

**BLOOMINGTON FIRE DEPARTMENT
RELIEF ASSOCIATION**

BLOOMINGTON, MINNESOTA

ANNUAL REPORT

For the Year Ended December 31, 2015

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President's Letter

March 2016

Dear BFDRA Members,

Overall, our fund remains in a strong, sustainable position. Investment returns for 2015 were basically flat, with a return for the year of -.42%. This is in line with a -.44% return for the benchmark index that most closely reflects our asset allocation. When combined with our pension payments, the resulting decrease in the fund value brings our funding ratio down 2% to 111%. This offsets a 2% increase in the funding ratio from the previous year.

To maximize our investment performance, we began a search late last year for an independent pension investment consultant. Last month we finalized our selection of The Meketa Group, based in Chicago. In the coming months they will be evaluating all aspects of our investments and making appropriate recommendations.

Our annual audit was just completed and went well once again. There are added rules and regulations every year, and our board officers are doing a great job of keeping up with what is required.

The only change in board members was the addition of Jason Rich at the 2015 annual meeting. Jason was elected by the membership to replace Steve Oberaigner, who served for many years on the board but chose to not seek re-election. Thanks again Steve for your contributions, and thanks to all of you for your continued support of the board.

Sincerely,

A handwritten signature in cursive script that reads "John Bayard".

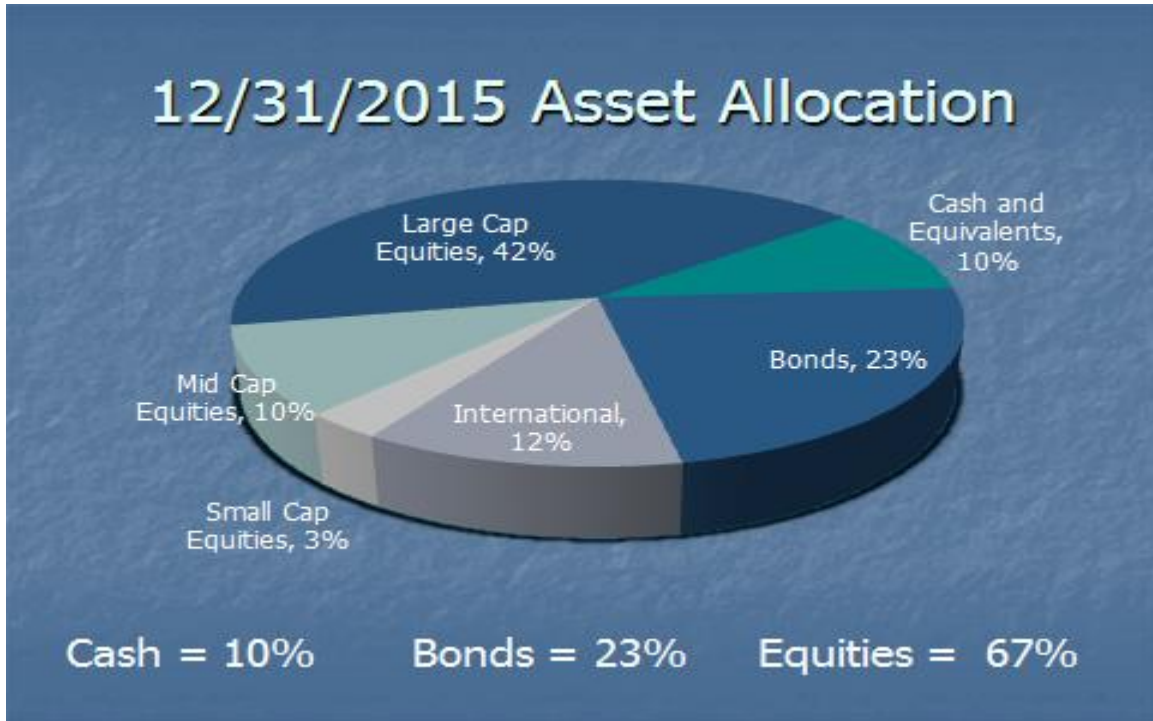
John Bayard
President, BFDRA

Bloomington Fire Department Relief Association

SUMMARY OF CURRENT PLAN PROVISIONS

1. Basic Benefit	One-third of the final average salary of a City of Bloomington police officer of the highest grade, not including officer rank. The final average earning is the average of the monthly pay for such a police officer over the past three years. All benefits under the plan are adjusted annually to reflect changes in police officer salaries.
2. Normal Retirement Benefit	Basic benefit is payable at retirement after attainment of the age of 50 and completion of 20 years of service.
3. Deferred Vested Benefit	After completion of 20 years of service, the basic benefit is payable after attainment of age 50.
4. Disability Benefit	The basic benefit is payable while the member remains disabled. Non-Duty related disability payments are pro-rated based on credited full year(s) of service. Disability is defined as inability to perform the duties of a firefighter.
5. Surviving Spouse Benefit:	On the death of any active or inactive member, 75% of the basic benefit is payable to the surviving spouse for the spouse's remaining lifetime, or until remarriage. For non-duty related deaths, this benefit is pro-rated based on full years of credited service.
6. Children's Benefit	On the death of an active member, 25% of the basic benefit is payable to all surviving children, divided equally, until attainment of age 18. Maximum family benefit is 100% of the basic benefit.
7. Lump Sum Death Benefit	On the death of any active or inactive member, \$500 is payable from the Special Fund, and \$2000 is payable from the General Fund.
8. Membership Dues	Each active member contributes \$144. per year.

Financials



Account	Percent of Total Invested	End Balance 12/31/2015	YTD Return
Union Bank Account	1.33%	\$1,972,326	.04%
ACIO Account	2.96%	\$4,390,638	-4.09%
DSIP Account	2.39%	\$3,543,865	-1.55%
MPMG Account	1.78%	\$2,645,414	-7.18%
GTR Account	1.67%	\$2,475,593	-1.23%
International	.89%	\$1,325,395	-11.64%
MLCD Account	2.05%	\$3,037,500	-.86%
SBI Bond Market Fund	22.81%	\$33,801,133	.54%
SBI Common Index Fund	29.94%	\$44,372,693	1.17%
SBI International Fund	11.11%	\$16,454,418	-3.99%
SBI Growth Fund	15.28%	\$22,648,046	.13%
SBI Money Market Fund	7.79%	\$11,545,832	.14%
Total	100%	\$148,212,853	-.42%