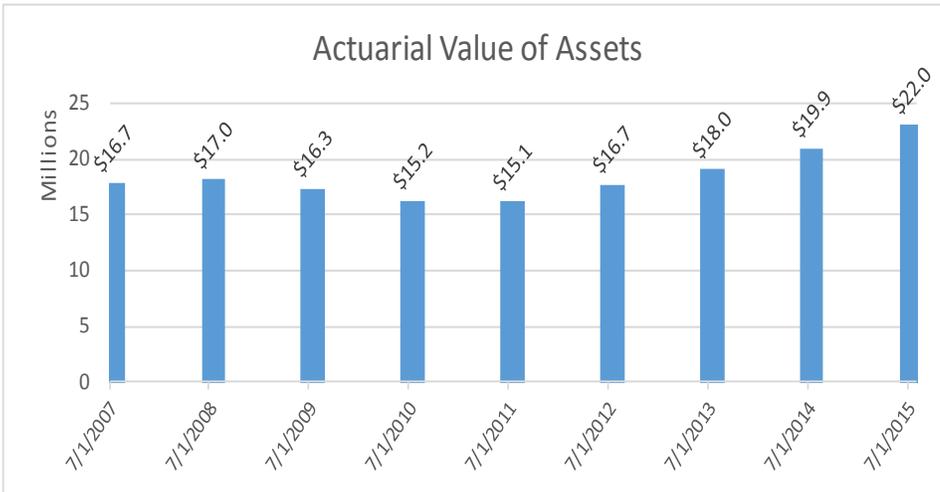
- 1) Participants
- 2) Annual Benefits
- 3) Actuarial Liability
- 4) Actuarial Value of Assets
- 5) Unfunded Liability
- 6) Employee Contribution
- 7) Employer Contribution
- 8) Funding Levels

RETIREMENT PLAN FOR EMPLOYEES OF  
THE CITY OF CREVE COEUR  
**Summary of Valuation Results**  
(As of July 1 of Applicable Year)

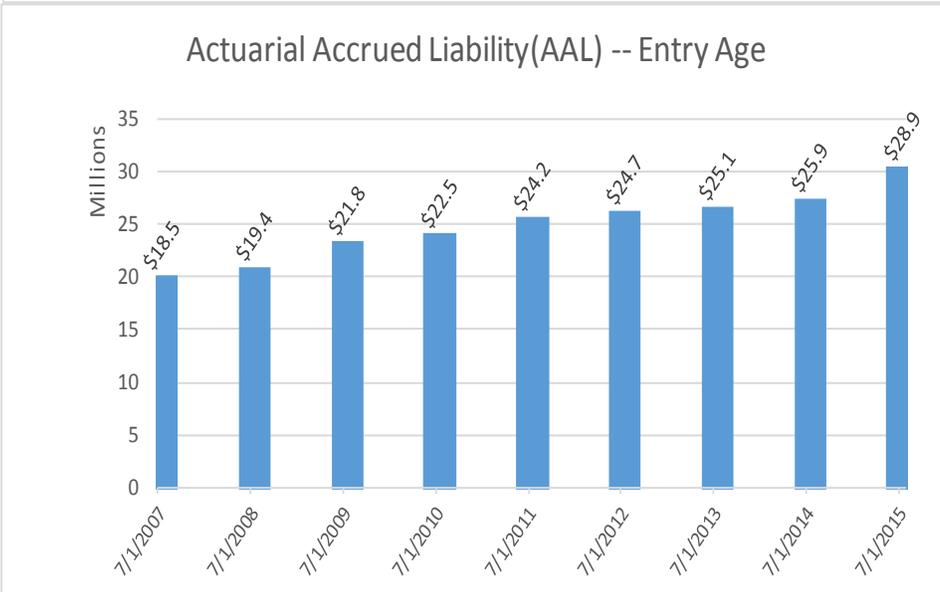
	2015	2014	Amount of Change	Percentage Change
Number of Participants				
Active	53	54	-1	-1.85%
Retired & Beneficiaries	65	64	1	1.56%
Vested Terminations	32	32	0	0.00%
<b>Total</b>	<b>150</b>	<b>150</b>	<b>0</b>	<b>0.00%</b>
Covered Payroll	\$3,866,480	\$3,822,287	\$44,193	1.16%
Annual Benefits Payable to Retired Participants and Beneficiaries	\$1,422,281	\$1,386,917	\$35,364	2.55%
Actuarial Liability				
Active	\$12,112,798	\$10,423,632	\$1,689,166	16.21%
Retired & Beneficiaries	14,802,008	13,806,987	\$995,021	7.21%
Vested Terminations	2,006,925	1,683,462	323,463	19.21%
<b>Total</b>	<b>\$28,921,731</b>	<b>\$25,914,081</b>	<b>\$3,007,650</b>	<b>11.61%</b>
Plan Assets - Actuarial Value	\$21,953,637	\$19,865,227	\$2,088,410	10.51%
Unfunded Actuarial Liability (4-5)	\$6,968,094	\$6,048,854	\$919,240	15.20%
Total Normal Cost*	\$409,425	\$368,778	\$40,647	11.02%
Expected Employee Contributions	\$115,994	\$95,557	\$20,437	21.39%
As a Percentage of Covered Payroll	3.00%	2.50%		
Employer Normal Cost*	\$293,431	\$273,221	\$20,210	7.40%
As a Percentage of Covered Payroll (7-8)	7.59%	7.15%		
15-Year Amortization of Unfunded Actuarial Liability	\$927,196	\$637,449	\$289,747	45.45%
Amortization Period	10 Years	15 Years		
Total Employer Cost (with Amortization of Unfunded Actuarial Liability)	\$1,220,627	\$910,670	\$309,957	34.04%
As a Percentage of Covered Payroll	31.57%	23.83%		
Funded Ratio (5) / (4)	75.91%	76.66%		

