

REPORT OF

Oakland County Employees'

Retirement System

for

YEAR 1957

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COUNTY OF OAKLAND
EMPLOYEES' RETIREMENT SYSTEM

RETIREMENT COMMISSION

EMPLOYEE MEMBERS:

George Williams
Tuberculosis Sanatorium
(Term expires December 31, 1958)

George H. Burt -- Chairman 1957
Social Welfare Department
(Term expires December 31, 1959)

Theodore Koella, Jr.
County Treasurer's Office
(Term expires December 31, 1960)

MEMBERS BY VIRTUE OF THEIR OFFICE:

Delos Hamlin
Chairman -- Board of Supervisors

Fred W. Smith
Chairman -- Ways and Means Committee

Robert Y. Moore -- Chairman 1958
Chairman -- Board of Auditors

CITIZEN MEMBER: Appointed by Board of Supervisors

Lyle Baker, Clawson, Michigan
(Term expires December 31, 1961)

EXECUTIVE SECRETARY

Robert E. Lilly
Secretary -- Board of Auditors

ATTORNEY

Harry J. Merritt
Corporation Counsel

TREASURER

Charles A. Sparks
County Treasurer

REFERENCE BOOK

For Room Use Only

Property of
OAKLAND COUNTY
PLANNING COMMISSION
1 Lafayette Street
PONTIAC, MICHIGAN

RETIREMENT ROLL

Oakland County Roll of Retirants and Beneficiaries

Active

John W. Wulff (R)	1946	Myrtle Wertz (B)	1954
S. Lee Paack (R)	"	Delos Anderson (R)	1955
J. M. Goepfert (R)	1947	David E. Bran (R)	"
Elma J. McKinley (R)	"	Blanche Collins (B)	"
Jean Dondero (R)	1949	Sarah Close (R)	"
Emma Shortway (B)	"	William Genman (R)	"
Mary W. Cobb (R)	1950	Isla Jarvis (R)	"
Leonard Schnell (R)	"	Bernard B. Johnson (R)	"
Ida Bryan (B)	"	John Lyons (R)	"
John Webb (R)	1951	Roena R. Morrison (B)	"
Josephine Johnson (R)	"	Ruth Windiate (R)	"
Jessie Jones (R)	"	Martha McLarty (R)	1956
Luther Heacock (R)	"	Harold Cole (R)	"
Susie Hoyt (B)	"	Gertrude F. Arthur (B)	"
E. K. Thomas (R)	1952	Pearl F. Dahon (R)	"
Edward Aaron (R)	"	Leon E. Hill (R)	"
James Harkless (R)	"	Florence E. Cobb (R)	"
Ann Partridge (R)	"	Fred M. Door (R)	"
Mabel Tuck (B)	"	Nettie Buss (R)	"
Bernice Siple (B)	"	Hazel Cambrey (R)	"
Clyde Underwood (R)	1953	Bessie Berridge (R)	"
Lula McClellan (R)	"	Mayme L. Cornell (B)	"
Leah Loew (R)	"	Albert Whatson (R)	1957
John Peck (R)	"	Mildred E. Salaske (R)	"
Fern Griffeth (R)	"	Linda Sutton (R)	"
Rosena Hummel (R)	"	Edna M. Vierk (R)	"
Alma Hogle (R)	"	Helen Christy (R)	"
Florence McLain (R)	"	Hazel Batzloff (R)	"
Lola Parkins (R)	1954	Emma T. Mazingo (R)	"
Clara Diekman (R)	"	Elva A. Pierson (R)	"
Goldie Masters (R)	"	Clara Smith Haywood (R)	"
Hazel Ellicott (R)	"	Mary Louise Allen (R)	"
Olive Russel (R)	"	Berta Purser (R)	"
Mabel Aikens (B)	"	Sara M. Redman (R)	"
Donald Johnston (B)	"	Maude A. Keller (R)	"
Olive Summers (B)	"		

Deceased

1957

Olive Fuller (R)	4/1/57
Nellie Smith (R)	5/9/57
Mary Maher (R)	8/1/57
E. Earl Currah (R)	11/6/57

1957 IN REVIEW

The following report covers the operations of the Oakland County Employees' Retirement System for the calendar year of 1957. The complete financial report for this period appears in the 1957 "Financial Reports of the County of Oakland" prepared under the auspices of the Oakland County Board of Auditors. The actuary's report on the condition of the System through June 30, 1957 has been made and is on file in the office of the Governor and that of the Secretary of the County Retirement System. A summary of the financial status appears in this report.

