



City of Wyandotte Employees'  
Retirement System

**SUMMARY ANNUAL REPORT TO MEMBERS  
SEPTEMBER 30, 2016**

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
- Donald Schultz – City Council

## Retirement System Service Providers

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

## Investment Managers

- Alliance Bernstein – Equity
- Brandywine – Global Fixed Income
- Invesco Management – Fixed Income
- Lazard – Emerging Markets
- Wells Fargo – Absolute Return
- Vanguard – Value/Growth/Equity/International

## Statement of Plan Net Position as of September 30, 2016 and September 30, 2015

	<u>2015</u>	<u>2016</u>	<u>Change from Prior Year</u>	
			<u>In Dollars</u>	<u>As %</u>
Assets				
Cash and cash equivalents	\$ 1,778,262	\$ 1,682,559	\$ (95,703)	( 5.4%)
U.S. government securities	9,995,300	12,523,077	2,527,777	25.3%
Common trust funds/Mutual Funds	20,691,587	36,196,859	15,505,272	74.9%
Global equities	22,331,659	1,306,215	(21,025,444)	(94.2%)
Global fixed income	<u>6,208,696</u>	<u>10,745,749</u>	<u>4,537,053</u>	<u>73.1%</u>
Total cash and investments	61,005,504	62,454,459	1,448,955	2.4%
Receivables	<u>260,202</u>	<u>227,725</u>	<u>(32,477)</u>	<u>(12.5%)</u>
Total assets	61,265,706	62,682,184	1,416,478	2.3%

Liabilities				
Accounts payable	<u>18,450</u>	<u>2,000</u>	<u>(16,450)</u>	<u>(89.2%)</u>
Total liabilities	18,450	2,000	(16,450)	(89.2%)
<b>Net position restricted for pension benefits</b>	<b>\$61,247,256</b>	<b>\$62,680,184</b>	<b>\$1,432,928</b>	<b>2.3%</b>

**Statement of Changes in Plan Net Position as of September 30, 2016 and September 30, 2015**

	<u>2015</u>	<u>2016</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	(\$1,999,253)	\$5,187,563	\$7,186,816	359.5%
Contributions	<u>3,602,797</u>	<u>3,718,899</u>	<u>116,102</u>	<u>3.2%</u>
Total additions	1,603,544	8,906,462	7,302,918	455.4%
Deductions				
Benefits	6,536,096	7,245,135	709,039	10.8%
Investment-related expenses	<u>317,293</u>	<u>228,399</u>	<u>(88,894)</u>	<u>(28.0%)</u>
Total deductions	6,853,389	7,473,534	620,145	9.0%
Net increase (decrease)	(5,249,845)	1,432,928	6,682,773	127.3%
Net position restricted for pension benefits:				
Beginning of year	66,497,101	61,247,256	(5,249,845)	(7.9%)
<b>End of year</b>	<b>61,247,256</b>	<b>62,680,184</b>	<b>1,432,928</b>	<b>2.3%</b>

**Pension - Funded Status as of September 30, 2015 and September 30, 2014**

	<u>2014</u>	<u>2015</u>
• Actuarial accrued liabilities	93,283,295	94,705,990
• Applied assets	61,485,855	61,349,335
• % Funded	65.91%	64.77%

**Pension System Investment Performance as of 12/31/16 (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	5.99%	2.10%	4.65%	4.50%	3.53%

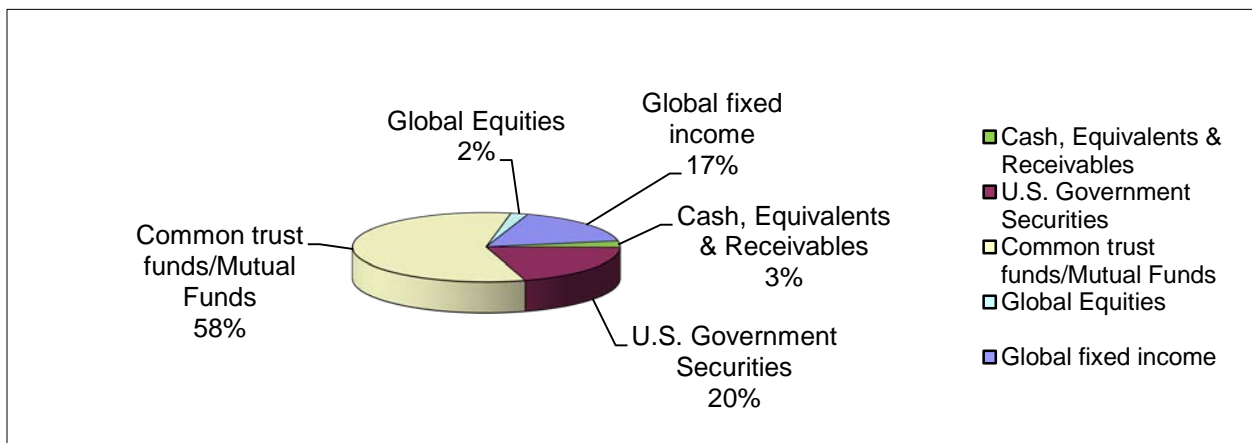
**Pension System Revenues and Expenditures as of September 30, 2016**

