



City of Wyandotte Employees'
Retirement System

**SUMMARY ANNUAL REPORT TO MEMBERS
SEPTEMBER 30, 2019**

Dear Retirement System Members and Retirants:

The Retirement System, which is managed by the Retirement Commission, is designed to help you meet your financial needs should you become disabled, retire or die.

The Retirement Commission's fiduciary responsibility to you is to supervise the general administration of the Pension System and invest its assets. Our Commission retains professional advisors to assist us in fulfilling these duties.

We have prepared this summary report to give you a brief overview of the Pension System and how it operates. We 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 retirement plan and the Retirement Commission's official rules and regulations. Additional information about the System, including the retirement plan and the actuarial valuation, is available in the City Clerk's Office.

Respectfully submitted,

The Retirement Commission
City of Wyandotte Employees' Retirement System

Commissioners

- Christopher Brohl – Department of Municipal Services
- Todd Browning – City Treasurer
- William Harkleroad – Police Department
- Paul LaManes – Department of Municipal Services
- Thomas Lyon – Fire Department
- Kelly Roberts – General City
- Robert Szczechowski – City Council

Retirement System Service Providers

- Gabriel Roeder Smith and Company – Actuary
- William R. Look – Legal Advisor
- Plante Moran – Auditor
- US Bank – Custodial Bank
- Oppenheimer & Co. Inc. – Investment Consultant

Investment Managers

- Alliance Bernstein
- Black Rock
- Brandywine
- Driehaus
- Osterweis
- PGIM
- Wells Fargo
- Vanguard

Statement of Plan Net Position as of September 30, 2019 and September 30, 2018

Assets	<u>2018</u>	<u>2019</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Cash and cash equivalents	\$ 1,415,813	\$ 754,807	\$ (661,006)	(46.7%)
U.S. government securities	0	0	0	0.0%
Common trust funds/Mutual Funds	60,286,647	62,562,250	2,275,603	3.8%
Global equities	2,034,367	0	(2,034,367)	(100.0%)
Global fixed income	<u>2,457,200</u>	<u>2,546,385</u>	<u>89,185</u>	<u>3.6%</u>
Total cash and investments	66,194,027	65,863,442	(330,585)	(0.5%)
Receivables	<u>7,990</u>	<u>318</u>	<u>(7,672)</u>	<u>(96.0%)</u>
Total assets	66,202,017	65,863,760	(338,257)	(0.5%)

Liabilities				
Accounts payable	<u>209</u>	<u>301,838</u>	<u>301,629</u>	<u>144320.1%</u>
Total liabilities	209	301,838	301,629	144320.1%
Net position restricted for pension benefits	\$66,201,808	\$65,561,922	\$ (639,886)	(1.0%)

Statement of Changes in Plan Net Position as of September 30, 2019 and September 30, 2018

	<u>2018</u>	<u>2019</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$ 4,140,794	\$ 2,618,049	\$(1,522,745)	(34.0%)
Contributions	<u>4,285,061</u>	<u>4,151,447</u>	<u>(133,614)</u>	<u>13.1%</u>
Total additions	8,425,855	6,769,496	(1,656,359)	(16.3%)
Deductions				
Benefits	7,148,663	7,255,781	107,118	(3.0%)
Investment-related expenses	<u>231,589</u>	<u>153,601</u>	<u>(77,988)</u>	<u>7.1%</u>
Total deductions	7,380,252	7,409,382	29,130	(2.8%)
Net increase (decrease)	1,045,603	(639,886)	(1,685,489)	(57.8%)
Net position restricted for pension benefits:				
Beginning of year	65,156,205	66,201,808	1,045,603	4.0%
End of year	66,201,808	65,561,922	(639,886)	(1.0%)

Pension - Funded Status as of September 30, 2018 and September 30, 2017

	<u>2017</u>	<u>2018</u>
• Actuarial accrued liabilities	94,868,628	94,418,393
• Applied assets	59,866,848	60,135,383
• % Funded	63.11%	63.69%

Pension System Investment Performance as of 12/31/19 (Net of Fees)

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>7-Years</u>	<u>10-Years</u>
Total Fund Return	18.36%	8.55%	5.81%	5.73%	5.70%

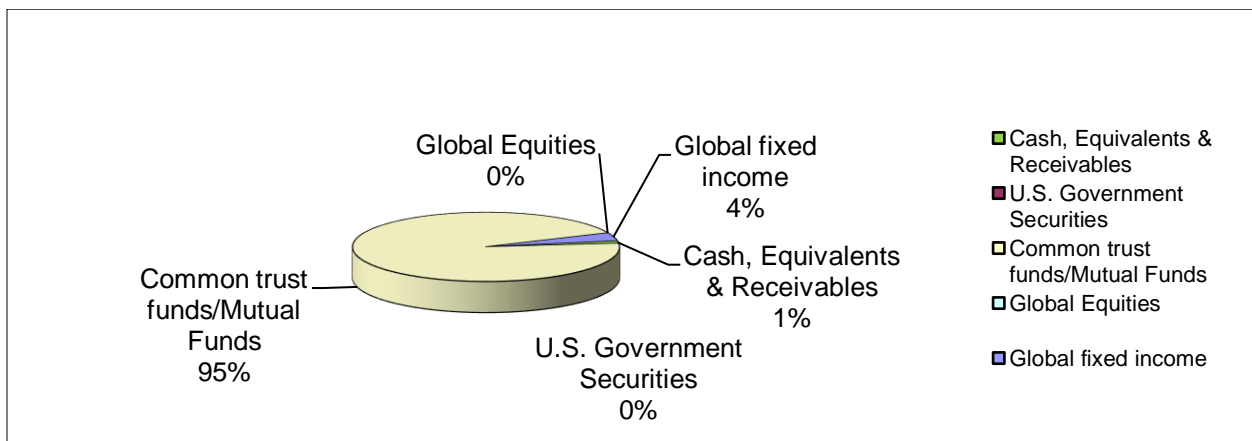
Pension System Revenues and Expenditures as of September 30, 2019