The activities of the Retirement Commission for the year 1957 included:

1. Regular monthly meetings held each month.
2. Adoption of revised procedures for the election of employee members to the Commission.
3. Study and recommendation of an increase of County Group Life Insurance to \$2500 to age 70 and \$1,000 thereafter.
4. Study and recommendation of payment of single ward rate for employee members not to exceed \$4.55 per month.
5. Formulation of new policies in re Blue Cross and Life Insurance eligibility.
6. Formulation of policy as to eligibility for Blue Cross and Life Insurance coverage during authorized periods of leave of absence without pay.
7. Approved 13 retirement applications; extended 50 members for an additional year's service; approved 5 agreements to repay contributions withdrawn; processed 12 requests for absences of leave without pay; and approved 3 applications for prior service credit.
8. Approved the investment of retirement funds in the amount of \$255,912.79.

Mr. George Burt, of the Social Welfare Department, served as Chairman of the Commission for 1957 and Lyle Baker, Citizen Member of the Commission, was re-appointed by the Board of Supervisors for a four year term commencing January 1, 1957.

REVISED ELECTION PROCEDURES

The Commission, in an effort to improve the procedures for the election of employee members to the Retirement Commission, approved April 16, 1957, new rules and regulations governing the election of such members. In essence, the new rules provide for the nomination of candidates by petition signed by not less than 50 employee members; provides for notice of election, final dates for filing, etc; provides for a printed ballot with the names of the candidates arranged in alphabetical order; and for voting by absentee ballot in the same manner as heretofore.

The new rules are designed to reduce the number of candidates being balloted on and to better advise the members as to who the candidates are. They will be first used in the December elections of 1958.

MEMBERSHIP

One hundred and seven (107) new members were added to the membership rolls during the year, bringing the total membership as of December 31, 1957, up to 1192 members. Of these, 1051 were classified as Active Members, 66 as Inactive Members, and 75 as Retirants and Beneficiaries. While included for purposes of this tabulation, Retirants and Beneficiaries are not technically members of the System.

RETIRANTS AND BENEFICIARIES

Thirteen (13) members were retired during 1957 with total annual benefits of \$8,771.64. Of this total, 9 members were eligible for social security benefits on account of their county service. The remaining 4 retirants were employees who had left county service before the effective date of social security with deferred pension benefits. In addition, some 50 members were granted annual extensions of service.

Four (4) retirants were dropped from the rolls on account of death during the year, leaving 71 retirants and beneficiaries on the rolls. Total benefits paid for the year amounted to \$53,778.45.

SCHEDULE A

RETIRANTS AND BENEFICIARIES ACCORDING TO OPTIONS SELECTED AS OF DECEMBER 31, 1957

Regular Service	48
Option A (Full Survivorship)	12
Option B (Modified Survivorship)	6
Ordinary Death Beneficiaries	<u>5</u>
Total	71

SOCIAL SECURITY

Under the Coordinated Retirement Plan, county employees are covered by Social Security (OASI) in addition to the benefits of the County Retirement Plan. In 1957 the employees paid F. I. C. A. taxes of \$85,886.42. These were matched by county appropriation of the same amount making a total of \$171,772.84 for social security coverage for the year. In addition, the county paid \$600.00 to the State of Michigan for its costs of administration of the social security program.

No figures are available to show OASI benefits drawn; however, nine members who retired in 1957 were eligible for monthly OASI benefits in addition to their retirement allowances.

GROUP LIFE INSURANCE

As of December 31, 1957, 1058 members were covered under the Group Life Insurance Plan written by the Aetna Life Insurance Company. This represents an increase of 79 policies over the preceding year. Of this total, 1020 policies were for \$1,000 and 28 for \$500 each (reduction at age 70). Included in this total were 38 retirants on whom the county paid the entire cost of premiums. Ten (10) death claims for a total of \$9,000 were paid by Aetna during the year.

The county's monthly cost per \$1,000 of premium was as follows:

January through June	- \$1.17 per 1,000
July through December	- \$1.13 per 1,000

On recommendation of the Retirement Commission, the Oakland County Board of Supervisors, effective January 1, 1958, raised the insurance coverage on members to \$2,500 to age 70 and \$1,000 thereafter.

