

**White Lake Township - Treasurer's Annual Report
For the Year ended December 31, 2017**

Date: May 15, 2018

To: White Lake Twp. Board of Trustees

From: Mike Roman – Treasurer

Subject: 2017 Annual Report

All investments within Township funds are made in accordance with Michigan Public Act 20 per the Township's investment policy. Safety of capital is our foremost objective, followed by liquidity and finally yield.

Per the snapshot of cash and investment balances provided, 17.97% of all balances are federally insured through the FDIC using the CDARS (Certificate of Deposit Account Registry Service) program. The CDARS program allows large sums of cash to be invested across numerous financial institutions while keeping each institution's share at or below the FDIC cap. The Township had another \$1 million in FDIC insured savings and Certificates of Deposit as of 12-31-2017 representing roughly 2.78 % of all balances. Effectively, White Lake Township held 20.75 % of all funds in federally insured investment vehicles as of 12-31-2017.

The Oakland County Treasurer's Department manages a municipal investment pool in which White Lake Township participates. All funds invested within the pool are made in accordance with Public Act 20. As of 12-31-2017, roughly \$13.8 million or 38.28 % of all balances were invested in this program. The average yield paid out by the Oakland County Pool in 2017 was 1.23 %.

Other Township funds are held in Banks and Credit Unions which have received either a four star (excellent) or five star (superior) rating through Bauer Financial Inc. which is an independent bank research firm.

The average yield earned on General Fund, Police, Fire and Building Dept. investments in 2017 was .83 % compared to .36 % last year. Market yield benchmarks are provided and are based on U.S. Treasury Bill yields and national average jumbo deposit yields. We trailed the 13 week U.S. Treasury yield average of .95 % in 2017, but the .83 % yield exceeded the benchmark average yield on the 48 month Jumbo CD average. As always, our Township funds remain extremely liquid with most investments maturing within a 90 day period.

In regard to Legacy costs that affect White Lake Township, we continued funding our OPEB (Other post-employment benefits) liability by transferring \$777,500 to MERS (Municipal Employees Retirement System) in 2017. The OPEB transfers help to fund retiree healthcare obligations of the Township. Total transfers to MERS for OPEB amount to \$1,935,000 through the end of 2017. Our OPEB funds are currently invested in the MERS Total Market Portfolio. The value of these assets as of 12-31-17 amounts to \$ 2,206,896. The activity summary for calendar 2017 is attached along with MERS Total Market Portfolio information that describes this Portfolio's objective, asset breakdown and performance.

I hope this information is helpful to you. If you have any questions or comments, please don't hesitate to contact me at 248-698-3300 (ext. 120) or by email at mroman@whitelaketwp.com.

Respectfully yours,

Mike Roman
White Lake Township Treasurer