\*Normal Cost-the portion of the actuarial present value of plan benefits and expenses allocated to current valuation year.

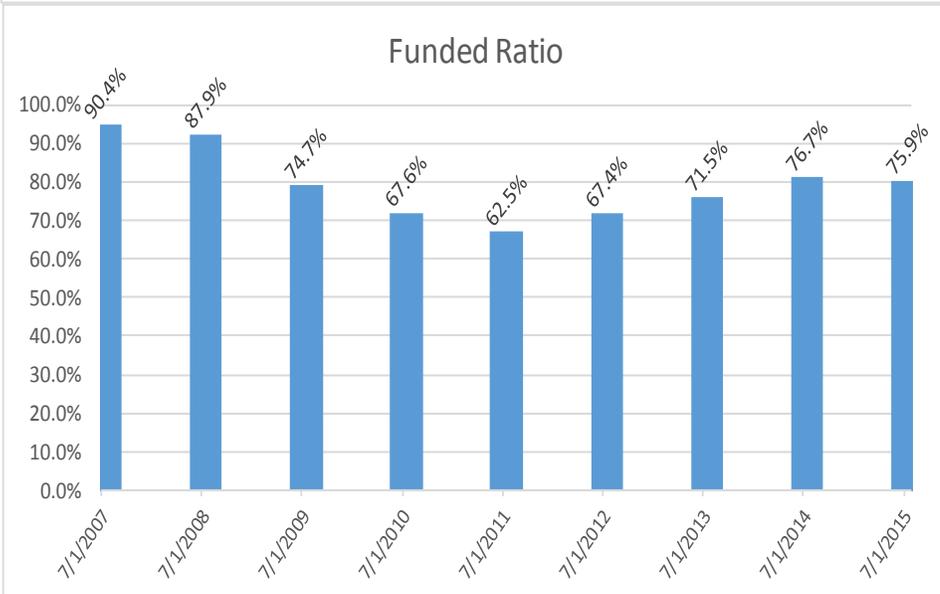
These charts provide historical information concerning the Creve Coeur Pension Plan.



Value of assets as calculated by Actuary using generally accepted actuarial methodology included a three year smoothing of gains and losses.