HOSPITALIZATION

As of December 31, 1957, 708 employees were covered under the County Hospitalization Plan written by Blue Cross, an increase of 79 over the previous year. Of this total, 40 were retirants of the System. Total premiums paid by covered employees and retirants for 1957 were \$67,384.70.

As of January 1, 1958, on recommendation of the Commission, the county has assumed the premium cost on all active and full time employees of the single ward rate, not to exceed \$4.55 per month.

FINANCIAL STATUS

Inasmuch as the complete financial statements are published in the Auditors' Annual Financial Report, only those items of general interest are herein set out.

Assets and Liabilities: (Schedule B) - Assets as of December 31, 1957, totaled \$2,084,496.66, an increase of \$238,936.51 over last year.

Source and Application of Funds: (Schedule C) - The Commission, in 1957, had total receipts of \$409,954.33; disbursed \$377,804.14 and had a cash balance on hand as of December 31, 1957, of \$46,269.39. Of this total, \$53,778.45 was paid in benefits; \$49,055.29 was refunded to members leaving county service; \$254,907.53 was invested for future pension payments; and \$20,066.37 was for miscellaneous disbursements including F. I. C. A. payments of \$12,755.60. This item of \$12,755.60 represented the fourth quarter of F. I. C. A. payment for 1956 and has been taken into account by the actuary in computing the county contribution to the Retirement System.

Investments: (Schedule D and E) - During 1957 the Commission made new investments of \$255,912.79 (par value) bringing the net total investments as of December 31, 1957 to \$2,024,615.75. A breakdown of these investments are shown in Schedule (D). Net earnings of investments (Schedule E) for 1957 were \$66,994.04 or 3.3% based on funds invested at the end of the year. Actual yield in investments according to time of investment would be slightly in excess of this amount.

Employees' Savings: (Schedule F) - During 1957 employee members, by payroll deduction or direct re-payment of contributions previously withdrawn, paid into the Retirement Plan \$137,851.10 and were credited with regular interest of \$17,871.82. After deduction for refunds and transfers to retirement reserve, this left a balance in the members' savings fund of \$745,104.32.

County Contributions: (Schedule G) - The combined contributions of the County General, Road Commission and Southeastern Sewage Disposal System to the Retirement Plan for 1957 was \$149,858.93 of which the county paid \$147,859.93; the Road Commission \$881.00 and Southeastern \$1,118.00. After adjustments, this left a balance in the County Pension Reserve of \$746,160.55.

As computed by the actuary, the 1957 employer contribution was as follows: (Note: The county pays the regular Social Security Taxes in addition to the percentages shown for the 1st \$4200 of county salaries).

	<u>General County</u>	<u>S.O.C.S.D.S.</u>	<u>Road Commission</u>
1st \$4200	4.90%	3.02%	5.69%
Over \$4200	7.64%	5.04%	9.50%

In addition, the Oakland County Board of Supervisors provided from the General Funds of the county \$1,695.48 to cover the total operating costs of the Retirement System.

Conclusion: The actuary's June report for the period July 1, 1956 to June 30, 1957 states that the financing of the Retirement System complies with the provisions of Act III of the Public Acts of 1947 as amended.

