



City of Wyandotte Employees'
Retirement System

**SUMMARY ANNUAL REPORT TO MEMBERS
SEPTEMBER 30, 2020**

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
- Driehaus
- Osterweis
- PGIM
- Vanguard

Statement of Plan Net Position as of September 30, 2020 and September 30, 2019

Assets	<u>2019</u>	<u>2020</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Cash and cash equivalents	\$ 754,807	\$ 606,016	\$ (148,791)	(19.7%)
U.S. government securities	0	0	0	0.0%
Common trust funds/Mutual Funds	62,562,250	70,416,872	7,854,622	12.6%
Global equities	0	0	0	0.0%
Global fixed income	<u>2,546,385</u>	<u>0</u>	<u>(2,546,385)</u>	<u>(100.0%)</u>
Total cash and investments	65,863,442	71,022,888	5,159,446	7.8%
Receivables	<u>318</u>	<u>0</u>	<u>(318)</u>	<u>(100.0%)</u>
Total assets	65,863,760	71,022,888	5,159,128	7.8%

Liabilities				
Accounts payable	<u>301,838</u>	<u>13,900</u>	<u>(287,938)</u>	<u>(95.4%)</u>
Total liabilities	301,838	13,900	(287,938)	(95.4%)
Net position restricted for pension benefits	\$65,561,922	\$71,008,988	\$ 5,447,066	8.3%

Statement of Changes in Plan Net Position as of September 30, 2020 and September 30, 2019

	<u>2019</u>	<u>2020</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$ 2,618,049	\$ 6,146,417	\$ 3,528,368	134.8%
Contributions	<u>4,151,447</u>	<u>6,695,254</u>	<u>2,543,507</u>	<u>61.3%</u>
Total additions	6,769,496	12,841,671	6,072,175	89.7%
Deductions				
Benefits	7,255,781	7,261,997	6,216	0.1%
Investment-related expenses	<u>153,601</u>	<u>132,608</u>	<u>(20,993)</u>	<u>(13.7%)</u>
Total deductions	7,409,382	7,394,605	(14,777)	(0.2%)
Net increase (decrease)	(639,886)	5,447,066	6,086,952	(951.3%)
Net position restricted for pension benefits:				
Beginning of year	66,201,808	65,561,922	(639,886)	(1.0%)
End of year	65,561,922	71,008,988	5,447,066	8.3%

Pension - Funded Status as of September 30, 2019 and September 30, 2018

	<u>2018</u>	<u>2019</u>
• Actuarial accrued liabilities	94,418,393	93,488,384
• Applied assets	60,135,383	61,637,030
• % Funded	63.69%	65.93%

Pension System Investment Performance as of 12/31/20 (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	14.39%	8.65%	9.17%	6.53%	6.02%

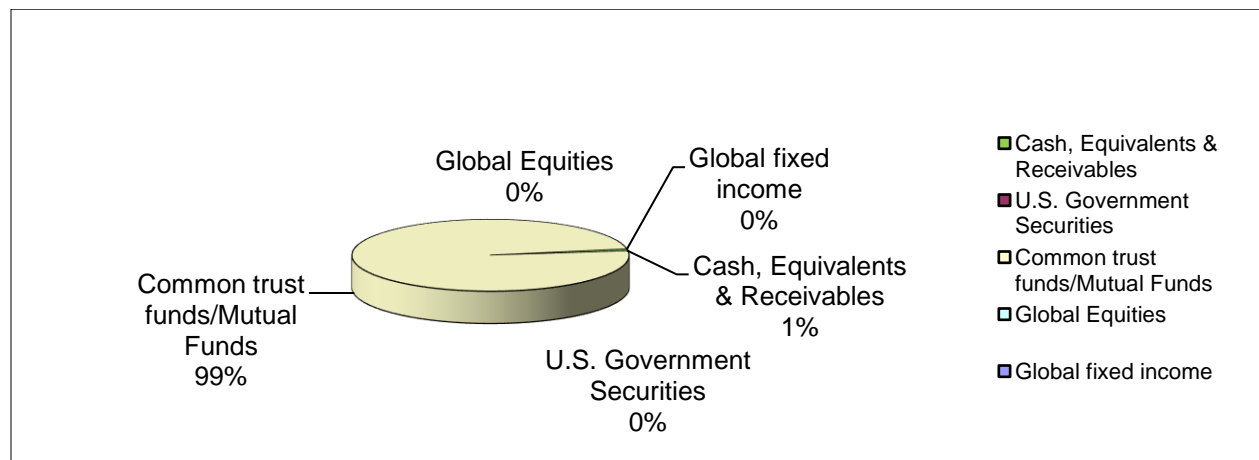
Pension System Revenues and Expenditures as of September 30, 2020

