



City of Wyandotte Employees'
Retirement System

SUMMARY ANNUAL REPORT TO MEMBERS
SEPTEMBER 30, 2022

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, 2022 and September 30, 2021

Assets	<u>2021</u>	<u>2022</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Cash and cash equivalents	\$ 1,060,157	\$ 1,002,594	\$ (57,563)	(5.4%)
U.S. government securities	0	0	0	0.0%
Common trust funds/Mutual Funds	80,207,342	63,336,213	(16,871,129)	(21.0%)
Global equities	0	0	0	0.0%
Global fixed income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total cash and investments	81,267,499	64,338,807	(16,928,692)	(20.8%)
Receivables	<u>4</u>	<u>1,479</u>	<u>1,475</u>	<u>36875.0%</u>
Total assets	81,267,503	64,340,286	(16,927,217)	(20.8%)

Liabilities				
Accounts payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total liabilities	0	0	0	0.0%
Net position restricted for pension benefits	\$81,267,503	\$64,340,286	(\$16,927,217)	(20.8%)

Statement of Changes in Plan Net Position as of September 30, 2022 and September 30, 2021

	<u>2021</u>	<u>2022</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$13,201,948	\$(13,411,410)	\$(26,613,358)	(201.6%)
Contributions	<u>4,595,802</u>	<u>4,195,024</u>	<u>(400,778)</u>	<u>(8.7%)</u>
Total additions	17,797,750	(9,216,386)	(27,014,136)	(151.8%)
Deductions				
Benefits	7,384,761	7,555,804	171,043	2.3%
Investment-related expenses	<u>154,474</u>	<u>155,027</u>	<u>553</u>	<u>0.4%</u>
Total deductions	7,539,235	7,710,831	171,596	2.3%
Net increase (decrease)	10,258,515	(16,927,217)	(27,185,732)	(265.0%)
Net position restricted for pension benefits:				
Beginning of year	71,008,988	81,267,503	10,258,515	14.4%
End of year	81,267,503	64,340,286	(16,927,217)	(20.8%)

Pension - Funded Status as of September 30, 2022 and September 30, 2021

	<u>2021</u>	<u>2022</u>
• Actuarial accrued liabilities	95,012,898	94,172,184
• Applied assets	70,274,455	69,965,011
• % Funded	73.96%	74.29%

Pension System Investment Performance as of 12/31/22 (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	-16.02%	2.54%	3.87%	5.57%	4.76%

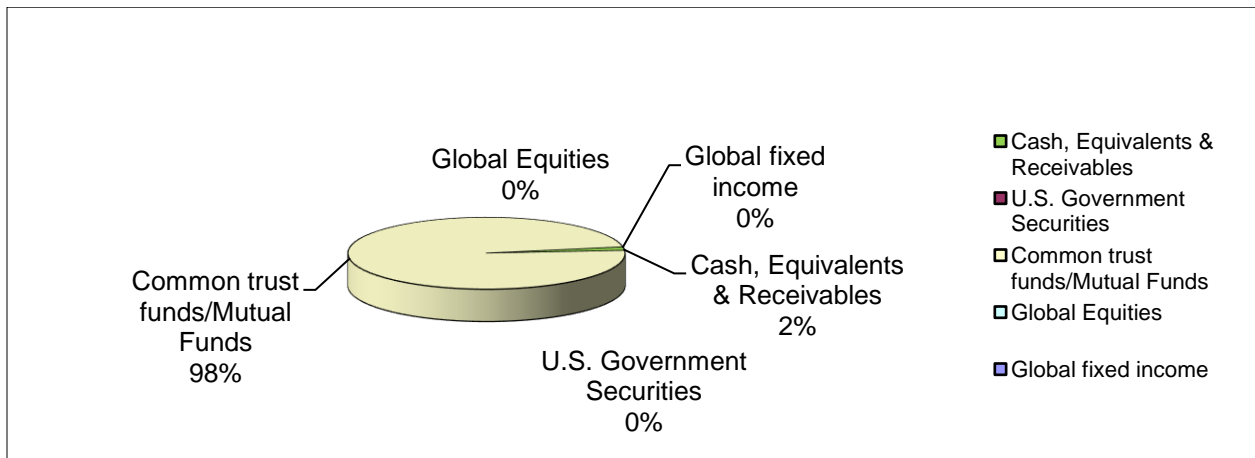
Pension System Revenues and Expenditures as of September 30, 2022