SCHEDULE B

County of Oakland Employees' Retirement System

COMPARATIVE BALANCE SHEET

December 31, 1957 and 1956

	<u>December 31, 1957</u>	<u>December 31, 1956</u>	<u>Increase or Decrease *</u>
<u>ASSETS</u>			
Cash in Depository	\$ 46,269.39	\$ 14,123.20	\$ 32,146.19
Investments	\$2,024,615.75	\$1,824,100.89	\$200,514.86
Unamortized Premiums	<u>7,892.34</u>	<u>5,385.63</u>	<u>2,506.71</u>
	\$2,032,508.09	\$1,829,486.52	\$203,021.57
Less: Unamortized Discounts	<u>9,917.16</u>	<u>9,818.20</u>	<u>98.96</u>
Total Investments	\$2,022,590.93	\$1,819,668.32	\$202,922.61
Accrued Interest on Investments	<u>15,636.34</u>	<u>11,768.63</u>	<u>3,867.71</u>
TOTAL ASSETS	<u>\$2,084,496.66</u>	<u>\$1,845,560.15</u>	<u>\$238,936.51</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCES</u>			
Vouchers Payable		\$ 177.72	\$ 177.72*
Accumulated Contributions of Members	<u>\$ 745,104.32</u>	<u>\$ 656,747.71</u>	<u>\$ 88,356.61</u>
Total Members' Reserves	<u>\$ 745,104.32</u>	<u>\$ 656,747.71</u>	<u>\$ 88,356.61</u>
Pension Liabilities - June 30			
Active Members	\$3,914,697.00	\$3,468,655.00	\$446,042.00
Inactive Members	313,680.00	226,302.00	87,378.00
Beneficiaries on Retirement Rolls	<u>579,263.00</u>	<u>431,357.00</u>	<u>147,906.00</u>
	\$4,807,640.00	\$4,126,314.00	\$681,326.00
Less: Amount not provided for	<u>3,468,247.66</u>	<u>2,937,679.28</u>	<u>530,568.38</u>
Pension Reserve Fund Balances	<u>\$1,339,392.34</u>	<u>\$1,188,634.72</u>	<u>\$150,757.62</u>
TOTAL LIABILITIES, RESERVES, AND FUND BALANCES	<u>\$2,084,496.66</u>	<u>\$1,845,560.15</u>	<u>\$238,936.51</u>

SCHEDULE C

Oakland County Employees' Retirement System

COMPARATIVE STATEMENT

Source and Application of Funds

	<u>1957</u>	<u>1956</u>	Increase or <u>Decrease *</u>
Cash Balance - January 1	\$ 14,123.20	\$ 15,633.52	\$ 1,510.32*
Funds Provided:			
Appropriations -			
County - General	\$147,859.93	\$202,260.00	\$ 54,400.07*
County Road	881.00	1,140.00	259.00*
Southeastern Oakland County Sewage Disposal System	1,118.00	1,729.00	611.00*
Employees' Contributions -			
General	136,450.22	152,608.87	16,158.65*
Road Commissioners'	631.98	700.27	68.29*
Southeastern Oakland County Sewage Disposal System	768.90	946.46	177.56*
Principal Payments on Investments --			
Oakland County Drain Orders	1,323.63		1,323.63
F. H. A. Mortgages	53,564.40	37,627.96	15,936.44
Interest Received	66,415.66	57,984.54	8,431.12
Payments on Accrued Interest Purchased	575.57	935.77	360.20*
Amortization of Premiums on Investments	365.04	308.00	57.04
TOTAL RECEIPTS	<u>\$409,954.33</u>	<u>\$456,240.87</u>	<u>\$ 46,286.54*</u>
Total Cash to be Accounted for	\$424,077.53	\$471,874.39	\$ 47,796.86*
Funds Applied:			
Retirement Allowances Paid	\$ 53,778.45	\$ 47,560.52	\$ 6,217.93
Employees' Contributions Refunded	49,055.79	61,488.14	12,432.35*
TOTAL PAYMENTS TO MEMBERS AND BENEFICIARIES	<u>\$102,834.24</u>	<u>\$109,048.66</u>	<u>\$ 6,214.42*</u>
Investments Purchased:			
F. H. A. Mortgages --			
Principal	\$ 15,912.79	\$ 77,763.85	\$ 61,851.06*
Less: Discount	(636.51)	(2,432.13)	1,795.62
Public Utility Bonds	239,631.25	80,000.00	159,631.25
TOTAL INVESTMENTS PURCHASED	<u>\$254,907.53</u>	<u>\$155,331.72</u>	<u>\$ 99,575.81</u>
Other Disbursements:			
Premiums on Investments	\$ 2,871.75	\$ 1,050.50	\$ 1,821.25
Accrued Interest Purchased	544.59	716.07	171.48*
Mortgage Service Charges	3,616.71	3,579.06	37.65
Commission on Bonds Purchased	100.00	87.50	12.50
Postage		.46	.46*
F. I. C. A. Payments - County	12,755.60	103,140.33	90,384.73*
F. I. C. A. Payments - Employees		84,796.89	84,796.89*
1956 Vouchers Payable	177.72		177.72
TOTAL OTHER DISBURSEMENTS	<u>\$ 20,066.37</u>	<u>\$193,370.81</u>	<u>\$173,304.44*</u>
TOTAL DISBURSEMENTS	<u>\$377,808.14</u>	<u>\$457,751.19</u>	<u>\$ 79,943.05*</u>
CASH BALANCE - DECEMBER 31st	<u>\$ 46,269.39</u>	<u>\$ 14,123.20</u>	<u>\$ 32,146.19</u>