September 30, 2020

1.	Balance – Beginning of year 10/1/19	\$65,561,922
2.	Revenues:	
	a. Employee Contributions	2,289,009
	b. Employer Contributions	4,406,245
	c. Investment Income (Loss)	<u>6,146,417</u>
	Total Revenues	12,841,671
3.	Expenditures:	
	a. Benefit Payments	7,261,997
	b. Supplemental Pension Distribution	0
	c. Expenses	<u>132,608</u>
	Total Expenditures	7,394,605
4.	Balance – End of Year 9/30/20	\$71,008,988

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, 2020



Pension Actuarial Valuation Information as of September 30, 2019

• Active Members	46
• Number of Retirees/Beneficiaries	299
• Average Annual Retirement Allowance	\$24,212
• Total Annual Retirement Allowance	\$7,239,262
• Valuation Payroll	\$3,448,357
• Employer's Normal Cost as % Valuation Payroll	13.47%
• Employer's Contribution Rate beginning 10/1/20:	
○ General	75.61
○ Police/Fire	127.90
○ Municipal Service	89.91
• Weighted Average of Member Contributions	0.43%
• 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	10 years
○ Police/Fire	7 years
○ Municipal Services	15 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, 2020 and September 30, 2019

	<u>2019</u>	<u>2020</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Assets				
Cash and cash equivalents	\$ 72,179	\$ 219,821	\$ 147,642	204.5%
U.S. government securities	185,150	174,383	(10,767)	(5.8%)
Common trust funds/Mutual Funds	2,379,182	2,502,218	123,036	5.2%
Global equities	0	0	0	0.0%
Global fixed income	<u>119,400</u>	<u>146,504</u>	<u>27,104</u>	<u>22.7%</u>
Total cash and investments	2,755,911	3,042,926	287,015	10.4%
Receivables	<u>1,368</u>	<u>0</u>	<u>(1,368)</u>	<u>100.0%</u>
Total assets	2,757,279	3,042,926	285,647	10.4%
Liabilities				
Accounts payable	<u>627,988</u>	<u>841,503</u>	<u>213,515</u>	<u>34.0%</u>
Total liabilities	627,988	841,503	213,515	34.0%
Net position restricted for health care benefits	\$ 2,129,291	\$ 2,201,423	\$ 72,132	3.4%

Statement of Changes in Plan Net Position as of September 30, 2020 and September 30, 2019

	<u>2019</u>	<u>2020</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$ 98,064	\$ 161,096	\$ 63,032	64.3%
Contributions	<u>3,689,633</u>	<u>3,887,143</u>	<u>197,510</u>	<u>5.4%</u>
Total additions	3,787,697	4,048,239	260,542	6.9%
Deductions				
Health Benefits	3,850,264	3,944,708	94,444	2.5%
Investment-related expenses	<u>31,866</u>	<u>31,399</u>	<u>(467)</u>	<u>(1.5%)</u>
Total deductions	3,882,130	3,976,107	93,977	2.4%

Net increase (decrease)	(94,433)	72,132	166,565	(176.4%)
Net position restricted for pension benefits:				
Beginning of year	2,223,724	2,129,291	(94,433)	(4.2%)
End of year	2,129,291	2,201,423	72,132	3.4%

Retiree Health Care - Funded Status as of September 30, 2019 and September 30, 2017

	<u>2017</u>	<u>2019</u>
• Actuarial accrued liabilities	67,274,481	72,639,651
• Applied assets	2,358,008	2,129,291
• % Funded	3.50%	2.93%

Retiree Health Care Investment Performance as of 12/31/20 (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	11.50%	6.76%	7.27%	4.92%	4.91%

Retiree Health Care Revenues and Expenditures as of September 30, 2020

		<u>September 30, 2020</u>
1.	Balance – Beginning of year 10/1/19	\$ 2,129,291
2.	Revenues:	
a.	Employee Contributions	0
b.	Employer Contributions	3,887,143
c.	Investment Income (Loss)	<u>161,096</u>
	Total Revenues	4,048,239
3.	Expenditures:	
a.	Health Benefit Payments	3,944,708
b.	Expenses	<u>31,399</u>
	Total Expenditures	3,976,107
4.	Balance – End of Year 9/30/20	\$ 2,201,423

Retiree Health Care Investments as of September 30, 2020