September 30, 2022

1.	Balance – Beginning of year 10/1/21	\$81,267,503
2.	Revenues:	
	a. Employee Contributions	100,160
	b. Employer Contributions	4,094,864
	c. Investment Income (Loss)	<u>(13,411,410)</u>
	Total Revenues	(9,216,386)
3.	Expenditures:	
	a. Benefit Payments	7,555,804
	b. Supplemental Pension Distribution	0
	c. Expenses	<u>155,027</u>
	Total Expenditures	7,710,831
4.	Balance – End of Year 9/30/22	\$64,340,286

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, 2022



Pension Actuarial Valuation Information as of September 30, 2022

• Active Members	55
• Number of Retirees/Beneficiaries	304
• Average Annual Retirement Allowance	\$25,113
• Total Annual Retirement Allowance	\$7,634,458
• Valuation Payroll	\$4,015,946
• Employer's Normal Cost as % Valuation Payroll	10.68%
• Employer's Contribution Rate beginning 10/1/22:	
○ General	75.61
○ Police/Fire	127.90
○ Municipal Service	71.17
• Weighted Average of Member Contributions	2.70%
• 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	7 years
○ Police/Fire	4 years
○ Municipal Services	12 years
○ Police DB-2	18 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, 2022 and September 30, 2021

	<u>2021</u>	<u>2022</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Assets				
Cash and cash equivalents	\$ 274,913	\$ 270,345	\$ (4,568)	(1.7%)
U.S. government securities	129,657	150,694	21,037	16.2%
Common trust funds/Mutual Funds	3,048,023	2,490,084	(557,939)	(18.3%)
Global equities	0	0	0	0.0%
Global fixed income	<u>138,684</u>	<u>90,556</u>	<u>(48,128)</u>	<u>(34.7%)</u>
Total cash and investments	3,591,277	3,001,679	(589,598)	(16.4%)
Receivables	<u>1,075</u>	<u>10,579</u>	<u>9,504</u>	<u>884.1%</u>
Total assets	3,592,352	3,012,258	(580,094)	(16.1%)
Liabilities				
Accounts payable	<u>597,671</u>	<u>249,596</u>	<u>(348,075)</u>	<u>(58.2%)</u>
Total liabilities	597,671	249,596	(348,075)	(58.2%)
Net position restricted for health care benefits	\$ 2,994,681	\$ 2,762,662	\$ (232,019)	(7.7%)

Statement of Changes in Plan Net Position as of September 30, 2022 and September 30, 2021

	<u>2021</u>	<u>2022</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	\$ 518,456	\$ (549,283)	\$(1,067,739)	(205.9%)
Contributions	<u>3,904,109</u>	<u>4,100,955</u>	<u>196,846</u>	<u>5.0%</u>
Total additions	4,422,565	3,551,672	(870,893)	(19.7%)
Deductions				
Health Benefits	3,603,642	3,748,254	144,612	4.0%
Investment-related expenses	<u>25,665</u>	<u>35,437</u>	<u>9,772</u>	<u>38.1%</u>
Total deductions	3,629,307	3,783,691	154,384	4.3%

Net increase (decrease)	793,258	(232,019)	(1,025,277)	(129.2%)
Net position restricted for pension benefits:				
Beginning of year	2,201,423	2,994,681	793,258	36.0%
End of year	2,994,681	2,762,662	(232,019)	(7.7%)

Retiree Health Care - Funded Status as of September 30, 2021 and September 30, 2019

	<u>2019</u>	<u>2021</u>
• Actuarial accrued liabilities	72,639,651	57,824,257
• Applied assets	2,129,291	2,994,681
• % Funded	2.93%	5.17%

Retiree Health Care Investment Performance as of 12/31/22 (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	-14.24%	1.66%	2.77%	4.25%	3.37%

Retiree Health Care Revenues and Expenditures as of September 30, 2022

		<u>September 30, 2022</u>
1.	Balance – Beginning of year 10/1/21	\$ 2,994,681
2.	Revenues:	
a.	Employee Contributions	0
b.	Employer Contributions	4,100,955
c.	Investment Income (Loss)	<u>(549,283)</u>
	Total Revenues	3,551,672
3.	Expenditures:	
a.	Health Benefit Payments	3,748,254
b.	Expenses	<u>35,437</u>
	Total Expenditures	3,783,691
4.	Balance – End of Year 9/30/22	\$ 2,762,662

Retiree Health Care Investments as of September 30, 2022