SCHEDULE D

Oakland County Employees' Retirement System

INVESTMENT OF FUNDS

For the Year Ended December 31, 1957

	Balance 1-1-57	Purchased During 1957	Investments Liquidated	Balance 12-31-57	Percentage of Total
U. S. Government Bonds	\$ 643,500.00			\$ 643,500.00	31.78%
F. H. A. Mortgages	698,277.26	\$ 15,912.79	\$54,074.30	660,115.75	32.60
Public Utility Bonds	405,000.00	240,000.00		645,000.00	31.86
Industrial Bonds	70,000.00			70,000.00	3.46
School Building Bonds	6,000.00			6,000.00	.30
Oakland County Drain Orders	1,323.63		1,323.63	--0--	
	<u>\$1,824,100.89</u>	<u>\$255,912.79</u>	<u>\$55,397.93</u>	<u>\$2,024,615.75</u>	<u>100.00%</u>

SCHEDULE E

Oakland County Employees' Retirement System

EARNINGS ON INVESTMENTS

For the Year Ended December 31, 1957

Income from Investments:

F. H. A. Mortgages -

Interest

\$ 30,816.74

Amortization of Discount

639.70

\$ 31,456.44

United States Government Bonds

16,579.48

Public Utility Bonds

20,326.63

Industrial Bonds

2,204.87

Oakland County Drain Orders

6.58

School Buildings Bonds

123.00

Sundry Interest Received

13.75

TOTAL INCOME

\$ 70,710.75

Deduct: Expenses --

Mortgage Service Charges

\$ 3,616.71

Commissions on Bonds Purchased

100.00

TOTAL EXPENSES

\$ 3,716.71

NET INCOME

\$ 66,994.04

SCHEDULE F

County of Oakland Employees' Retirement System

COMBINED STATEMENT OF MEMBERS' ANNUITY SAVINGS FUNDS

Period Ended December 31	Members' Contributions Credited	Regular Interest Credited	Members' Contributions Withdrawn	Transfers To Annuity Reserve Fund	Transfers To Retirement Reserve	Balance In Fund End of Year
1946 - 1950	\$ 316,292.65	\$ 12,065.33	\$ 77,894.333	\$ 3,871.00		\$ 246,592.65
1951 - 1955	634,856.37	50,072.77	236,660.77	47,394.13	\$ 213.87	647,253.02
1956	154,369.46	17,065.80	146,576.61	4,027.83	11,336.13	656,747.71
1957	<u>137,851.10</u>	<u>17,871.82</u>	<u>49,055.79</u>	<u>--0--</u>	<u>18,310.52</u>	<u>745,104.32</u>
	<u>\$1,243,369.58</u>	<u>\$ 97,075.72</u>	<u>\$510,187.50</u>	<u>\$ 55,292.96</u>	<u>\$ 29,860.52</u>	<u>\$ 745,104.32</u>

SCHEDULE G

County of Oakland Employees' Retirement System

COMBINED STATEMENT OF PENSION RESERVE FUNDS

Period Ended December 31	County Contributions	Income Credited	Cty. Share Of F.I.C.A. Payments	Transfers to Retirement Reserve Fd.	Pensions Paid	Balance In Fund End of Year
1946 - 1950	\$ 367,269.40	\$ 26,332.08			\$ 23,892.40	\$ 369,709.08
1951 - 1955	659,351.00	117,005.94			110,800.47	1,035,265.55
1956	205,129.00	28,953.22	\$103,140.33	\$470,745.66	19,697.19	675,764.59
1957	<u>149,858.93</u>	<u>28,731.59</u>	<u>12,755.60</u>	<u>95,438.96</u>	<u>--0--</u>	<u>746,160.55</u>
	<u>\$1,381,608.33</u>	<u>\$201,022.83</u>	<u>\$115,895.93</u>	<u>\$566,184.62</u>	<u>\$154,390.06</u>	<u>\$ 746,160.55</u>