September 30, 2019

1.	Balance – Beginning of year 10/1/18	\$66,201,808
2.	Revenues:	
	a. Employee Contributions	15,256
	b. Employer Contributions	4,136,191
	c. Investment Income (Loss)	<u>2,618,049</u>
	Total Revenues	6,769,496
3.	Expenditures:	
	a. Benefit Payments	7,255,781
	b. Supplemental Pension Distribution	0
	c. Expenses	<u>153,601</u>
	Total Expenditures	7,409,382
4.	Balance – End of Year 9/30/19	\$65,561,922

The Retirement Commission has confirmed that the Retirement System provides for the payment of the required employer contribution and the employer contributions shown above represent the required employer contribution for the year covered. The System had \$0.00 of “soft dollar” expenditures.

Pension Investments as of September 30, 2019



Pension Actuarial Valuation Information as of September 30, 2018

• Active Members	49
• Number of Retirees/Beneficiaries	309
• Average Annual Retirement Allowance	\$23,485
• Total Annual Retirement Allowance	\$7,256,742
• Valuation Payroll	\$3,597,081
• Employer's Normal Cost as % Valuation Payroll	13.55%
• Employer's Contribution Rate beginning 10/1/19:	
○ General	75.61
○ Police/Fire	127.90
○ Municipal Service	81.72
• Weighted Average of Member Contributions	0.40%
• Actuarial Assumed Rate of Investment Return	7.00%
• Actuarial Assumed Rate of Long-term Wage Inflation	3.00%
• Smoothing Method Utilized	4-Year Smoothed Market
• Amortization Method Utilized	Level Dollar
• Amortization Period Remaining:	
○ General	11 years
○ Police/Fire	98years
○ Municipal Services	16 years
○ Municipal Services	5 years
• Actuarial Cost Method Utilized	Entry Age
• System Membership Status	Closed

Retiree Health Care

Retiree Health Care Service Providers

- Gabriel Roeder Smith and Company – Actuary
- William R. Look – Legal Advisor
- Plante Moran – Auditor
- Morgan Stanley Smith Barney LLC – Custodial Bank, Investment Consultant

Statement of Plan Net Position as of September 30, 2019 and September 30, 2018

	<u>2018</u>	<u>2019</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Assets				
Cash and cash equivalents	\$ 80,290	\$ 72,179	\$ (8,111)	(10.1%)
U.S. government securities	116,052	185,150	69,098	59.5%
Common trust funds/Mutual Funds	2,310,404	2,379,182	68,778	3.0%
Global equities	0	0	0	0.0%
Global fixed income	<u>167,278</u>	<u>119,400</u>	<u>(47,878)</u>	<u>(28.6%)</u>
Total cash and investments	2,674,024	2,755,911	81,887	3.1%
Receivables	<u>0</u>	<u>1,368</u>	<u>1,368</u>	<u>100.0%</u>
Total assets	2,674,024	2,757,279	83,255	3.1%
Liabilities				
Accounts payable	<u>450,300</u>	<u>627,988</u>	<u>177,688</u>	<u>39.5%</u>
Total liabilities	450,300	627,988	177,688	39.5%
Net position restricted for health care benefits	\$ 2,223,724	\$ 2,129,291	\$ (94,433)	(4.2%)

Statement of Changes in Plan Net Position as of September 30, 2019 and September 30, 2018

	<u>2018</u>	<u>2019</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$ 131,841	\$ 98,064	\$ (33,777)	(25.6%)
Contributions	<u>3,679,182</u>	<u>3,689,633</u>	<u>10,451</u>	<u>0.3%</u>
Total additions	3,811,023	3,787,697	(23,326)	(0.6%)
Deductions				
Health Benefits	3,928,849	3,850,264	(78,585)	(2.0%)
Investment-related expenses	<u>16,458</u>	<u>31,866</u>	<u>15,408</u>	<u>93.6%</u>
Total deductions	3,945,307	3,882,130	(63,177)	(1.6%)

Net increase (decrease)	(134,284)	(94,433)	39,851	(29.7%)
Net position restricted for pension benefits:				
Beginning of year	2,358,008	2,223,724	134,284	(5.7%)
End of year	2,223,724	2,129,291	(94,433)	(4.2%)

Retiree Health Care - Funded Status as of September 30, 2017 and September 30, 2015

	<u>2015</u>	<u>2017</u>
• Actuarial accrued liabilities	129,130,793	67,274,481
• Applied assets	2,138,550	2,358,008
• % Funded	1.7%	3.5%

Retiree Health Care Investment Performance as of 12/31/19 (Net of Fees)

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>7-Years</u>	<u>10-Years</u>
Total Fund Return	19.89%	8.07%	4.99%	4.57%	5.25%

Retiree Health Care Revenues and Expenditures as of September 30, 2019

		<u>September 30, 2019</u>
1.	Balance – Beginning of year 10/1/18	\$ 2,223,724
2.	Revenues:	
a.	Employee Contributions	0
b.	Employer Contributions	3,689,633
c.	Investment Income (Loss)	<u>98,064</u>
	Total Revenues	3,787,697
3.	Expenditures:	
a.	Health Benefit Payments	3,850,264
b.	Expenses	<u>31,866</u>
	Total Expenditures	3,882,130
4.	Balance – End of Year 9/30/19	\$ 2,129,291

Retiree Health Care Investments as of September 30, 2019