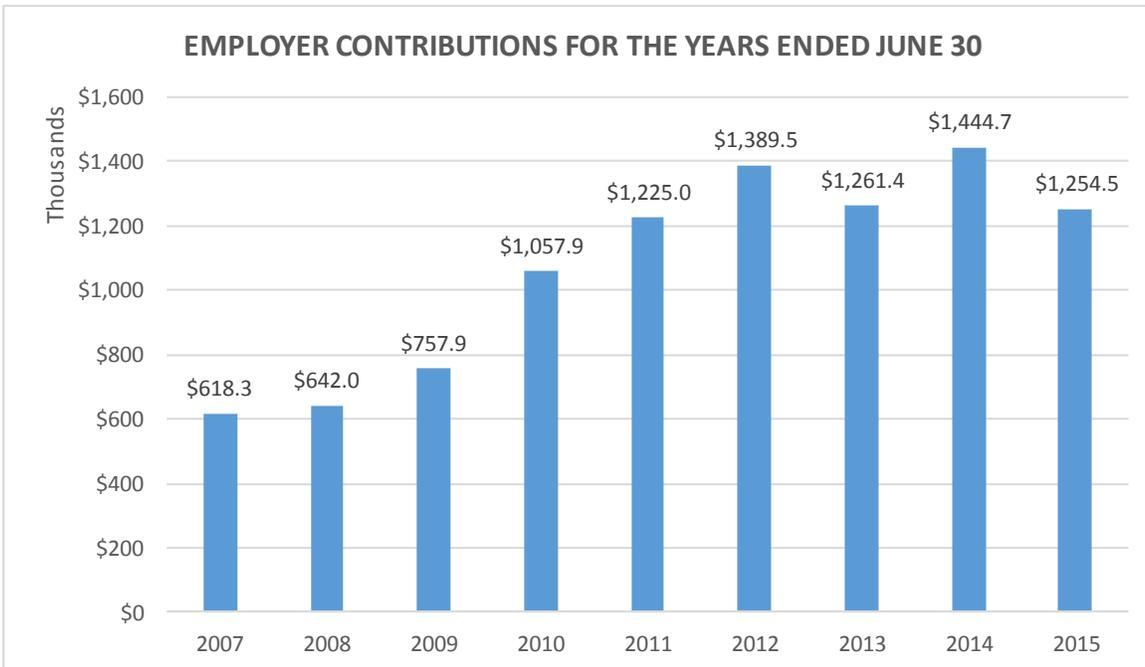
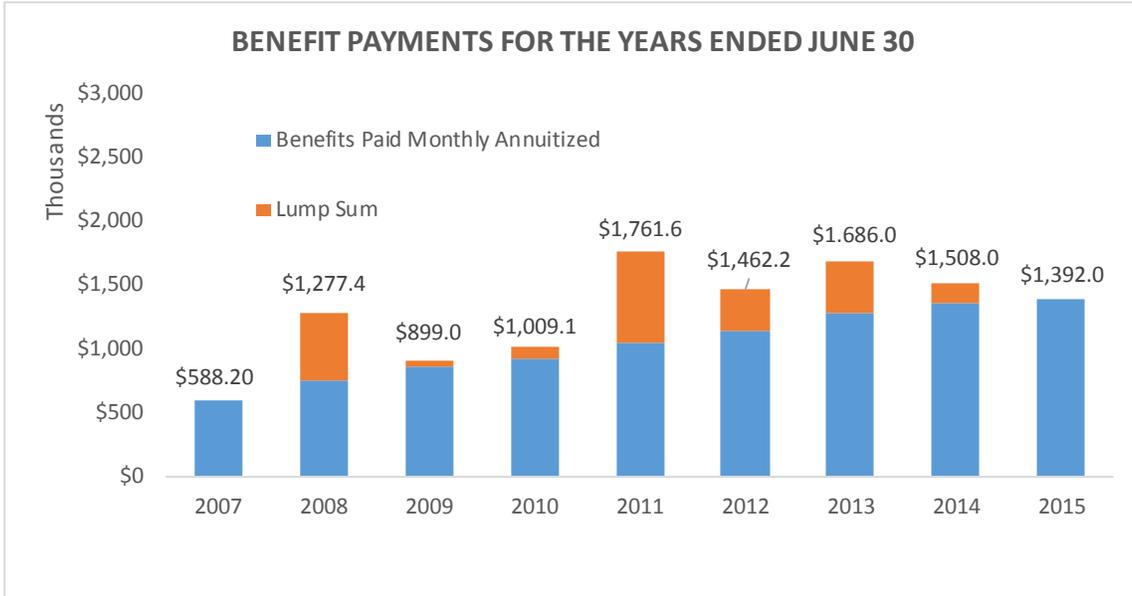


Actuarial liability of pension fund calculated using generally accepted actuarial methodology.



Funded ratio based upon actuarial value of assets divided by actuarial liability.

These schedules provide graphic representation of retiree benefit payments and employer contributions from FY2007 thru FY2015



This schedule provides information concerning the investment performance of plan assets from 2007 thru 2015

PERFORMANCE AND NET POSITION VALUE