September 30, 2016

1.	Balance – Beginning of year 10/1/15	\$61,247,256
2.	Revenues:	
	a. Employee Contributions	19,285
	b. Employer Contributions	3,699,614
	c. Investment Income (Loss)	<u>5,187,563</u>
	Total Revenues	8,906,462
3.	Expenditures:	
	a. Benefit Payments	7,021,860
	b. Supplemental Pension Distribution	223,275
	c. Expenses	<u>228,399</u>
	Total Expenditures	7,473,534
4.	Balance – End of Year 9/30/16	\$62,680,184

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, 2016**



**Pension Actuarial Valuation Information as of September 30, 2015**

• Active Members	63
• Number of Retirees/Beneficiaries	300
• Average Annual Retirement Allowance	\$23,021
• Total Annual Retirement Allowance	\$6,906,439
• Valuation Payroll	\$4,038,704
• Employer's Normal Cost as % Valuation Payroll	14.10%
• Employer's Contribution Rate beginning 10/1/16:	
○ General	75.61
○ Police/Fire	127.90
○ Municipal Service	40.50
• Weighted Average of Member Contributions	0.52%
• 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	14 years
○ Police/Fire	11 years
○ Municipal Services	19 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, 2016 and September 30, 2015

	<u>2015</u>	<u>2016</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Assets				
Cash and cash equivalents	\$ 6,385	\$ 21,079	\$ 14,694	230.1%
U.S. government securities	101,738	106,709	4,971	4.9%
Common trust funds/Mutual Funds	1,689,990	1,658,570	(31,420)	(1.9%)
Global equities	164,208	356,055	191,847	116.8%
Global fixed income	<u>176,546</u>	<u>181,549</u>	<u>5,003</u>	<u>2.8%</u>
Total cash and investments	2,138,867	2,323,962	185,095	8.7%
Receivables	<u>40,394</u>	<u>0</u>	<u>(40,394)</u>	<u>(100.0%)</u>
Total assets	2,179,261	2,323,962	144,701	6.6%
Liabilities				
Accounts payable	<u>212,932</u>	<u>82,768</u>	<u>(130,164)</u>	<u>(61.1%)</u>
Total liabilities	212,932	82,768	(130,164)	(61.1%)
<b>Net position restricted for health care benefits</b>	<b>\$ 1,966,329</b>	<b>\$ 2,241,194</b>	<b>\$ 274,865</b>	<b>14.0%</b>

### Statement of Changes in Plan Net Position as of September 30, 2016 and September 30, 2015

	<u>2015</u>	<u>2016</u>	Change from Prior Year	
			<u>In Dollars</u>	<u>As %</u>
Additions				
Net investment income (loss)	(\$134,889)	\$ 177,664	\$ 312,553	231.7%
Contributions	<u>3,924,476</u>	<u>3,802,672</u>	<u>(121,804)</u>	<u>(3.1%)</u>
Total additions	3,789,587	3,980,336	190,749	5.0%
Deductions				
Health Benefits	3,539,951	3,705,471	165,520	4.7%
Investment-related expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total deductions	3,539,951	3,705,471	165,520	4.7%

Net increase (decrease)	249,636	274,865	25,229	(10.1%)
Net position restricted for pension benefits:				
Beginning of year	1,716,693	1,966,329	249,636	14.5%
<b>End of year</b>	<b>1,966,329</b>	<b>2,241,194</b>	<b>274,865</b>	<b>14.0%</b>

**Retiree Health Care - Funded Status as of September 30, 2013 and September 30, 2011**

	<u>2011</u>	<u>2013</u>
• Actuarial accrued liabilities	81,547,345	97,950,537
• Applied assets	1,862,556	2,161,623
• % Funded	2.3%	2.2%

**Retiree Health Care Investment Performance as of 12/31/16 (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	3.99%	1.03%	4.49%	4.68%	n/a

**Retiree Health Care Revenues and Expenditures as of September 30, 2016**

	<u>September 30, 2016</u>
1. Balance – Beginning of year 10/1/15	\$ 1,966,329
2. Revenues:	
a. Employee Contributions	0
b. Employer Contributions	3,802,672
c. Investment Income (Loss)	<u>177,664</u>
Total Revenues	3,980,336
3. Expenditures:	
a. Health Benefit Payments	3,705,471
b. Expenses	<u>0</u>
Total Expenditures	3,705,471
4. Balance – End of Year 9/30/16	\$ 2,241,194

**Retiree Health Care Investments as of September 30, 2016**

