

City of Dearborn Heights Police and Fire Retirement System – Act #345  
 Summary Annual Report  
 December 31, 2020

**INFORMATION**

Name:	City of Dearborn Heights Act #345 Police and Fire Pension System
Board of Trustees:	Harold Dalton (Mayor Appointee), John J. Riley II (Mayor Appointee), Mark Meyers (Police), Eric Walsh (Fire), Lisa Hick-Clayton (City Treasurer)
Custodial Bank:	Comerica Bank
Investment Consultant:	Morgan Stanley – Steven Riga
Investment Managers:	See Exhibit A
Attorney:	VanOverbeke, Michaud & Timmony – Thomas Michaud
Actuary:	Gabriel, Roeder Smith & Company
Auditors:	Plante Moran
Administrator:	John J. Riley II, Plan Administrator
Medical Director:	Consulting Physicians

**SYSTEM'S ASSETS AND LIABILITIES**

	<u>6/30/19</u>	<u>6/30/20</u>
Actuarial Value of Assets	\$187,645,667	\$189,174,833
Actuarial Accrued Liabilities	\$217,620,547	\$228,681,604
Unfunded Accrued Liability	\$ 29,974,880	\$ 39,506,771

**SYSTEM'S FUNDED RATIO**

Valuation assets to actuarial accrued liabilities: 82.72%

**SYSTEM'S INVESTMENT PERFORMANCE**

14.20%	1 year
8.58%	3 years
10.23%	5 years
7.56%	7 years
8.25%	10 years

**SYSTEM'S ADMINISTRATIVE & INVESTMENT EXPENSES AND BUDGET**

	Expenses <u>6/30/20</u>	Budget <u>6/30/21</u>
Professional & Consultant	\$429,257	\$519,200
Commission Fee	\$ 000	\$ 35,000
Education	\$ 2,410	\$ 15,000
Dues/Membership	\$ 660	\$ 500
Office Supplies	<u>\$ 000</u>	<u>\$ 300</u>
	\$432,327	\$570,000

## ACTUARIAL INFORMATION

### Membership

Active members:	109
DROP members:	26
Retirees and beneficiaries:	242
Inactive Vested Members	1

### Benefits

Average annual retirement allowance:	\$ 44,877.47
Total annual retirement pensions being paid (6/30/19):	\$10,860,348

### Contributions

Valuation projected payroll:	\$8,878,186
Employer's normal cost of benefits as a percentage of valuation payroll:	24.12%
Weighted average employee contribution rate:	5.55%
Estimated employer's total contribution rate as a percentage of valuation payroll:	52.73%

### Assumptions

Assumed rate of investment return:	7.0%
Assumed rate of long-term wage inflation:	3.0%
Smoothing method used to determine the funding value of assets:	5 years
Amortization method used for funding value of assets:	Level percent of pay
Amortization period:	18 years
Actuarial cost method:	Individual entry age

System is still open to new Police and Fire Employees.

City of Dearborn Heights  
Police & Fire Retirement Systems  
Investment Managers  
12/31/2020

Mutual Funds

Loomis Sayles Core Bond  
Virtus Seix Total Return Bond  
Silvant Capital Management – Large Cap Growth  
Reinhart Partners Mid-Cap Value  
Reinhart Partners Intermediate Bond Fund  
Anchor Capital Advisors – Mid-Cap Value  
Columbus Circle Investors – Mid-Cap Growth  
Alliance Bernstein QUASAR Small Cap Growth  
Aberdeen Realty Income & Growth  
Delaware Emerging Markets – I  
Deutsche Real Estate Securities Inc.  
Invesco Oppenheimer International Bond Fund  
Invesco Oppenheimer International Mid-Small Co Fund  
Federated Hermes International Growth Funds Inc.  
Pear Tree Group Funds – Foreign Value – I  
Fidelity International Small Cap  
Teton Westwood Mighty Mites Fund  
Delaware Group Small Cap Value Fund  
Robeco Boston Partners Small Cap Value Fund  
Goldman Sachs MLP & Energy  
Salient MLP & Energy Infrastructure Fund  
Putnam Diversified Income Trust  
Columbia Overseas Value  
Goldman Sachs Emerging Market Equity  
Legg Mason/Clearbridge Small Cap Growth  
John Hancock Strategic Income  
TCW Emerging Markets Income  
Ashmore Emerging Markets Small Cap  
Ashmore Emerging Markets Corp. Bond  
Ashmore Emerging Markets Total Return Bond  
American Funds Europacific Growth  
John Hancock International Growth  
American Century Emerging Markets Fund  
Eaton Vance Floating Rate Advantage – I  
AIG Focused Dividend Strategy W (FDSWX)

ETFs

I Shares Morningstar Small Value Index Fund  
First Trust Value Line Dividend  
First Trust Rising Dividend  
Spdr DJWilshire Small Cap Value  
Wisdomtree Tr Emerging Markets Small Cap Dividend  
Wisdomtree Total Dividend  
Vanguard High Dividend  
Invesco PowerShares KBW High Dividend Financials

ALTERNATIVE INVESTMENTS

Blackrock Special Credit Opportunities  
Bloomfield Capital II & III & V  
Terracap Partners III & IV  
Neuberger Berman Private Debt  
Carlyle Metropolitan Real Estate Partners  
Petershill IV  
ALKEON – ACAP Strategic Fund